



Legislation Details (With Text)

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Title: Recommendation to receive and file the Queen Mary Inventory Audit Report. (District 2)
Sponsors: City Auditor
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Attachments: 1. 010609-R-19-added att.pdf, 2. 010609-R-19sr&att.pdf

Date	Ver.	Action By	Action	Result
1/6/2009	1	City Council	approve recommendation	Pass

Recommendation to receive and file the Queen Mary Inventory Audit Report. (District 2)

Subsequent to the November 2007 purchase of the Queen Mary lease by Save the Queen, LLC, the Office of the City Auditor was requested by the City Attorney's Office to conduct an inventory of the physical assets on the Queen Mary. The objective of this audit was to physically observe specific City-owned fixed assets on the Queen Mary and to reconcile those assets to the City of Long Beach Fixed Asset Property Report.

Our audit recommends that the City develop fixed asset management policies for third party contractors managing City assets, and that a full inventory be completed of the Queen Mary detailing all of the historic items on the ship, including those with historical significance and a value less than \$5,000. Management has indicated in their response that they agree with these recommendations and plan to implement them. Additionally, we recommend that the City amend the Queen Mary lease to include a provision for the oversight of City fixed assets. The City Attorney's Office has indicated that it will include such a provision in its upcoming lease with Save the Queen. Further recommendations and management's responses are attached for your consideration.

Pursuant to a request from the City Attorney's Office, the City Auditor's Office is currently planning a new audit of capital improvements made on the Queen Mary in calendar year 2008. As part of this audit, which will occur in the first half of 2009, we will verify that the current tenant made contractually required capital improvements. This new audit is unrelated to the attached report. The City Auditor's Office looks forward to continuing to verify that appropriate safeguards are in place for this important City asset, and that the City is receiving all it is owed under the lease provisions.

This item is not time sensitive.

The attached audit report details ways the City can improve oversight of its fixed assets both internally and by outside contractors. Such controls help prevent loss or damage to the City's assets.

Approve recommendation.

LAURA L. DOUD, CPA
CITY AUDITOR

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER