



CITY OF BEVERLY HILLS
455 North Rexford Drive
Beverly Hills, CA 90210
4th Floor Conference Room A

The Beverly Hills City Council Liaison / Audit Committee

SPECIAL MEETING HIGHLIGHTS

Thursday, December 20, 2018
4:00 PM

MEETING CALLED TO ORDER

Date / Time: December 20, 2018 / 4:00 PM

IN ATTENDANCE: City Manager Mahdi Aluzri, Councilmember Robert Wunderlich, Councilmember Lester Friedman, City Auditor Eduardo Luna, Director of Finance Jeff S. Muir

Public in attendance: None

1) PUBLIC COMMENT

Members of the public were given the opportunity to directly address the Committee on any item listed on the agenda.

None.

2) ACTION PLAN FOR BUILDING THE CITY OF BEVERLY HILLS AUDITOR'S OFFICE

This meeting's purpose is to present a framework proposal for a new auditor office and organize its processes

- Guiding principles
 - Establishing a mission and values statement
 - Auditing standards
 - It is the City Auditor's recommendation that the *Generally Accepted Government Auditing Standards (GAGAS)* or the *Yellow Book* is utilized. The Liaisons have noted the recommendation.
 - Audit process
 - The proposed process would include an initial planning process, the actual field work, and then the resulting report writing
 - Open communication and ongoing dialog is an integral part of the process
 - Auditing handbook and appropriate audit protocols
 - It is important to focus on independence, professional judgment, competence, and quality control and assurance
 - Conduct peer reviews
- Audit resources
 - Annual budget and staffing plan



CITY OF BEVERLY HILLS
455 North Rexford Drive
Beverly Hills, CA 90210
4th Floor Conference Room A

The Beverly Hills City Council Liaison / Audit Committee

SPECIAL MEETING HIGHLIGHTS

Thursday, December 20, 2018
4:00 PM

- It is proposed to have (1) City Auditor, (2) Performance Auditors, and (1) Executive Assistant with a recruitment processing starting in 2019. More permanent office space would be needed. The space requirements will be brought before City Council at a future meeting.
- Fraud hotline
 - It is proposed to setup a means for City employees or members of the public to confidentially report any activity or conduct – related to or involving City personnel, vendors, resources, or operations – for which he or she suspects instances of fraud, waste, or abuse
 - It is recommended by the Liaisons that there be a more general hotline to be able to report problems including, but not limited to fraud and would include appropriate follow-up measures in place
- Audit approach
 - Annual audit work plan and risk assessment
 - It is proposed to create an annual work plan that would be approved by City Council. Different risk factors would be utilized to help create the work plan.
 - Communication expectations and protocol
 - All reports will be made public
 - Quarterly update reports and annual accomplishment reports would be included
 - It is proposed that the Audit department would have its own section of the City's website
 - Performance metrics
 - There would be particular requirements and metrics to ensure a high level of performance is met
 - Audit recommendations follow-up process
 - It is proposed that a procedure is created to follow-up on audit recommendations as well as ensuring that recommendations are being implemented

3) ADJOURNMENT

Date / Time: December 20, 2018 / 5:07 PM