Long Beach audit report finds overall improvement in City operations, highlights concern of potential 'fraud and waste'

Sebastian Echeverry, Managing Editor | December 20, 2019

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A Long Beach City Auditor report found that 66% of its project or contract recommendations were fulfilled from 2010 to 2017, the auditor's office announced Thursday. The report also noted that recommendations that were not completed for data security puts the City at risk of fraudulent activity.

City Auditor Laura Doud's office reported on the status of 297 recommendations, which are adjustments the auditor requests in the event the City is missing the mark on a project's guidelines.

Doud's report oversaw 94 City contracts worth $48 million, $131 million in City expenses and $47 million in revenue.

The report shows that City departments fully implemented a majority of the City Auditor's recommendations.

Most were implemented in the areas of contract procurement and management, revenue and cash controls and personnel management.

However, the departments can improve data integrity, asset security and performance tracking, Doud's office said.

The report highlighted areas of concern in regards to City asset and data security.

"Forty-eight percent of data-integrity recommendations to prevent fraud and protect user access to sensitive customer records were not fully implemented," according to a press release about the audit. "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."

While the City completed 77% of the City auditor's recommendations to better train personnel, adjustments to improve data security were highlighted as an area of concern.

"By not taking corrective action, the City is at risk for fraud and waste," Doud stated. "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."