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LB city auditor's office releases first Report on Results

Long Beach City Auditor Laura Doud this week released the first City Auditor's Report on Results, which consists of recommendations to focus on increasing and protecting the City's revenues, safeguarding the City's assets and reducing the potential for fraud.

The report visually summarizes the status of 256 active recommendations from 53 reports issued over a five-year period from 2010 to 2014. Because of the extensive number of recommendations, implementation status was provided by the departments and therefore not verified but could be subject to follow-up audit procedures.

Of the 256 total active recommendations, departments reported that 182 (71 percent) were fully implemented. These changes resulted in improved oversight, access and safeguarding of \$80 million in City revenue annually. For example, more money is protected for parks, public pools and recreation classes since the department implemented recommendations to better train employees in cash handling and to use an automated process for collection of more than \$6.6 million in annual revenue.

Since the parking-citations collection process audit, the department implemented the recommendation of using a new software that now mon-

itors billing and collection of more than \$13 million in annual revenue. In addition, other implemented recommendations have resulted in City expenses—such as fuel, which costs the City \$5.7 million per year—being more closely monitored, City assets being safeguarded and improved program compliance, according to Doud's office. The report shows that with city management implementing a majority of recommendations, the City is better, more efficient and more transparent, according to the city auditor's office.

However, the report also highlights that there is still room for improvement citywide. Audits have in-

dicated reoccurring systemic issues in essential operations that expose the City to a high risk of fraud, waste and potentially uncollected revenue. Over the five-year period, the office found that strategic plans were lacking, creating problems throughout departments whose operations bring in more than \$40 million in annual revenue. A substantial amount of recommendations—45 percent across 12 departments—addressed the need for sufficient policy and defined processes over a particular operation. Also, numerous audits noted issues with procurement and contracts that bring in \$29 million in annual revenue as well as significant security

issues with City software systems.

"I am very pleased with this report that shows City departments are implementing a majority of our recommendations, which are creating positive changes for the City of Long Beach," Doud said. "We will continue to actively monitor the areas of high risk and do everything we can to protect the City's assets."

The complete visual City Auditor's Report on Results can be viewed at cityauditorlauradoud.com. Printed copies can be requested by e-mail at auditor@longbeach.gov or by phone at (562) 570-6751.

Source: LB City Auditor's office