PRESS RELEASE



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For Immediate Release

Long Beach City Auditor's Report Identifying \$9.2 Million in One-Time Funds for Environmental Projects Earns National Distinguished Knighton Award



Above: Senior Performance Auditor Richard Ko, City Auditor Laura Doud, Deputy City Auditor Tiffany Lam, and Performance Auditor Maxie Novahom receive the Distinguished Knighton Award on May 6, 2025.

Long Beach, CA – The Association of Local Government Auditors (ALGA) recently announced that the Long Beach City Auditor's Office (Office) was awarded the prestigious 2024 Distinguished Knighton Award for the Construction and Demolition Recycling Program Performance Audit. The award was presented to City Auditor Laura Doud and the audit team of Tiffany Lam, Richard Ko, and Maxie Novahom on May 6, 2025 at ALGA's Annual National Conference in Minneapolis, Minnesota. The team also presented on the audit topic at the conference.

In June 2024, the Office issued the Construction and Demolition Recycling Program Performance Audit. The City of Long Beach (City) created the Construction & Demolition (C&D) Recycling Program within the Community Development Department in 2007 to meet state mandated waste diversion goals, promote sustainability, and encourage applicants to recycle C&D building materials through a refundable performance deposit.

Although over the past ten years the City refunded 76% of deposits to applicants for meeting recycling program requirements, the audit identified a large amount of money in the C&D account from accumulated forfeited deposits. Through detailed analysis, the audit found a reconciliation had not been performed since program inception and \$9.2 million in forfeited deposits was revenue that could be spent immediately on environmental projects that would otherwise use the City's General Fund or other funds.

Judges determined the Office's report was among the best of 2024, noting "the audit highlighted key opportunities for improvement" and "recommendations were linked directly to the findings, creating a cohesive and actionable audit report."

"We appreciate the partnership and collaboration formed with the Community Development Department during this audit and commend them for taking swift action to implement our audit recommendations," said City Auditor Laura Doud. "If we had not reviewed the C&D account, the accumulated forfeited deposits would have remained untouched, unavailable, and unspent. The \$9.2 million in one-time funds that we found is being used to enhance our parks, increase the number of trees, improve water quality in Alamitos Bay and along our coastline through the Trash Interceptor Barge installed in the Los Angeles River, and support City facility energy efficiency upgrades at 51st Street Greenbelt and Martin Luther King Jr. Park. Additionally, our Office's reconciliation from the audit was

used by the Community Development Department to find another \$1.3 million in forfeited deposits to fund more environmental projects."

This is the ninth ALGA Knighton Audit Award City Auditor Laura Doud has received which is one of the most highly regarded honors as it recognizes the best performance audit reports among its over 300 local government audit organization members.

City Auditor Laura Doud said, "My Office continues its commitment to improving City operations for the citizens of Long Beach, and my staff and I appreciate recognition of this work."

Detailed judges' comments can be viewed <u>here</u> and the Construction and Demolition Recycling Program Performance Audit can be viewed <u>here</u>.

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 and connect with the Office @LBCityAuditor on Facebook, Instagram and X. Sign up to receive email updates and download the MyAuditor App at the App Store or Google Play.

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