



**OFFICE OF THE CITY AUDITOR**  
Long Beach, California

**LAURA L. DOUD, CPA**  
City Auditor

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**INDEPENDENT AUDITORS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

December 7, 2012

To the City of Long Beach,  
Michael P. Conway, Director of Public Works and  
Underground Storage Tank Executive Committee

The Department of Public Works (Department) requested the Office of the City Auditor (OCA) perform an Agreed-Upon Procedures (AUP) engagement to determine procedure-specific compliance with the Underground Storage Tank (UST) Compliance Program as of June 30, 2012. A full compliance audit is performed triennially with the most recent one completed for the prior year ending June 30, 2011. For years where a full compliance audit is not performed, both the Department and the OCA have agreed that an AUP engagement is sufficient to meet the audit requirements of the program. This agreed-upon procedures engagement was conducted in accordance with U.S. Generally Accepted Government Auditing Standards.

The City Council authorized the City Manager to implement the UST Program with management responsible for program compliance. The Department and the OCA agreed, prior to the start of the engagement, that the procedures enumerated below reflect the critical components of the UST Program and compliance testwork was only performed on the procedures listed herein. The sufficiency of the procedures is solely the responsibility of management. Consequently, we make no representation regarding the sufficiency of the procedures described below. The areas of the UST Program that were not verified for compliance during this engagement will be reviewed for compliance during the triennial audit.

Our procedures and results are as follows:

**Procedure 1. Compliance Issue Resolution**

*Fleet Services Bureau Administration – Judgmentally select five locations to review the Site Repair Ticket (SRT) and Corrective Action Report (CAR) binders maintained at Fleet Services Bureau Administration. From the binders we will randomly select SRTs and CARs to ensure 1) SRTs were completed and entered into the Project Tracker System; 2) the Fleet Supervisor or Project Manager prepared a corresponding CAR within 24-hours of receipt of the SRT; 3) progress of correcting the condition was tracked on the Compliance Issue*

*Tracking Report (CITR) and reviewed monthly at the UST Task Force meeting; and 4) the Project Manager and Fleet Supervisor certified the site as "Compliant" within three business days by completing the UST Site Certification form (City of Long Beach UST Compliance Program, rev. 3.3 – Section V, Part 1).*

**Results:** No exceptions noted as a result of our procedures.

**Procedure 2. Semi-Weekly Site Inspections**

*Fleet Services Bureau Administration – Judgmentally select five locations. For each location, we will randomly select two months and review the Semi-Weekly UST inspection log books and corresponding Semi-Weekly UST Site Inspection Checklists to ensure they were completed and performed on a semi-weekly basis (City of Long Beach UST Compliance Program, rev. 3.3 – Section V, Part 2A).*

**Results:** No exceptions noted as a result of our procedures.

**Procedure 3. Monthly Site Inspections**

*Fleet Services Bureau Administration – Judgmentally select five locations. For each location, obtain and review Designated Underground Storage Tank (UST) Operator Monthly Visual Inspection checklists to ensure they have been completed in accordance with Section V, Part 2B and Appendix I of the City of Long Beach UST Compliance Program, rev. 3.3.*

**Results:** No exceptions noted as a result of our procedures.

**Procedure 4. Documentation - Offsite**

*Fleet Services Bureau Administration – Obtain and review UST Compliance Files to ensure original documents have been properly maintained for the five judgmentally selected UST locations in accordance with Section V, Part 7B and Appendix K of the City of Long Beach UST Compliance Program, rev. 3.3.*

**Results:** No exceptions noted as a result of our procedures.

**Procedure 5. Documentation - Onsite**

*UST Locations – Judgmentally select a sample of five locations and perform field visits to review UST Compliance Binders to ensure copied documents have been properly maintained in accordance with Section V, Part 7A and Appendix J of the City of Long Beach UST Compliance Program, rev. 3.3. Additional documents to review onsite: 1) Secondary Containment Test Results and 2) Facility Employee Training Log. These additional documents should be maintained onsite for monthly Designated Operator Site Inspections (Section V, Part 2B, (h) and (i)).*

**Results:** No exceptions noted as a result of our procedures.

**Procedure 6. Training**

*Fleet Services Bureau Administration – Obtain a listing of all employees as of June 30, 2012, sorted by their respective training groups as defined in Section VI of the City of Long Beach UST Compliance Program. Review documentation to ensure employees received the appropriate training as defined in the City of Long Beach UST Compliance Program, rev 3.3 – Section VI.*

**Results:** We obtained a listing of UST employees as of June 30, 2012, sorted by their respective training groups from Fleet Services Bureau personnel. We verified that the UST Executive Committee, Facility Employees, and all employees were trained in accordance with the Program. However, we noted non-compliance with the training of UST Task Force Members. The UST Task Force Members were trained by Belshire Environmental, UST Information Manager, on September 1<sup>st</sup>, October 6<sup>th</sup>, and November 3<sup>rd</sup>, 2011 on only the topic of *UST Leak Monitoring Systems*. Section VI of the Program states that "*The Project Manager will provide initial training and annual refresher courses to the UST Task Force Members. Training to include the following topics: 1) UST Regulations, 2) UST Construction, 3) UST Leak Monitoring Systems, 4) Unauthorized Release Response, and 5) Remediation.*" No training sessions on topics #1, 2, 4 and 5 were provided by the Project Manager as required by the Program.

**Management's Response:** The City complies with the annual training requirement for four target employee groups – Executive Committee, UST Compliance Task Force, Facility Employee and Employees – commensurate to group's UST Compliance Program involvement. Due to the recent change in the UST Information Manager, as well as the technology being used for the monitoring program, the training focus was directed on the UST Leak Monitoring System. Thus, the other annual refresher courses requirement - UST Regulations, UST Construction, Unauthorized Release Response and Remediation - was not performed.

The full training for the UST Task Force is scheduled for December 6, 2012. This date was chosen because it is the first UST Task Force meeting after the new UST contractor, AW Associates, Inc., began their contract. Their contract was approved by City Council on October 23, 2012. They are responsible for monthly designated operator inspections and UST site repairs.

**Procedure 7. Measurement and Accountability**

*Fleet Services Bureau Administration – Obtain and review the UST Compliance Program performance evaluation, which is measured by the criteria defined in the City of Long Beach UST Compliance Program, rev 3.3 – Section IX. Validate information reported in the performance evaluation and compare to the prior year’s performance (ending September 30, 2010) for any significant differences. (Note: The Director of Public Works provides updates every January to the City Manager. The annual updates include the performance criteria as of September of the prior year.)*

**Results:** This procedure was performed in two steps. In step 1, we found the performance evaluation was completed based on the criteria stated in the Program. Therefore no exceptions were noted. In step 2, we were required to note any significant differences (over 50%) between the FY 2010 and FY 2011 performance evaluation. We noted, the number of days between an unauthorized release and fiscal year-end decreased from 821 days to 133 days (84%). Management represented that the unauthorized release, which occurred on May 20, 2011 at Site #34, was due to a fuel delivery truck overfilling a tank.

**Management’s Response:** In accordance with Section IX of the UST Compliance Program, the City monitors and documents established objective criteria. Pursuant to Section 25180.7 of the Health and Safety Code, the above noted unauthorized release was properly reported and appropriate corrective actions/measures as documented in the formal report were taken and implemented. The release was minimal and was immediately stopped by the fuel delivery truck driver. A new hose connector was acquired, the automatic tank gauge (to measure fuel levels) was re-calibrated, staff was retrained and procedure was updated relative to unauthorized release.

This was an Agreed-Upon Procedures engagement. We did not conduct an audit, the objective of which would be the expression of an opinion on the City of Long Beach’s compliance with the entire UST Compliance Program. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Public Work’s Management has included its responses; however, we did not evaluate management’s response to assess the accuracy, adequacy, or completeness.

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This report is intended solely for the use of the City of Long Beach, and is not intended to be and should not be used by anyone other than this specified party.

We thank the department staff for their cooperation during this engagement.



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City Auditor  
Office of City Auditor

cc: John Gross, Director, Financial Management Department  
Erik Sund, Manager, Business Relations Bureau  
Paulina Flores, Superintendent, Fleet Operations Division