

2021-806 AUDIT SCOPE AND OBJECTIVES

Local High Risk Proposal—City of Richmond

The audit by the California State Auditor will provide independently developed and verified information related to the city of Richmond (Richmond). 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 Richmond'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 Richmond'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 revenue and reducing expenditures.
4. Determine whether Richmond's budgeting processes align with best practices. In addition, evaluate the city's procedures and underlying assumptions for projecting future revenue and expenditures, and determine whether the projections result in balanced budgets and accurate financial forecasts.
5. Assess Richmond'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. Evaluate Richmond's efforts to address the deficiencies its external auditors identified in their reports for fiscal year 2018–19 and earlier years and those the Inspector General identified in its 2016 report related to the Richmond Housing Authority.
7. Review and assess any other issues that are significant to the audit.