Long Beach City Auditor's Office
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Memorandum

Date: April 1, 2026

To: Tom Modica, City Manager

For: Mayor and Members of the City Council

From: Laura Doud, City Auditor

Subject: Interim Communications – Homeless Service Provider Audit

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The City Auditor's Office conducted an audit of funds allocated to homeless service providers to evaluate whether they are fulfilling their service agreements and to assess the adequacy of Homeless Services Bureau's (HSB) management and oversight over these contracts. From Fiscal Year 2020 through 2025, HSB passed through $69 million to service providers for programs funded by federal, state, and local dollars.

The audit identified areas where homeless service providers and HSB can improve to strengthen the delivery of homeless services.

Our audit recommendations are as follows:

For Homeless Service Providers

- Verify that individuals are eligible for the contracted program.
- Provide the services outlined in the service provider agreement.
- Submit complete and timely supporting documentation for costs incurred for City reimbursement. Supporting documentation must confirm the eligibility of individuals served and that services provided followed the contract terms.

For HSB

- Verify supporting documentation is complete prior to payment of homeless service provider invoices to ensure contracted services were rendered.
- Strengthen oversight of data collection to ensure data quality for measuring program results and evaluating service provider performance.
- Enforce service provider accountability through timely monitoring and formal interim and year end performance reviews across all programs. Timely monitoring and performance reviews strengthen HSB's ability to see if goals were met and inform contract renewal decisions.

We are pleased that HSB has agreed with all of our recommendations and has reported that they have begun implementing them to improve operations and better track how funds are being spent on homeless services.

During our audit, we identified information that requires further review. To protect the integrity of our ongoing investigation, we cannot provide additional details regarding the matter at this time, nor can we discuss our audit in greater detail.

The City Auditor's Office remains firm in its commitment to safeguard taxpayer dollars and to ensure funds are used strictly as intended to benefit those they are meant to serve.