

2016-106 AUDIT SCOPE AND OBJECTIVES

Los Angeles County: Oversight of the Los Angeles County Fair Association

The audit by the California State Auditor will provide independently developed and verified information related to the Los Angeles County Fair Association (association), 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. Identify the public funding received by the association over the past ten years and the major categories of expenditures of those funds, including the extent to which public funds were used for staff and executive compensation.
3. Compare the association's executive compensation with executive compensation of organizations of similar size.
4. To the extent possible, evaluate whether the association's hiring and compensation practices comply with laws, rules, policies, and generally accepted practices.
5. Determine whether the association's financial and accounting practices comply with generally accepted accounting or industry standards.
6. Determine for each of the past ten years whether the association has been operating at a loss and, if so, to the extent possible, determine what factors are contributing to this condition.
7. Evaluate whether the association's activities are promoting its mission and whether its operations are within the parameters outlined in Government Code Section 25900, et seq., which authorizes a county board of supervisors to participate in the affairs of an agricultural fair association and expend certain state funds for those purposes.
8. Examine whether the association's status and filings related to its non-profit status are in compliance with applicable requirements.
9. To the extent possible, examine the extent to which the association is complying with laws, rules, or policies related to the selection of its members and election of its board of directors. Determine whether this process is fair, reasonable, and avoids nepotism or the appearance of nepotism.
10. Review and assess any other issues that are significant to the audit.