

MINUTE ITEM

28. (LONG BEACH TIDELANDS, CHAPTER 29, STATUTES OF 1956, 1ST E.S., AUDITING SERVICES - W. O. 2323.4.)

Following presentation of Calendar Item 21 attached, Mr. Kirkwood emphasized the desirability of expediting completion of the contract service work in order to permit assumption of full accounting responsibility by State Lands Division staff.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE ACTING EXECUTIVE OFFICER IS AUTHORIZED TO ENTER INTO AND EXECUTE AN INTERAGENCY CONTRACT WITH THE AUDITS DIVISION, DEPARTMENT OF FINANCE, PROVIDING FOR THE FURNISHING OF SERVICES BY SAID DIVISION DURING THE FISCAL YEAR JULY 1, 1957 THROUGH JUNE 30, 1958. THE CONTRACT IS TO PROVIDE FOR: COMPLETION OF WORK ON, AND THE RENDERING OF A REPORT RELATING TO THE ACCOUNTABILITY FOR, AND DISPOSITION OF REVENUES FROM THE CITY OF LONG BEACH'S GRANTED TIDE AND SUBMERGED LANDS; THE COMPLETION AND FURNISHING OF AN AUDITING PROGRAM DESIGNED TO GUIDE THE STATE LANDS DIVISION IN AUDITING OPERATIONS UNDER THE PROVISIONS OF CHAPTER 29/56, 1ST E.S.; THE FURNISHING OF AUDITING SERVICES AS REQUIRED BY THE STATE LANDS DIVISION IN CARRYING OUT AUDITING FUNCTIONS UNDER THE PROVISIONS OF CHAPTER 29/56, 1ST E.S. THE TOTAL AMOUNT PAYABLE UNDER SAID AGREEMENT IS NOT TO EXCEED \$15,000.

Attachment

Calendar Item 21 (1 page)

CALENDAR ITEM

MISCELLANEOUS

21.

(LONG BEACH TIDELANDS, CHAPTER 29, STATUTES OF 1956, 1ST E.S., AUDITING SERVICES - W. O. 2323.4.)

At its meeting of August 15, 1956 (Minute Item 6, page 2763), the State Lands Commission authorized an agreement with the Audits Division of the Department of Finance to examine the books and records maintained by the City of Long Beach in connection with its operations relating to its granted tidelands. Thereafter, Audits was to render a report to the State Lands Commission on the accountability for and the disposition, under the provisions of Chapter 29/56, 1st E.S., of revenues from the granted tidelands. Further, a program was to be prepared designed to carry out auditing functions under the provisions of the aforementioned legislation.

In its effort to carry out the work contracted for, the Audits Division has run into many complications and delays by reason of the many interests involved in the operation. Cost distribution problems have required considerable research. The endeavor to establish operating standards and reach operating agreements with the City has increased the work load anticipated, and protracted completion of the assignment. Further work is, and will be, required before the reports contracted for can be rendered.

It has also become apparent during the course of the work performed by the Audits Division that further services of that Division will be required during the current fiscal year to perform certain auditing functions, such as the annual review of Harbor Trust expenditures, and the review of operations by the City's contractors engaged in oil and gas production.

IT IS RECOMMENDED THAT THE ACTING EXECUTIVE OFFICER BE AUTHORIZED TO ENTER INTO AND EXECUTE AN INTERAGENCY CONTRACT WITH THE AUDITS DIVISION, DEPARTMENT OF FINANCE, PROVIDING FOR THE FURNISHING OF SERVICES BY SAID DIVISION DURING THE FISCAL YEAR JULY 1, 1957 THROUGH JUNE 30, 1958. THE CONTRACT IS TO PROVIDE FOR: COMPLETION OF WORK ON, AND THE RENDERING OF A REPORT RELATING TO THE ACCOUNTABILITY FOR, AND DISPOSITION OF REVENUES FROM THE CITY OF LONG BEACH'S GRANTED TIDE AND SUBMERGED LANDS; THE COMPLETION AND FURNISHING OF AN AUDITING PROGRAM DESIGNED TO GUIDE THE STATE LANDS DIVISION IN AUDITING OPERATIONS UNDER THE PROVISIONS OF CHAPTER 29/56, 1ST E.S.; THE FURNISHING OF AUDITING SERVICES AS REQUIRED BY THE STATE LANDS DIVISION IN CARRYING OUT AUDITING FUNCTIONS UNDER THE PROVISIONS OF CHAPTER 29/56, 1ST E.S. THE TOTAL AMOUNT PAYABLE UNDER SAID AGREEMENT IS NOT TO EXCEED \$15,000.