

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

Your AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE

reports as follows:

AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE REPORT and ORDINANCE relative to amending Los Angeles Administrative Code (LAAC) Section 20.60 et seq. to require department reporting of Fraud, Waste, and Abuse and employee fraud awareness training.

Recommendations for Council action:

1. REQUEST the City Attorney to prepare and present an Ordinance, substantially similar to the Ordinance attached to the December 12, 2012 City Attorney report and attached to the Council file, amending LAAC Section 20.60 et seq., regarding the Controller's Fraud, Waste and Abuse Unit to require Department reporting of fraud, waste, and abuse and employee fraud awareness training, as amended to:
 - a. Remove references to the Los Angeles Police Department (LAPD).
 - b. Require the Personnel Department, with the assistance of the Information Technology Agency (ITA), to make mandatory fraud, waste, and abuse training mandatory for full time employee and new employees, and to coincide with the mandatory ethics training every two years.
 - c. Require City Departments to report allegations of fraud, waste, or abuse within ten days upon knowledge of an allegation or as soon as it is known that an allegation has taken place.
2. REQUEST the Ethics Commission to incorporate into the Governmental Ethics Ordinance (Los Angeles Municipal Code 49.5.18) mandatory fraud, waste, or abuse training for all City employees.

Fiscal Impact Statement: Neither the CAO or the Chief Legislation Analyst has completed an analysis of this report.

Community Impact Statement: None submitted.

(This matter has also been referred to the Personnel and Animal Welfare Committee; the Rules, Elections and Intergovernmental Relations Committee has waived consideration of this matter.)

SUMMARY

On January 8, 2013, your Committee considered a December 12, 2012 City Attorney report and Ordinance relative to amending LAAC Section 20.60 et seq. to require department reporting of Fraud, Waste, and Abuse and employee fraud awareness training. On October 18, 2011, Council requested the City Attorney to prepare and present an Ordinance, in response to Motion

(Zine - Englander), to amend LAAC Section 20.60.4 which deals with the Controller's Fraud, Waste, and Abuse Unit and to further include language similar to that provided for Ethics training in Los Angeles Municipal Code Section (LAMC) 49.5.18. The Ordinance considered by the Committee is in response to Council's request.

Representatives from the Controller's Office, City Attorney, and the Ethics Commission were present to answer questions from the Committee. After consideration and having provided an opportunity for public comment, the Committee moved to recommend amending the proposed Ordinance. After consideration and having provided an opportunity for public comment, the Committee moved to recommend: 1) removing references to the LAPD; 2) requiring the Personnel Department, with the assistance of the ITA, to make mandatory fraud, waste, and abuse training mandatory for full time employee and new employees, and to coincide with the mandatory ethics training every two years; and 3) requiring City Departments to report allegations of fraud, waste, or abuse within ten days upon knowledge of an allegation or as soon as it is known that an allegation has taken place. Finally, the Committee recommended requesting the Ethics Commission to incorporate into the Governmental Ethics Ordinance mandatory fraud, waste, or abuse training for all City employees. This matter is now submitted to Council for its consideration.

Respectfully submitted,

AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
ZINE:	YES
ROSENDAHL:	YES
LABONGE:	ABSENT

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