

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

**Your                    AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE**

**reports as follows:**

AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE REPORT relative to amending Los Angeles Administrative Code (LAAC) Section 20.60.4 to require all City departments to report fraud, waste, and abuse.

Recommendations for Council action, as initiated by Motion (Zine - Englander):

1.        REQUEST the City Attorney to prepare and present an Ordinance amending LAAC Section 20.60.4 to require all City departments to report fraud, waste, and abuse utilizing tougher language than currently under said LAAC section.
2.        REQUEST the City Attorney to prepare and present an Ordinance amending Los Angeles Municipal Code (LAMC) Section 49.5.18 mandating that the Controller provide fraud, waste, abuse training, utilizing language similar to that in Recommendation No. 1.
3.        REQUEST the Controller to work with the Personnel Department to develop online training for fraud, waste, and abuse.
4.        REQUEST the Ethics Commission, with the assistance of the Personnel Department, to report back to the Audits and Governmental Efficiency Committee in regard to employee ethics training presented through the Personnel Department's Learning Management System.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted

Summary:

On September 27, 2011, your Committee considered a Motion (Zine - Englander) relative to amending LAAC Section 20.60.4 to require all City departments to report fraud, waste, and abuse. Additionally, the Motion calls for instructing the Ethics Commission and Personnel Department to include a fraud, waste, and abuse training in their bi-annual training and to further present an educational outreach plan for all City employees on the resources available to report fraud, waste, and abuse. According to the Motion, LAAC Section 20.60 establishes the City's Waste Fraud and Abuse Unit within the Controller's office with the intention to allow the Controller to identify and prevent losses of City funds and resources and to act as a deterrent to fraud, waste, and abuse.

The current code "expects" City departments and other entities to report potential fraud, waste, and abuse. There is a need to strengthen the administrative code to "require" all departments and City entities to report any possible fraud, waste and abuse of resources, including activities which may be inappropriate under their scope of work. Subsequently there is a need to educate all employees of

City policies available to them in reporting any unscrupulousness action resulting in a waste of taxpayer dollars. Currently the Ethics Commission administers an ethics online training bi-annually. The Personnel Department administers a sexual harassment training bi-annually as well. Both departments should work together to incorporate training and education to prevent fraud, waste, and abuse for City employees.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend: 1) requesting the City Attorney to prepare and present an Ordinance amending LAAC Section 20.60.4 to require all City departments to report fraud, waste, and abuse utilizing tougher language than currently under said LAAC section; 2) requesting that the City Attorney further prepare and present an Ordinance amending LAMC Section 49.5.18 mandating that the Controller provide fraud, waste, abuse training, utilizing language similar to that in Recommendation No. 1; 3) requesting the Controller to work with the Personnel Department to develop online training for fraud, waste, and abuse; and 4) requesting the Ethics Commission, with the assistance of the Personnel Department, to report back to the Audits and Governmental Efficiency Committee in regard to employee ethics training presented through the Personnel Department's Learning Management System. 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
KORETZ:	ABSENT
ENGLANDER	YES

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**Not Official Until Council Acts**