

2020-804 AUDIT SCOPE AND OBJECTIVES

Local High Risk—City of Lindsay

The audit by the State Auditor will provide independently developed and verified information related to the city of Lindsay (Lindsay) and will include, but not be limited to, the following:

1. Review and evaluate the laws, ordinances, rules, and regulations significant to the audit objectives.
2. Evaluate Lindsay's current financial condition and ability to meet its short- and long-term financial obligations, while continuing to provide services to its residents.
3. Identify the causes of Lindsay's financial challenges, and determine whether the city has developed an adequate plan for addressing those challenges, including the following:
 - a) Assess the appropriateness of any interfund loans, transfers, and advances over the last three fiscal years; determine whether Lindsay complied with applicable laws and followed best practices in making such transactions; and evaluate the city's ability to repay its interfund loans, transfers, and advances in a timely manner.
 - b) Assess the city's efforts to improve its financial condition by increasing revenues and reducing expenses.
4. Determine whether Lindsay's budgeting processes comply with best practices. In addition, evaluate the city's procedures and underlying assumptions for projecting future revenues and expenditures, and determine whether they result in balanced budgets and accurate financial forecasts.
5. Assess Lindsay's process for setting, increasing, or decreasing fees or rates to ensure that it complies with applicable laws, rules, ordinances, regulations, and best practices. For a selection of these fees and rates, determine if they cover the city's costs of providing services.
6. Determine whether the city council provides adequate oversight of city operations and provides the governance necessary to ensure that Lindsay meets its fiduciary duties to its residents.
7. Evaluate Lindsay's efforts to address the deficiencies noted by its external auditor during the most recent audit of the city's financial statements.
8. To the extent possible, determine the impact of Lindsay's integrated public safety model and resources on its ability to protect its citizens.
9. Review and assess any other issues that are significant to the audit.