

# Property Tax Revenue Performance Audit

April 2024



## Why This Audit Is Important

Property tax revenue is the largest source of revenue for the City's General Fund. It helps to fund Citywide services such as public safety, street maintenance, parks, recreation, and library services.

The Financial Management Department is responsible for the receipt and recording of property tax revenue for the City. Over a span of 10 years, the City has reported property tax revenue totaling over \$2 billion.

**We examined over \$1.3 billion in property tax revenue.**

## Observations

We noted the following:



### Proportional Revenue Growth

Property assessed value and property tax revenue grew at proportional rates indicating that the City's share of revenue is growing as expected.



### Strong Oversight

The Department's oversight practices include segregation of duties, reconciliations, contracting with a consultant, and monitoring.

## What We Recommend

We found that the following can be improved:



### Update Policies & Contract

The City needs to update details in its policies and its contract with the consultant to prevent overreliance on employee knowledge.



### Use Additional Services

At no extra cost, the City can receive an additional property tax report that serves as another layer to evaluate property tax revenue received.

## What Happens Next



We provided the Department with one finding and three recommendations to strengthen processes around the receipt and recording of property tax revenue owed to the City. The Department agreed to all the recommendations.





## Our Mission

To make Long Beach better through independent audits and fraud investigations

## We work to:

- Provide assurance City funds are spent as intended
- Promote transparency and accountability of City operations
- Prevent fraud, waste, and abuse of City resources



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