

Construction & Demolition Recycling Program Performance Audit



June 2024

Why This Audit Is Important

The Construction & Demolition (C&D) Recycling Program in the Community Development Department was created in 2007 to meet state mandated waste diversion goals and promote sustainability. The program's objective is to encourage permit applicants to recycle C&D building materials through a refundable deposit, which is either refunded to the applicant for meeting program requirements or forfeited to the City.

In accordance with the City's C&D Ordinance, forfeited deposits are to be spent on sustainability projects that advance environmental stewardship, thereby enhancing residents' well-being and protecting wildlife.

What We Recommend

Recognize \$9.2 Million In Revenue for Environmental Projects



\$9.2 million in one-time funds, comprised of \$1.2 million in deposits incorrectly recorded and \$8 million in deposits that are no longer eligible for refund, should be recognized as revenue and available for spending on environmental efforts that would otherwise use the City's General Fund or other funds



Perform Annual Reconciliation

Ensures the C&D account accurately reflects deposits for active C&D projects



Update C&D Ordinance

Ensures alignment with the program timelines and processes

What Happens Next

The Community Development Department agreed to all seven audit recommendations to strengthen the process around monitoring the C&D deposit account and to streamline the refund request process.





Our Mission

To make Long Beach better through independent audits and fraud investigations

We work to:

- Provide assurance City funds are spent as intended
- Promote transparency and accountability of City operations
- Prevent fraud, waste, and abuse of City resources



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