

2018-802 AUDIT SCOPE AND OBJECTIVES

Local High Risk—City of Montebello

The audit by the California State Auditor will provide independently developed and verified information related to the city of Montebello (Montebello). 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. Review and evaluate the operations of Montebello's business activities, including but not limited to, the following:
 - a. Montebello's plans for addressing deficits in its transit system, water utility, and golf course, including whether it will be able to avoid using general fund dollars to support these programs in the future.
 - b. Montebello's plans for addressing infrastructure needs related to its water utility.
 - c. The revenue projections for Montebello's hotels to determine whether they are reasonable estimates of future revenue and assess Montebello's plans for using those projections when developing future budgets.
3. To the extent possible, assess Montebello's financial condition and ability to pay its obligations.
4. Assess Montebello's actions taken in response to the recommendations the State Controller's Office included in its 2011 report.
5. Evaluate Montebello's compliance with procurement policies and best practices for ensuring it receives the best value for the goods and services it purchases.
6. Review and assess any other issues significant to the audit.