

2018-803 AUDIT SCOPE AND OBJECTIVES

Local High Risk—City of Lynwood

The audit by the California State Auditor will provide independently developed and verified information related to the city of Lynwood (Lynwood). 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. Determine the causes for the fiscal year 2016–17 decline in Lynwood's general fund balance, as well as the reasons for the significant discrepancy between the estimated and actual fund balance.
3. Assess whether Lynwood's departmental structures and staff levels are sufficient to effectively provide city services. Determine how changes in staffing levels and compensation will affect future personnel costs. Identify options for Lynwood to improve the efficiency and effectiveness of its staffing model.
4. Assess Lynwood's processes for projecting revenues and expenditures, including whether those processes follow best practices. In doing so, also assess Lynwood's ability to meet future costs and obligations, including increasing salary and pension costs. Identify opportunities to increase the accuracy and transparency of Lynwood's budgeting processes and to sustainably align Lynwood's revenues and expenditures.
5. Review Lynwood's implementation of its plans to address internal control deficiencies identified in its fiscal year 2015–16 financial audit. Also, to the extent possible, review other areas of controls not directly related to financial reporting but for which insufficient controls may create a risk of waste or abuse, such as procurement and contracting practices.
6. Examine Lynwood's efforts to fill key management positions and maintain organizational and leadership continuity within city operations.
7. Review and assess any other issues significant to the audit.