

LOS ANGELES
CONVENTION CENTER
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MAYOR

LOS ANGELES
CONVENTION CENTER

POURIA ABBASSI, P.E.
GENERAL MANAGER & CEO

1201 S. FIGUEROA STREET
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(213) 741-1151
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May 4, 2012

Honorable Members of the City Council
Audits and Governmental Efficiency Committee
c/o Office of the City Clerk
200 North Spring Street
Room 395, City Hall
Los Angeles, CA 90012

Attention: Adam Lid, Clerk
Audits and Governmental Efficiency Committee

Dear Council Members:

**SUBJECT: STATUS OF RECOMMENDATIONS REGARDING THE AUDIT OF THE
LOS ANGELES CONVENTION CENTER CONTROLS OVER FUEL USE**

Please find the attached response from the Los Angeles Convention Center relative to the City Controller's correspondence dated March 29, 2012 regarding departmental controls over fuel use. If you have any questions or concerns regarding this progress report, please do not hesitate to contact me at (213) 741-1151, Ext 5384.

Sincerely,


Mary Jane Aquino
Acting Assistant General Manager & CFO

MJA:cv
REF. EXEC 12-139

Attachment

C: Pouria Abbassi, P.E. LACC
Phillip C. Hill, LACC

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April 30, 2012

Honorable Wendy Greuel
City Controller
200 North Main Street
Room 300, City Hall East
Los Angeles, CA 90012

Dear Ms. Greuel:

**SUBJECT: STATUS OF RECOMMENDATIONS REGARDING THE AUDIT OF THE
LOS ANGELES CONVENTION CENTER CONTROLS OVER FUEL USE**

In response to your letter dated March 29, 2012 relating to the subject audit, attached please find the Los Angeles Convention Center (LACC) progress status report.

The LACC has already implemented procedures in accordance to the audit recommendations. Additionally, we have issued written policies and procedures to serve as the LACC's official guidelines for fuel and vehicle use. Out of the 19 audit recommendations from various findings, 9 pertain and affect the LACC.

The LACC appreciates the time and recommendations provided by the Controller's audit staff. If you have further questions or concerns regarding this progress report, please do not hesitate to contact me at (213) 741-1151, Ext 5384.

Sincerely,

Mary Jane Aquino
Acting Assistant General Manager & CFO

MJA:mv
REF. EXEC 12-134

Attachments

cc: Farid Saffar, Office of the Controller
Ricky Deguchi, Office of the Controller
Pouria Abbassi, P.E, LACC
Phillip C. Hill, LACC
Steve Potik, LACC
Tac Hoon Lee, LACC

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FINDING #1	RECOMMENDATIONS	LA CONVENTION'S MANAGEMENT VIEW & CORRECTIVE ACTION PLAN	STATUS
<p>With the exception of LAPD, departments do not utilize the data available through the Fuel Automation Report Center to monitor fuel use for potential problems or abuse. Thus, inappropriate fueling transactions could occur without being detected and fuel costs may not be minimized.</p>	<p>2. The Mayor should direct Departmental management to establish policies and procedures for controlling and monitoring their fuel use, based on the GSD-issued specific guidelines.</p>	<p>The LA Convention Center has established written procedures for implementation. GSD guidelines were taken into consideration.</p>	<p>Written Policies established. Most procedures were implemented even before written policies were issued. LACC Fuel Card Coordinator attends GSD meetings.</p>
	<p>4. The Mayor should direct management of user departments to implement adequate monitoring procedures over fuel use. This should include monitoring the following high-risk transactions:</p> <ul style="list-style-type: none"> a) Bypass b) Keypad Entry (for LAPD) c) Master Card d) Negative Odometer e) High Mileage f) After Hour and Weekend g) High Volume 	<p>a) Mechanism for Bypass fueling was taken out and therefore, no longer possible.</p> <p>b) Keypad Entry finding is for LAPD only.</p> <p>c) Master Card transactions are now logged and monitored.</p> <p>d & e) Fuel pump users will be trained to input correct information to prevent negative readings.</p> <p>f) After hours and weekend fueling transactions are not unusual to LACC operations but will be monitored.</p> <p>g) High Volume transactions are monitored as part of monthly monitoring.</p>	<p>Written Procedures for monitoring fuel use and training users are part of the LACC Fueling Policies.</p> <p>Employees with fueling responsibilities will be provided refresher training on pumping procedures and keying information.</p>
	<p>5. The Mayor should direct management of user departments with responsibility over fuel sites to ensure that each</p>	<p>Mechanism for Bypass fueling has been removed by GSD.</p>	<p>Written Procedures and controls are in place.</p>

FINDING #1	RECOMMENDATIONS	LA CONVENTION'S MANAGEMENT VIEW & CORRECTIVE ACTION PLAN	STATUS
	fuel site maintain logs to record fuel dispensed using the bypass mode and master cards. These logs should be reconciled, at least on a sample basis, to data from the Fuel Automation Report Center, and departmental managers should review these logs to identify any potential problems.	Master Card fueling transactions are being logged and monitored. Master Card is under lock and key.	
	6. The Mayor should direct management of user departments with responsibility over fuel sites to establish procedures prohibiting the use of master cards at sites other than their assigned sites.	LACC maintains only one (1) Master Card. This is under lock and key. Transactions using the Master Card are being logged, monitored and reconciled to the GSD fuel automation report. Master Card key is exclusively used only at the LACC site.	Monitoring and logging of Master Card fueling transactions are part of LACC fuel usage policies. Other controls are in place to monitor fuel transactions.

FINDING #2	RECOMMENDATIONS	LA CONVENTION'S MANAGEMENT VIEW & CORRECTIVE ACTION PLAN	STATUS
Departments do not conduct regular and documented physical inventories of fuel cards, which increases the risk of inappropriate fuel transactions.	11. The Mayor should direct departments to conduct regular department-wide physical inventories of fuel cards and to reconcile the inventories to GSD's records. Both the physical inventory and reconciliation should be documented.	LACC conducted department wide physical inventories of fuel cards. The inventory and reconciliation will be periodically conducted and documented.	Physical inventory of cards completed, and part of LACC's fuel transaction policies and vehicle use procedures.
	12. LACC management should request GSD to transfer all cards used by security staff physically located at LACC to GSD's fuel card inventory.	All GSD fuel cards were duly noted and separated from LACC's card inventory.	Done/Completed.

FINDING #6	RECOMMENDATIONS	LA CONVENTION'S MANAGEMENT VIEW & CORRECTIVE ACTION PLAN	STATUS
Not all fueling transactions are recorded in the database.	17. The Mayor should direct departments with tankers and above ground tanks to maintain logs to record fuel dispensed from the tankers. Information recorded should include the date, quantity dispensed, and the vehicle ID or equipment number. Management at departments should periodically review the logs to determine whether they are being completed properly and that the fuel is being used for appropriate City purposes.	LACC does not utilize tankers. LACC maintains a 240-gallon above ground diesel-fuel pump to service light equipment, e.g. cleaners/scrubbers	LACC fuel usage policies include procedures for monitoring diesel fueling transactions. Diesel fueling transactions are being monitored by designated staff.

FINDING #7	RECOMMENDATIONS	LA CONVENTION'S MANAGEMENT VIEW & CORRECTIVE ACTION PLAN	STATUS
Departments have not established adequate policies and procedures for checking-out vehicles and for maintaining trip logs.	18. The Mayor should direct departments who have pool vehicles to establish formal policies and procedures related to checking-out vehicles and maintaining trip logs. These policies and procedures should address the types of vehicles covered by the policies/procedures.	LACC established written policies and improved procedures related to checking-out vehicles and maintaining trip logs.	Written policies and improved procedures are in place.
	19. The Mayor should direct departmental management to regularly monitor for compliance with the department's vehicle check-out and trip log maintenance procedures.	LACC established written policies and improved procedures related to checking-out vehicles and maintaining trip logs.	Written policies and improved procedures are in place.