



## PRESS RELEASE

December 19, 2019

Contact:

Meghan King

Meghan.King@longbeach.gov, 562-570-6726

### **Long Beach City Auditor's Report Shows Implemented Recommendations Help Improve City Operations *Recommendations Not Implemented Expose City to Risk***

Long Beach, CA – Long Beach City Auditor Laura Doud today released her second [Report on Results](#). The City Auditor's Office conducts independent audits and fraud investigations that offer recommendations to assure City funds are spent as intended, promote transparency of City operations, and prevent fraud, waste and abuse of City resources. In turn, City Departments are responsible for implementing these recommendations. This report summarizes the status of 297 recommendations issued to 17 Departments in 43 reports from 2010 to 2017 covering 94 City contracts worth \$48 million, \$131 million in City expenses and \$47 million in revenue.

"As this decade comes to a close, it is an opportune time to evaluate the outcomes and overall impact of our recommendations," said City Auditor Laura Doud. "We make detailed, solution-driven recommendations aligned with Departments' objectives so that City operations best meet the needs of the public."

The report shows that City Departments fully implemented a majority (66%) of the City Auditor's recommendations. The report found higher implementation levels in the areas of contract procurement and management, revenue and cash controls and personnel management. However, Departments can improve implementation of recommendations pertaining to data integrity, asset security and performance tracking.

Most recommendations related to contract procurement and management were fully implemented (69%). These recommendations were made to ensure City contracts with vendors are updated, conflicts of interest are identified, and payments to vendors for goods and services are accurate. For example, the Emergency Board-Up Services Audit resulted in improved contract oversight, as the City now directly contracts with the vendor, previously a sub-contractor, to ensure costs for services, which are passed on to the property owners, are accurate and fair.

Departments fully implemented 65% of revenue and cash control recommendations to safeguard, verify and maximize City revenue. These include recommendations related to reporting payments and handling cash to prevent theft. As seen in the Health Revenue Collection Audit, implemented recommendations have helped better secure revenue at City clinics associated with important services such as immunizations and public education.

In addition, Departments fully implemented 77% of personnel management recommendations to improve City staff deployment and training, so employees can competently fulfill their job duties. For instance, since the Job Order Contract Audit, implemented recommendations resulted in new legislation and guiding policies that project managers use to ensure that the City receives quality construction projects at a fair price.

The report also highlights that partially and not implemented recommendations can expose the City to ongoing risk. A significant number of recommendations related to data integrity, asset security and performance tracking were partially or not implemented. Forty-eight percent (48%) of data integrity recommendations to prevent fraud and protect user access to sensitive customer records were not fully implemented. Additionally, 50% of asset security recommendations, including those dealing with inventory management, were not fully implemented, exposing the City to potential loss, theft and waste of equipment and supplies. Thirty percent (30%) of performance tracking recommendations were not implemented. As seen in the Park Maintenance Audit, when these types of recommendations are implemented, they enable the City to track progress towards service needs and goals.

“By not taking corrective action, the City is at risk for fraud and waste,” said City Auditor Laura Doud. “We will continue to identify issues and make comprehensive recommendations, especially in the areas of high risk, so the Departments can continue to build on progress made.”

The complete visual *City Auditor’s Second Report on Results* can be viewed [here](#). Printed copies can be requested by e-mail [Auditor@longbeach.gov](mailto:Auditor@longbeach.gov) or by phone 562-570-6751.

#### **About the Long Beach City Auditor’s Office**

The Long Beach City Auditor’s Office’s mission is to make Long Beach better through independent audits and fraud investigations. The Office works to provide assurance City funds are spent as intended, promote transparency and accountability of City operations, and prevent fraud, waste and abuse of City resources. For more information visit [CityAuditorLauraDoud.com](http://CityAuditorLauraDoud.com) and connect with the Office @LBCityAuditor on [Facebook](#), [Instagram](#) and [Twitter](#). Sign up to receive email [updates](#) and download the MyAuditor App at the [App Store](#) or [Google Play](#).

###