

2020-806 AUDIT SCOPE AND OBJECTIVES

Local High Risk—City of West Covina

The audit by the California State Auditor will provide independently developed and verified information related to West Covina. The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Evaluate West Covina's current financial condition and ability to meet its short-term and long-term financial obligations, while continuing to provide services to its residents.
3. Identify the causes of West Covina's financial challenges and determine whether the city has developed an adequate plan for addressing those challenges. This will include assessing the city's efforts to improve its financial condition by increasing revenues and reducing expenses.
4. Determine whether West Covina's budgeting processes comply with best practices. In addition, evaluate the city's procedures and underlying assumptions for projecting future revenues and expenditures, and determine whether they result in balanced budgets and accurate financial forecasts.
5. Assess West Covina's process for setting, increasing, or decreasing fees or rates to ensure that it complies with applicable laws, rules, regulations, and best practices. For a selection of these fees and rates, determine whether they cover the city's costs of providing services.
6. Examine West Covina's efforts to fill key management and staff positions and maintain organizational and leadership continuity within city operations.
7. Evaluate West Covina's efforts to address the deficiencies the State Controller's Office identified in its 2015 report.
8. Review and assess any other issues that are significant to the audit.