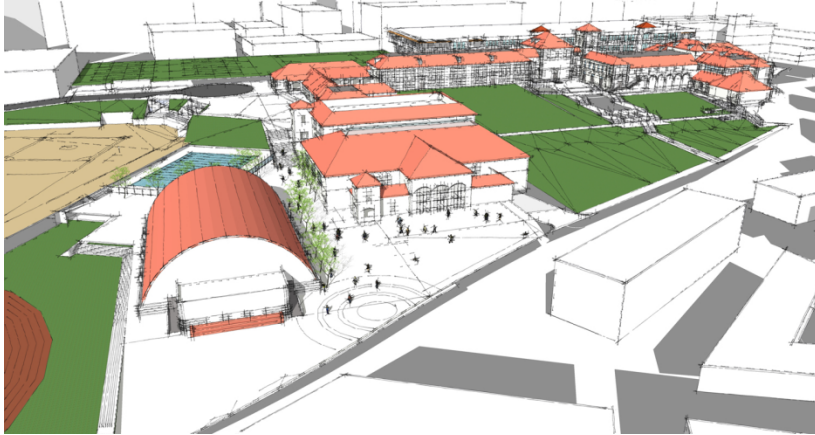


Case Study: Beverly Hills Unified School District Capital Development Program



Project Results

- HMR found that the Measure E Bond Fund, as currently structured, would be unlikely to meet all of BHUSD's critical capital needs as identified in its planning documentation and recommended that BHUSD consider all legal policy options to maximize its bond authority.
- HMR found that BHUSD is not consistently and adequately employing competitive processes and may not be receiving the most cost-effective and quality services as a result.
- HMR made recommendations for increased transparency and accountability in BHUSD's financial reporting, and increased controls on contract management.
- HMR's audit has been considered one of the most thorough and comprehensive audits of an educational bond program and has been used as a model for the review of other similar programs.

Project Summary

Passed in 2008, Measure E allowed the Beverly Hills Unified School District (BHUSD) to issue up to \$334m in bonds to modernize school facilities, make necessary structural seismic changes, and make general renovations to the school campuses.

HMR conducted a performance audit of BHUSD's Measure E school facilities construction program to evaluate master planning, cash-flow management, and controls on contract solicitation, awarding, and administration.

HMR was able to identify shortfalls in the remaining bond funds for BHUSD's critical capital needs, provide an assessment of a state-level program that provided opportunity for possible additional revenues to abet BHUSD's completion of its capital projects, identify shortcomings in financial reporting, and identify control deficiencies in its contract solicitation, management and expenditure procedures.

HMR recommended that BHUSD consider all legal policy options to maximize its bond authority, incorporate best practices to its Facilities Master Plan, improve its budgeting and reporting procedures for greater financial oversight, and incorporate best practices for greater controls over contract solicitation, management, and expenditure.

Service and Topics Highlighted

Education, Performance Audits