

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your

**BUDGET AND FINANCE
and
AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEES**

report as follows:

BUDGET AND FINANCE AND AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEES' REPORT relative to the Office of Finance Accounts Receivable Citywide Improvement Initiatives.

Recommendations for Council action:

1. INSTRUCT the Office of Finance (Finance) to continue regular quarterly reporting on progress to the City Council of proposed and ongoing initiatives being undertaken by Finance as described in Exhibit i of the Finance report, attached to the Council file, or as otherwise authorized by the City Council.
2. INSTRUCT City departments to prepare and submit responses, as coordinated by Finance, to City Council within 60 days on the directives contained in Exhibit ii of the Finance report including status and timeline for report-back.
3. INSTRUCT Finance, with the assistance of the Office of the City Attorney, to develop a Request for Proposals for sale of uncollectible accounts receivable and submit to City Council for authorization within 45 days.
4. DISTRIBUTE the Finance' report entitled Accounts Receivable Citywide Improvement Initiatives to the Neighborhood Council Budget Advocates and the Ad Hoc Commission on Revenue Efficiency.

Fiscal Impact Statement: None submitted by Finance. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a joint meeting of the Budget and Finance and Audits and Governmental Efficiency Committees on April 18, 2011, the Committees considered Finance's report, dated April 8, 2011, entitled Accounts Receivable Citywide Improvement Initiatives. Finance reports that several recent studies and audits have been conducted and reports published on improving Citywide Accounts Receivable management including City Controller audits, the Macias Consulting Group Study (Macias Study) - Feasibility and Implementation Study: Centralization of Billing and Collection Activities, and the Commission on Revenue Efficiency (CORE)'s report Blueprint for Reform of City Collections. The Finance report, attached to the Council file, provides information on the work that Finance has initiated to improve collections practices, centralize and consolidate accounts receivable data from all City departments, and address the recommendations from CORE, Macias and the Controller.

During the Committees' discussion, representatives of Finance provided an overview of the report and its recommendations, and responded to related questions from Committee members. Representatives of CORE and the Neighborhood Council Budget Advocates (NCBA) also addressed the Committees and provided comments regarding CORE and NCBA recommendations. After further consideration and an opportunity for public comment, the Committees recommended approval of the Finance recommendations and requested that the Finance' report entitled Accounts Receivable Citywide Improvement Initiatives be distributed and shared with the NCBA and CORE. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

AUDITS AND GOVERNMENTAL
EFFICIENCY COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	YES
ROSENDAHL:	YES
HUIZAR:	ABSENT
KORETZ:	YES

<u>MEMBER</u>	<u>VOTE</u>
ZINE:	YES
PARKS:	YES
SMITH:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-