



**MAYOR ROBERT GARCIA**  
CITY OF LONG BEACH

July 17, 2018

MEMBERS OF THE CITY COUNCIL & CHARTER AMENDMENT COMMITTEE  
City of Long Beach

RECOMMENDATION:

**To consider and receive comments from the community regarding the following proposed amendment to the Long Beach City Charter:** City Auditor Authority. A charter amendment to authorize the City Auditor to conduct performance audits, defined as independent assessments of programs, functions, operations, or management designed to enhance performance, cost savings, efficiency or service improvements of City departments, boards, commissions, and offices.

DISCUSSION:

City Charter Amendment Process

Under State law, a majority of Long Beach voters must approve any City Charter Amendment. The next available date to place this Charter amendment on the ballot will be November 6, 2018. To consider this amendment for the November 6, 2018 election, State law requires that there be three public hearings/meetings over the next 60 days. At each of these hearings/meetings there will be opportunities for discussion, receiving community input, and making changes to the Charter amendment language. The hearing/meeting dates are as follows:

- June 12, 2018 – First public hearing: Receive staff presentation, hear public comment, direct staff to gather any further information or implement changes.
- July 17, 2018 – Second public hearing: Receive any updated information, hear public comment, direct staff to gather any information or make amendment changes.
- August 7, 2018 – Final meeting: Receive any updated information, hear public comment, make any final amendment changes, and if the City Council so chooses, adopt the required resolutions to place the Charter amendment on the November 6, 2018 General Election ballot.

FISCAL IMPACT:

Discussion of proposed amendments has no fiscal impact.

SUGGESTED ACTION:

**Consider proposed amendment to the Long Beach City Charter, receive comments from the community, and refer for final hearing on August 7.**

Respectfully submitted,

Mayor Robert Garcia  
City of Long Beach  
Dated: July 9, 2018



**MAYOR ROBERT GARCIA**  
**CITY AUDITOR LAURA DOUD**  
CITY OF LONG BEACH

May 31, 2018

Members of the Long Beach City Council  
333 West Ocean Blvd., 14<sup>th</sup> Floor  
Long Beach, CA 90802

**RE: Proposed Charter Amendments**

Dear Long Beach City Councilmembers:

Over the last few years, members of the community, City Commissions, and many of you have discussed ways to make our government more effective, efficient, and ethical. We strongly support efforts that open our city government to smart reforms.

Together, we are putting forward five charter amendments for consideration for the November ballot. They include a redistricting commission, an ethics commission, strengthening our term limit laws, defining the authority of the City Auditor, and consolidating our utility departments.

We believe these changes are good government measures and look forward to working with the City Council to put these measures before the voters of Long Beach to consider.

We look forward to the Charter Amendment committee meetings in the months ahead.

Sincerely,

Mayor Robert Garcia

City Auditor Laura L. Doud



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I hereby certify that the foregoing resolution was adopted by the City Council  
of the City of Long Beach at its meeting of \_\_\_\_\_, 2018 by the  
following vote:

Ayes: Councilmembers: \_\_\_\_\_

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\_\_\_\_\_

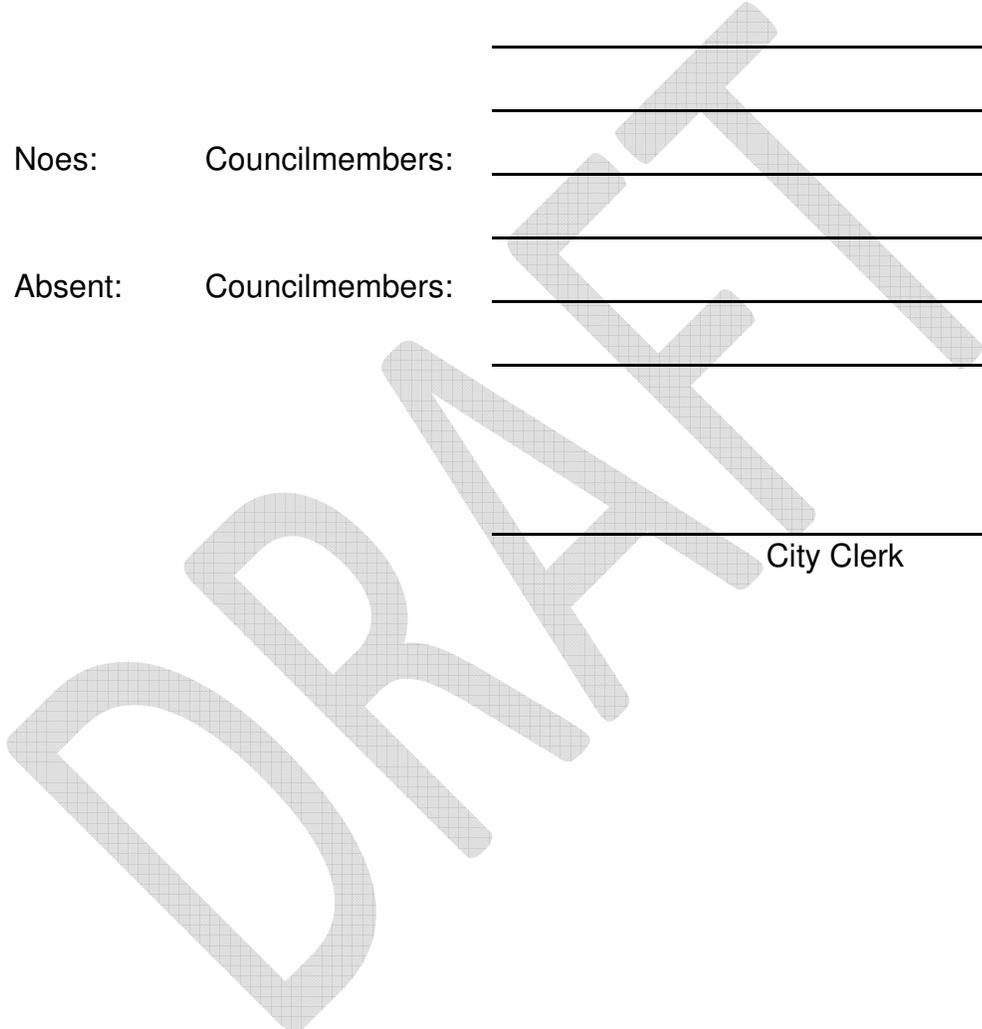
Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
City Clerk



OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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Exhibit "A"  
Proposed Charter Amendment  
[attached behind this page]

DRAFT

MEASURE “ \_\_\_ ”

SECTION 1. THE PEOPLE OF THE CITY OF LONG BEACH DO HEREBY AMEND THE LONG BEACH CITY CHARTER BY ADDING THE FOLLOWING ARTICLE \_\_\_ TO THE CITY CHARTER:

“ARTICLE VIII – CITY AUDITOR.

Section 803. – Duties of the City Auditor

The City Auditor shall be the general auditor of the City and of every department, commission and office thereof. The City Auditor shall have the authority to conduct performance audits of City departments, boards, commissions and offices. Performance audits are defined as independent assessments of programs, functions, operations, or management designed to enhance performance, cost savings, efficiency or service improvements. The City Auditor, as often as the City Auditor shall deem it advisable, but in any case at least once in each fiscal year, and at such other times as the City Auditor shall be directed by the City Council, shall carefully examine and audit the books, records, accounts, funds and securities of all departments, boards, commissions and offices of the City for the purpose of determining: the accuracy and correctness of such books, records and accounts; that the City and Commissions thereof are receiving all monies, of whatsoever nature due it or them; and that such monies are allocated to the funds entitled thereto. Immediately upon the completion of such examination and audit, the City Auditor shall make and file with the City Council Clerk, in triplicate, a written report thereof. If, during the course of such examination and audit, the City Auditor discovers any irregularities, the City Auditor shall immediately make and file a written report thereof to the City Council Clerk.

The City Auditor shall verify the cash in the City Treasury at least once a quarter and shall make a written report thereof to the City Council.

~~Within the time provided by law, the City Auditor shall calculate the property tax rate and certify it to the City Council.~~

Sec. 806. - COPIES OF RECORDS, REPORTS AND CONTRACTS.

~~A certified copy of every contract in which the City or any of its commissions is a party shall be filed with the City Auditor within ten (10) days after execution.~~ The City Auditor shall be furnished a copy of all reports of a financial nature prepared by any department, commission, office or agency of the City. In the performance of his or her duties, the City Auditor shall have the right of immediate access to all City financial records of the City, including contracts, documents, systems, files and other internal records, not otherwise confidential pursuant to municipal, state or federal law.

PASSED, APPROVED and ADOPTED by the People of the City of Long Beach at a General Election held on November 6, 2018.

\_\_\_\_\_  
ROBERT GARCIA  
Mayor of the City of Long Beach

Attest:

\_\_\_\_\_  
Monique De La Garza  
City Clerk

Approved as to form:

\_\_\_\_\_

DRAFT



# Association of Local Government Auditors

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**Kristine Adams-Wannberg**  
Senior Management Auditor  
Portland, OR

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Deputy City Auditor  
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Deputy City Auditor  
City and County of Honolulu, HI

### Carolyn Smith

Chief Audit Executive  
Columbus City Schools, OH

## MEMBER SERVICES

449 Lewis Hargett Circle  
Suite 290  
Lexington, KY 40503  
Phone: (859) 276-0686  
Fax: (859) 278-0507  
www.algaonline.org

June 29, 2018

Honorable Mayor Garcia and Members of the Long Beach City Council,

The Association of Local Government Auditors (ALGA) represents over 350 government audit organizations across the United States and Canada. We recently learned that the Long Beach City Council is considering a City Charter amendment that would update obsolete language by explicitly authorizing the City Auditor to conduct performance audits and to gain unrestricted access to City records and information, as follows:

*“The City Auditor shall have the authority to conduct performance audits of City departments, boards, commissions and offices. Performance audits are defined as independent assessments of programs, functions, operations, or management designed to enhance performance, cost savings, efficiency or service improvements.”*

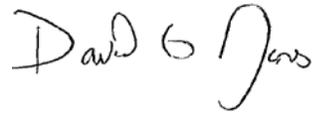
*“In the performance of his or her duties, the City Auditor shall have immediate access to all City records, including but not limited to financial records, contracts, documents, systems, files, property and other internal records, unless restricted or prohibited by law.”*

ALGA believes that an independent performance audit function, operating under applicable professional auditing standards, plays a key role in effective governance and public accountability. The proposed legislation is consistent with ALGA’s publication [Model Legislation Guidelines for Local Government Auditors](#), as well as generally accepted auditing standards and guidance which can be found on the [ALGA website](#).

To effectively perform this important function, the City Auditor should have unrestricted access to all City records, unless prohibited by law. Because auditors frequently handle sensitive information and ALGA supports unrestricted access to information for auditors, we strongly concur with the revisions referred to above to the Charter language.

ALGA’s Advocacy Committee would be happy to offer additional resources and comments to the Long Beach City Council if requested. If you would like additional information, please contact our senior Advocacy representative for California, Ann-Marie Hogan at [ahogan@ci.berkeley.ca.us](mailto:ahogan@ci.berkeley.ca.us) or 501-981-6750; or me at [davidg.jones@seattle.gov](mailto:davidg.jones@seattle.gov) or 206-233-1095.

Sincerely,

A handwritten signature in black ink that reads "David G. Jones". The signature is written in a cursive style with a large, prominent "D" and "J".

David G. Jones  
Seattle City Auditor  
Chair, ALGA Advocacy Committee

Cc: Kristine Wannberg-Adams, ALGA President



Office of the City Auditor  
Ann-Marie Hogan, City Auditor

June 27, 2018

Long Beach City Council  
333 W. Ocean Boulevard  
Long Beach, CA 90802

Honorable Mayor and Councilmembers:

I was pleased to learn that the Long Beach City Council is considering an amendment to the City Charter to explicitly authorize the City Auditor to conduct performance audits and to codify the requirements that the City Auditor have full access to all City records and documents. I am writing to encourage you to support these changes to your Charter.

An independent performance audit function, operating under applicable professional auditing standards, plays a key role in effective governance and public accountability. To effectively perform this important function requires that the City Auditor have unrestricted access to all City records, unless they are prohibited by law. Restricted access to City records impedes the City Auditor's critical work in assuring that scarce tax dollars are protected by strong management controls and practices.

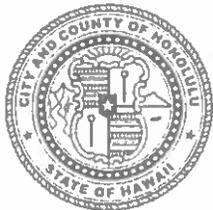
As a seasoned government auditor, I can assure you that the revised provisions in the amendment – the City Auditor's authority to conduct performance audits and to access all City records – are typical requirements for local government auditors. These provisions are aligned with professional auditing standards, as well as with the government auditing industry.

Berkeley's previous elected City Auditor, Anna Rabkin, was a pioneer in performance auditing in the 1980's, and a founding member of the [Association of Local Government Auditors](#) (ALGA), and conducted performance audits during her tenure. When I took office in 1994, however, the City Charter did not include language that clearly explained the authority and responsibility of the Auditor to conduct performance audits. Using ALGA's [Model Legislation Guidelines for Local Government Auditors](#), and with the assistance of our then-City Attorney, I presented a charter amendment which was unanimously approved by our City Council and then approved by the voters in 1998. A key component of that amendment was the inclusion of a provision for unrestricted access to employees, records, reports, and information.

I would be happy to answer any questions you may have about the audit profession. Please contact me at 510-981-6750 or via email at [ahogan@cityofberkeley.info](mailto:ahogan@cityofberkeley.info).

Sincerely,

Ann-Marie Hogan  
City Auditor



**EDWIN S.W. YOUNG**  
CITY AUDITOR

**OFFICE OF THE CITY AUDITOR**  
**CITY AND COUNTY OF HONOLULU**

1001 KAMOKILA BOULEVARD, SUITE 216, KAPOLEI, HAWAII 96707 / PHONE: (808) 768-3134 / FAX: (808) 768-3135

June 25, 2018

Long Beach City Council  
333 W. Ocean Boulevard  
Long Beach, CA 90802

Honorable Mayor and Councilmembers:

It has recently come to my attention that the Long Beach City Council is considering an amendment to the City Charter to explicitly authorize the City Auditor to conduct performance audits with full access to all City records and documents.

I am writing to encourage you to support these changes to your Charter. An independent performance audit function, operating under applicable professional auditing standards, plays a key role in effective governance and public accountability. To effectively perform this important function requires that the City Auditor have unrestricted access to all City records, unless they are prohibited by law. Restricted access to City records impedes the City Auditor's critical work in assuring that scarce tax dollars are protected by strong management controls and practices.

As a seasoned government auditor, I can assure you that the revised provisions in the amendment – the City Auditor's authority to conduct performance audits and to access all City records – are not unique in local government. These provisions are aligned with professional auditing standards, as well as with the government auditing industry. In fact, the City and County of Honolulu City Charter explicitly states that the City Auditor can conduct performance audits and, to complete these audits, must have unfettered access to City records, property and people. The city charter also authorizes the City Auditor to issue subpoenas.

A copy of our City Charter is attached. I would be happy to answer any questions you may have about the audit profession. Please contact me at ((650) 218-8676.

Sincerely,

*Edwin S. W. Young*

Edwin S. W. Young, City Auditor  
Office of the City Auditor  
City and County of Honolulu  
1001 Kamokila Blvd., Suite 216  
Kapolei, HI 96707  
Phone: 808-768-3130  
FAX: 808-768-3135  
Email: [eyoung@honolulu.gov](mailto:eyoung@honolulu.gov)  
[www.honolulu.gov/auditor](http://www.honolulu.gov/auditor)

**Excerpt: City Charter, City and County of Honolulu**

**ARTICLE 3 – LEGISLATIVE BRANCH**

**CHAPTER 5 - CITY AUDITOR**

**Section 3-501. Office Established; City Auditor –**

1. There is established within the legislative branch an office of the city auditor, to be headed by a city auditor who shall be appointed by the city council and shall serve for a period of six years, and thereafter, until a successor is appointed. The council shall fix the salary of the city auditor. The council, by a two-thirds vote of its membership, may remove the auditor from office at any time for cause.
2. The city auditor shall possess adequate professional proficiency for the office, demonstrated by relevant certification, such as certification as a certified internal auditor or certified public accountant, or have an advanced degree in a relevant field with at least five years experience in the field of government auditing, evaluation, or analysis. A certified internal auditor or certified public accountant shall be preferred. The city auditor shall have a bachelor's degree in accounting, business administration, or public administration or related field. If financial statement audits are conducted, the city auditor shall be a certified public accountant.
3. Except for exercising the right to vote, neither the auditor nor any member of the office of the city auditor shall support, advocate, or aid in the election or defeat of any candidate for city public office.
4. The city auditor may appoint the necessary staff for which appropriations have been made by the council. Subject to the provisions of this charter and applicable rules and regulations adopted thereunder, the auditor shall have the same powers with respect to the personnel of the office of the city auditor as executive branch department heads have over their personnel. Staff shall be appointed by the auditor in a manner consistent with the merit principles set forth in Section 6-1102 of this charter, but shall not otherwise be subject to the provisions of Chapter 11 of Article VI of this charter, pursuant to Section 6-1104 of this charter.

**Section 3-502. Powers, Duties, and Functions –**

1. It shall be the duty of the city auditor to conduct or cause to be conducted:
  - (a) The annual financial audit of the city, as required by Section 3-114;
  - (b) Performance audits of the funds, programs, and operations of any agency or operation of the city as requested by the council by resolution, as authorized by Section 3-114;
  - (c) **Performance and financial audits** of the funds, programs, and operations of any agency or operation of the city, as determined by the auditor to be warranted. Before the commencement of each fiscal year, a plan of the audits proposed to be conducted by the auditor during the fiscal year shall be transmitted to the council for review and comment, but not approval. The plan also shall be transmitted to the mayor and filed with the city clerk as public record; and

(d) Follow-up audits and monitoring of compliance with audit recommendations by audited entities. The city auditor shall conduct or cause to be conducted all audits in accordance with government auditing standards.

2. Audit findings and recommendations shall be set forth in written reports of the city auditor, a copy of which shall be transmitted to the mayor and to the council and filed with the city clerk as public record.

3. For the purposes of carrying out any audit, the auditor shall have full, free, and unrestricted access to any city officer or employee and shall be authorized to examine and inspect any record of any agency or operation of the city, to administer oaths and subpoena witnesses and compel the production of records pertinent thereto. If any person subpoenaed as a witness or compelled to produce records shall fail or refuse to respond thereto, the proper court, upon request of the auditor, shall have the power to compel obedience to any process of the auditor and to punish, as a contempt of the court, any refusal to comply therewith without good cause. The auditor may retain special counsel, in the manner authorized by the council, to represent the auditor in implementing these powers.

- a. False swearing by any witness shall constitute perjury and shall be referred by the auditor to the prosecuting attorney for prosecution. In any audit which concerns the alleged gross misconduct or alleged criminal conduct on the part of any individual, such individual shall have the right to be represented by counsel and the right to have the auditor compel the attendance of witnesses on behalf of the individual.
- b. The city auditor's performance shall be evaluated annually by the council. The city auditor's audit activities shall be subject to quality review in accordance with applicable government auditing standards by a professional, non-partisan, objective group. The written report of the independent review shall be transmitted to the council and mayor and filed with the city clerk as public record.
- c. For the purpose of this section and Section 3-114: "Agency or operation of the city" includes any executive agency, semi-autonomous agency, council office, and other establishment of city government supported, in whole or in part, by city or public funds.
- d. "Council office" includes the council itself, the office of a councilmember and the councilmember's immediate staff, the office of the city clerk, the office of council services, a reapportionment commission, and a charter commission. This definition applies only to those sections. It shall not be construed as excluding the office of the city auditor from the legislative branch.
- e. "Record" includes any account, book, paper, and document, and any financial affair, notwithstanding whether any of the preceding is stored on paper or electronically.

### **Section 3-503. Audit Committee –**

1. The council may establish an audit committee, the members of which shall individually advise the city auditor on the following: formulation of the plan of audits proposed to be conducted by the auditor pursuant to Section 3-502.1(c); conduct of audits; follow up of audits; selection of private contractors to perform audits for the city auditor; evaluation of preliminary audit findings and recommendations and city agency, officer, or employee responses to the preliminary findings and recommendations; and evaluation of the city auditor's performance during each fiscal year. If established, the audit committee shall consist of five members: One member shall be the chair of the council committee with jurisdiction over the executive budget ordinances; and
2. The other members shall be appointed by the council. The council shall appoint members who are qualified by experience, expertise, and independence to perform the duties of the audit committee. A member appointed by the council shall not hold any other office or position with the city while on the audit committee. The method of appointment, terms, and specific qualifications of the appointed members shall be established by the council by ordinance or rule. The council also may establish by ordinance or rule provisions for the removal of an appointed member for cause.
3. The audit committee shall be within the office of the city auditor. Members of the audit committee shall have the power to render advice to the city auditor only on an individual basis. The members may gather and render the advice at meetings closed to the public. The audit committee shall not have the power to take official actions or make collective decisions based on voting by the members. A quorum shall not be required for the audit committee to meet.
4. The audit committee is intended to have the duty of advising the city auditor on preliminary audit findings and recommendations and other confidential matters which should not be disclosed prematurely at meetings open to the public. Thus, this subsection is intended to permit the audit committee to gather in closed meetings without violating the state law on open meetings for public agencies.
5. If, however, a court of competent jurisdiction rules that the audit committee is subject to the state law on open meetings, the audit committee shall comply with the state law. Or, the audit committee may suspend its operation until appropriate amendment is made to the state law to permit the committee to gather in closed meetings.
6. The chair of the audit committee shall be appointed by the council in the manner provided by ordinance or rule.
7. A meeting of the audit committee may be called by the chair or auditor.
8. Members appointed by the council shall not be entitled to compensation for serving on the committee. The member from the council shall not be entitled to compensation for serving on the committee that is additional to the compensation received as a councilmember. All members, however, shall be entitled to be reimbursed for travel and other necessary expenses incurred by them in the performance of their official duties. Section 13-103 shall not apply to the members of the audit committee.



CITY HALL • ONE FRANK H. OGAWA PLAZA, 4TH FLOOR • OAKLAND, CALIFORNIA 94612

Office of the City Auditor  
Brenda D. Roberts, CPA, CFE, CIA  
City Auditor

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June 25, 2018

Long Beach City Council  
333 W. Ocean Boulevard  
Long Beach, CA 90802

Honorable Mayor and Councilmembers:

It has recently come to my attention that the Long Beach City Council is considering an amendment to the City Charter to explicitly authorize the City Auditor to conduct performance audits with full access to all City records and documents.

I am writing to encourage you to support these changes to your Charter. An independent performance audit function, operating under applicable professional auditing standards, plays a key role in effective governance and public accountability. To effectively perform this important function requires that the City Auditor have unrestricted access to all City records, unless they are prohibited by law. Restricted access to City records impedes the City Auditor's critical work in assuring that scarce tax dollars are protected by strong management controls and practices.

As a seasoned government auditor, I can assure you that the revised provisions in the amendment – the City Auditor's authority to conduct performance audits and to access all City records – are not unique in local government. These provisions are aligned with professional auditing standards, as well as with the government auditing industry. In fact, the City of Oakland City Charter states that the City Auditor can conduct performance audits and, to complete these audits, must have unfettered access to City records, property and people.

I would be happy to answer any questions you may have about the audit profession. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Brenda D. Roberts". The signature is fluid and cursive, with a long horizontal line extending to the right.

Brenda D. Roberts  
Oakland City Auditor



**OFFICE OF THE CONTROLLER**  
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

July 2, 2018

Long Beach City Council  
333 W. Ocean Boulevard  
Long Beach, CA 90802

Honorable Mayor and Councilmembers:

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I am writing to encourage you to support these changes to your Charter. An independent performance audit function, operating under applicable professional auditing standards, plays a key role in effective governance and public accountability. To effectively perform this important function requires that the City Auditor have unrestricted access to all city records, unless access is prohibited by law. Restricted access to city records impedes the City Auditor's critical work in assuring that scarce tax dollars are protected by strong management controls and practices.

As a seasoned government auditor, I can assure you that the revised provisions in the amendment – the City Auditor's authority to conduct performance audits and to access all city records – are not unique in local government. These provisions are aligned with professional auditing standards, as well as with the government auditing industry. In fact, the City and County of San Francisco Charter explicitly states that the City Services Auditor (Controller) must conduct "comprehensive financial and performance audits" and "shall have access to, and authority to, examine all documents, records, books and other property of any board, commission, officer or department." Unfettered access to city records, property, and people is critical to the effectiveness of any city auditor.

I would be happy to answer any questions you may have about the audit profession. Please contact me at [tonia.lediju@sfgov.org](mailto:tonia.lediju@sfgov.org) or 415-554-5393.

Sincerely,

A handwritten signature in black ink, appearing to read "Tonia Lediju".

Tonia Lediju, Ph.D.  
Chief Audit Executive  
Audits Division  
City Services Auditor

cc: Laura Doud, Long Beach City Auditor