

2017-104 AUDIT SCOPE AND OBJECTIVES

Montebello Unified School District— Financial Practices and Performance

The audit by the California State Auditor will provide independently developed and verified information related to the financial practices, performance, and related issues of the Montebello Unified School District (Montebello Unified) for fiscal years 2013–14 through 2015–16, 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. For a selection of service contracts, determine whether the policies and practices for soliciting, awarding, and monitoring the contracts comply with laws and regulations related to conflicts of interest and the competitive bidding process for both formal and informal bids. Additionally, evaluate whether Montebello Unified’s contracting process meets required levels of transparency throughout the process.
3. Review and evaluate Montebello Unified’s hiring process. At a minimum, determine the extent to which the following conditions exist:
 - a. The hiring policies and practices for executive positions include the appropriate level of screening and evaluation to ensure individuals hired meet the minimum job requirements and qualifications for the positions.
 - b. The current executives meet the minimum job requirements and qualifications for the positions they hold.
 - c. The hiring policies and practices include protections against nepotism and conflicts of interest.
4. Compare the compensation for executive and administrative positions at Montebello Unified to compensation at other school districts.
5. Identify Montebello Unified’s major categories of spending.
6. For a selection of expenditures, determine whether designated funds, such as maintenance and building funds, as well as nondesignated funds, are spent for allowable and reasonable purposes.
7. Determine how the district has responded to declining enrollment, especially as it relates to programs, hiring, staffing, expenditures, and any other areas that may have been impacted.
8. Assess the adequacy and effectiveness of Montebello Unified’s practices for obtaining and monitoring bond proceeds including the following:
 - a. The oversight structure of bond proceeds.

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- b. The monitoring of the use of bond proceeds to ensure expenditures are allowable and reasonable.
 - c. The safeguards in place to avoid abuse and conflicts of interest.
9. Review and assess any other issues that are significant to the audit.