

**THE PORT
OF LOS ANGELES** LA

America's Port

*Specialized Report of the
Internal Auditor*

Fraud Detection & Deterrence Program

Audit Committee

January 25, 2024



FRAUD DETECTION & DETERRENCE PROGRAM

EXISTING ELEMENTS

- Fraud Risk Assessments in Audits & Reviews
- Internal Controls (new ERP)
- Auditor Trainings



FUTURE ELEMENTS (in development)

- Reporting Mechanisms
- New Employee Orientation & Manual
- Focus on Internal Controls
- Incorporating Fraud Audit Work into Plan
- Specialized Departmental Trainings



FRAUD DETECTION & DETERRENCE PROGRAM

REPORTING CONSIDERATIONS

- Tools
 - Phone Hotline
 - Email Address

- Posted on the Port Website, Possibly Bulletin Boards

- Two-Fold Purpose
 1. Incorporate the Federal Grant Requirements
 2. Localized Access for Fraud Detection

FRAUD DETECTION & DETERRENCE PROGRAM

REPORTING CONSIDERATIONS

- ✓ Development Wording
 - Phone Script
 - Automated Email Response
 - Website Verbiage with Links

- ✓ Policies and Procedures for handling Complaints
 - Incorporation with other City hotlines
 - Anticipating & Identifying Where to Direct Complaints

FRAUD DETECTION & DETERRENCE PROGRAM

INTERNAL CONTROLS SURVEY

- Led by Controller, contracted to Crowe (accounting firm)
- Provided Policies & Procedures & Roadmap / Info
- Controller's Use of Information
 - ✓ Their audits or tests of controls
 - ✓ Harbor Department is Due for the Industrial, Economic & Administrative Survey

FRAUD DETECTION & DETERRENCE PROGRAM

TRAININGS

- Focused on Internal Controls role in Preventing Fraud
- Provided to the Department through the Port Prep Academy
- Topics
 1. Contracts & Purchasing
 2. Physical Controls
 3. Passwords
 4. Budgets
 5. Monitoring
 6. Managerial Approvals

CONCLUSION

Any questions can always be addressed now by the Internal Audit team or by emailing or calling: Barb Steelman

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