

2015-806 AUDIT SCOPE AND OBJECTIVES

High-Risk – City of Hemet

The audit by the California State Auditor will review the city of Hemet's (Hemet) financial situation and options to address its sustained deficits, and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Evaluate Hemet's financial position and options to address its structural deficit, including its ability to meet short-term and long-term financial and legal obligations.
 - a. Review and assess the city's five-year revenue and expenditure projections.
 - b. Assess the city's use of grant funding and options in using grants to address the city's deficit.
 - c. Review and assess options for Hemet to reduce its costs including, but not limited to:
 - i. The use of personal services contracts
 - ii. Streamlining city operations, and
 - iii. Outsourcing city departments or functions.
 - d. Review the potential impact of Hemet annexing unincorporated communities or merging with a neighboring city to address its deficit.
 - e. Model the revenue and cost saving options identified in steps (a) through (d) and project how they will affect the budget deficit.
3. Compare economic and other indicators such as unemployment and crime rates for Hemet to neighboring communities and determine the extent to which these factors may impact the efficiency or effectiveness of Hemet's delivery of public health and safety services.
4. Determine the extent to which turnover of city staff affected efficiency and effectiveness of city operations.
5. Determine the extent to which the city has sought to engage with the community including, but not limited to, public information efforts, and how those efforts have affected the efficiency and effectiveness of city operations.
6. Review and assess any other issues that are significant to the audit.