



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

The Beverly Hills City Council Liaison / Audit & Finance Committee

SPECIAL MEETING HIGHLIGHTS

Monday, June 24, 2019
4:35PM

MEETING CALLED TO ORDER

Date / Time: June 24, 2019 / 4:35PM

IN ATTENDANCE: Vice Mayor Lester Friedman, Councilmember Robert Wunderlich, City Manager George Chavez, City Auditor Eduardo Luna, Assistant Director of Finance Tatiana Szerwinski, and Executive Assistant II Evelin Garcia.

Public in attendance: Mark Elliot and Steve Mayer.

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) RESULTS OF ANNUAL CITYWIDE RISK ASSESSMENT AND DRAFT ANNUAL AUDIT WORK PLAN FOR FY 2019/20

The City Auditor presented the results of the Annual Citywide Risk Assessment based on the FY 2019/20 budget and the self-assessment questionnaire given to management. The risk assessment model of the potential audits was created using the results of the questionnaire and weighted risk factors, which include public interface, nature of operations, etc., creating a total risk score ranked from highest to lowest risk.

3) AUDIT RESOURCES

The City Auditor received funding to hire two principal performance auditors who will join the city before the end of July. The Office of the City Auditor has 4,160 available audit hours, 1,300 per principal auditor, to conduct performance audits, monitor outside engagements, and oversee the Trust & Innovation Portal.



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4) CITY AUDITOR RECOMMENDATION

The City Auditor proposed performing five performance audits and three outsourced audits, and to oversee the Trust & Innovation Portal which will begin software and graphic development in July. Recommended audits were presented.

Performance Audits:	Hours
Beverly Hills Chamber of Commerce	300
Rodeo Drive Committee	350
Convention & Visitors Bureau	450
Policy & Management Real Estate	625
Performance Audit TBD	625

Outsourced Audits:

Fire Hydrant Maintenance	150
Fiber to the Premises Pro-Forma	200
BH Police Vehicle Procurement	200

Trust & Innovation Portal:

Fraud Related Complaints	760
Research Suggestions	500

5) COMMITTEE AND LIAISON DIRECTION

Members of the Audit Committee proposed:

- An audit work plan/risk assessment model on the project level to help select areas to audit based on their associated risk exposure.
 - Councilmember Robert Wunderlich presented a reference for an audit work plan/risk assessment model at a project based level
- A list of potential audits that could be selected to be performed over the coming years, including some that might be of lower risk ranking, but could still be desirable to perform.



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- Categories/attributes of audits which could be:
 - Operational efficiency
 - Emergency preparedness
 - Fiscal
 - High value contracts
 - Transparency
 - Compliance
- Citywide audit on all vehicle procurement
 - City Auditor mentioned this would require additional hours as the current Performance Audit for Police Department vehicle acquisition specifically only has 625 hours allocated
- Schedule for audits being performed would be helpful
- Further explanation as to how the four Performance Audits were selected
- Audit in relation to liability insurance and traffic enforcement specifically for Trousdale Place and Loma Vista Drive

6) ADJOURNMENT

Date / Time: June 24, 2019 / 5:14PM