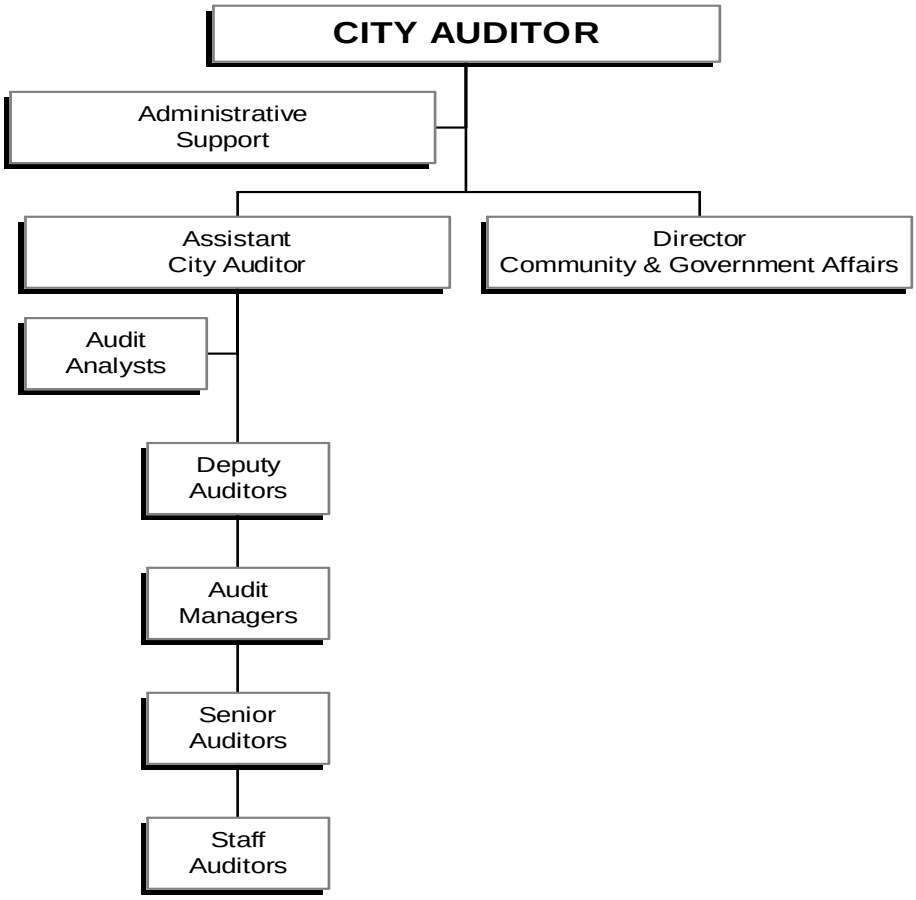


CITY AUDITOR

The mission of the City Auditor's Office is to:

- *Promote excellence in government;*
- *Protect the public's interests and assets;*
- *Ensure that City resources are used efficiently and appropriately; and*
- *Provide stewardship and transparency in the use of City funds in order to improve the quality of, and confidence in, City decision-making.*

Department Goals

Goal 1 Protect the public's interests and promote excellence in government.

Program

Apply professional audit services, financial and operational, to the City and its departments in order to enhance revenues, ensure compliance with all applicable laws and regulations and to identify appropriate efficiency improvements. Program services may include the following:

Economic Analysis of significant transactions and business deals
Contract Reviews
Financial Audits
Fraud Investigations
Internal Control Reviews
Lease Reviews
Operational Audits
Performance Audits
Revenue Audits
Strategic Planning
General oversight and stewardship in conjunction with City financial decisions

Goal 2 Audit all disbursements as required by the City Charter.

Program

Audit all pending payment vouchers for compliance with applicable statutes, City policies and regulations, lease agreements and any and all applicable contractual provisions.

Provide independent lease and contract reviews to maximize collection and recovery of all monies due to the City.

Strive to provide next day approval on all payment vouchers submitted.

Goal 3 Verify cash and investments as required by the City Charter.

Program

Verify the City Treasury once each quarter, as required by the City Charter, in a timely manner.

Ensure all invested assets are in compliance with the City's current Investment Strategy and other applicable Government Code restrictions.

Goal 4 Perform the Annual Financial Audits as required by the City Charter.

Program

Perform the annual financial audit of the City and its financial component units in a timely manner by utilizing all necessary professional resources available to the Office.

Goal 5 Report all findings of the Office to the residents of Long Beach and other stakeholders in a timely manner.

Program

To communicate the findings of each audit and other significant projects of the Office in a clear, concise and understandable format for distribution to the residents of the City and other stakeholders.

To ensure mechanisms within the Office whereby resident complaints and issues can be handled appropriately and in a timely manner.

To actively promote a fraud hotline, allowing residents and others to anonymously provide tips and other information to assist in detecting and preventing fraud, abuse and government waste.

Fiscal Year 2007 Accomplishments

Business Growth and Workforce Development

- Completed a successful initiative in collaboration with the Mayor, City Councilmembers, and City departments, leading to an equitable increase in the Oil Production Tax in Long Beach that resulted in an additional $3.8 million in revenue per year for Public Safety.

- Completed a Long Beach Police Efficiency Study with 12 cost saving measures that could result in a significant fiscal impact on the General Fund budget over the next 5 years, if implemented.

- Completed a Performance Audit of the City Auditor's Office for the Three Years Ending June 30, 2006.

- Launched a revitalized Long Beach City Auditor Fraud Hotline, allowing callers to confidentially report fraud, waste and abuse of Long Beach City resources to a live person, 24 hours per day, 7 days per week.

- Launched a revitalized Long Beach City Auditor website that provides current information of interest to the public including completed audit reports, fraud hotline information and staff contacts.

- Performed an in-depth analysis and completed a survey of comparable California cities that use officeholder accounts. Based on the results of the survey, provided recommendations to increase officeholder accounts from $5,000 to $10,000 for City Councilmembers and from $5,000 to $25,000 for citywide elected officials.

- Completed and issued an audit of Martin and Chapman Company election services provided for the April 2006 and June 2006 elections.

- Supported AB554 legislation, along with the Mayor and Department of Financial Management. This legislation will permit California cities to contract with California Public Employees' Retirement System (CALPERS) to prefund Other Post-Employment Benefits, offering Long Beach greater flexibility to meet its obligations and ensure compliance with Government Accounting Standards Board (GASB) pronouncements 43 and 45 related to Other Post-Employment Benefits.

- Established a single, consistent risk-appropriate expenditure reimbursement policy for non-City Manager departments (Mayor, City Council, Boards, Agencies, Commissions, Elected Officials) that incorporated applicable statutory mandates.

- Audited the disbursements of City funds and all its departments, commissions, offices and agencies to insure disbursements are made in accordance with applicable laws, regulations and policies.

- Audited the City's $1.7 billion treasury each quarter to ensure the City's investments were in compliance with the State Government Code and City investment policy and properly safeguarded.

- Coordinated the completion of audits of the City's Fiscal Year 2006 Comprehensive Annual Financial Report and 14 component unit financial statements.

- Completed and issued an audit of Purchasing Card Transactions of the Department of Parks, Recreation and Marine for the period October 2006 through January 2007.

Opportunities & Challenges

Opportunities

- The City Auditor's Office is charged by the public with being an independent steward over City finances, functions and operations. This charge provides a unique opportunity to conduct auditing services that will be the impetus for a better, stronger and more efficient local government. Increasing both the numbers and types of professionals on the Auditor's staff has traditionally increased revenue recoveries and has promoted better and more identifiable efficiencies. The Office will continue to assess staffing needs in order to optimize efficiency and maintain excellence in performance. Annually, the City Auditor's recommendations result in sound financial practices and increased revenue for Long Beach, helping to foster a sense of confidence in our City's government.

Challenges

- To provide responsive and efficient auditing services to a broad array of City departments and related organizations and to communicate the findings of the Office to the residents of Long Beach and other stakeholders in a straightforward and transparent manner. The Office will strive to maintain our independence in order to ensure fair, appropriate and necessary findings and recommendations.

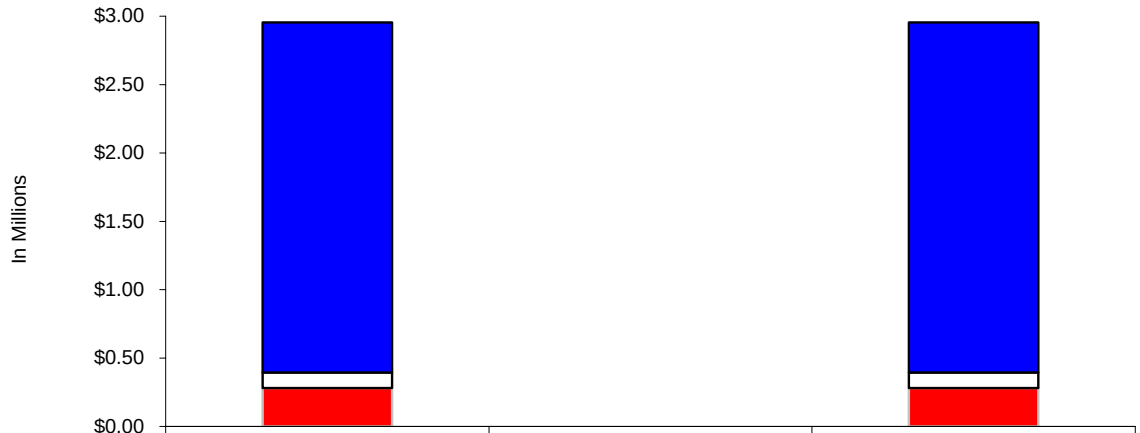
Notes

- The City Auditor is independently elected and is, by City Charter, not under the authority of the City Manager or City Council. Audits are conducted based on the professional judgment of the City Auditor and her professional staff in accordance with Generally Accepted Government Auditing Standards, other applicable statutes and industry regulations.

Please visit the City Auditor's website for updates and further information at:
www.CityAuditorLauraDoud.com.

Summary by Character of Expense

Adopted* FY 08 Budget by Fund



	Expenditures	Revenues	Net Fund Support
General	2.56	-	2.56
Employee Benefits	0.11	-	0.11
Tideland Oil Revenue	0.28	-	0.28

	Actual FY 06	Adopted* FY 07	Adjusted FY 07	Year End** FY 07	Adopted* FY 08
Expenditures:					
Salaries, Wages and Benefits	1,910,962	2,299,678	2,299,678	1,791,944	2,438,088
Materials, Supplies and Services	378,659	340,304	474,574	797,127	340,304
Internal Support	134,481	147,851	147,851	166,913	174,439
Capital Purchases	-	-	-	15,040	-
Debt Service	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-
Prior Year Encumbrance	-	-	-	-	-
Total Expenditures	2,424,103	2,787,833	2,922,102	2,771,025	2,952,830
Revenues:					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money & Property	-	-	-	-	-
Revenue from Other Agencies	-	-	-	-	-
Charges for Services	234	-	-	-	-
Other Revenues	10,735	-	-	2,851	-
Interfund Services - Charges	-	-	-	-	-
Intrafund Services - GP Charges	-	-	-	-	-
Harbor P/R Revenue Transfers	-	-	-	-	-
Other Financing Sources	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Revenues	10,969	-	-	2,851	-
Personnel (Full-time Equivalents)	22.00	18.60	18.60	18.60	20.00

* Amounts exclude all-years carryover. See budget ordinance in the front section of this document.

** Unaudited

Personal Services

Classification	FY 06 Adopt FTE	FY 07 Adopt FTE	FY 08 Adopt FTE	FY 07 Adopted Budget	FY 08 Adopted Budget
City Auditor	1.00	1.00	1.00	163,317	174,409
Assistant City Auditor	1.00	1.00	1.00	134,144	145,060
Audit Analyst	3.00	2.60	3.00	140,341	178,743
Audit Manager	3.00	3.00	3.00	263,810	253,791
Deputy City Auditor	3.00	4.00	4.00	445,294	454,739
Executive Assistant	2.00	2.00	2.00	113,507	117,825
Senior Auditor	4.00	3.00	4.00	206,935	261,859
Staff Auditor	5.00	2.00	2.00	102,026	86,559
Subtotal Salaries	22.00	18.60	20.00	1,569,374	1,672,983
Overtime	---	---	---	---	---
Fringe Benefits	---	---	---	680,325	743,733
Administrative Overhead	---	---	---	49,978	26,957
Salary Savings	---	---	---	---	(5,585)
Total	22.00	18.60	20.00	2,299,677	2,438,088

Key Contacts

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Danica Rogers, CPA, Deputy City Auditor

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