

City of Irwindale Welcomes Audit Results

Auditor finds no evidence of violations of law, financial mismanagement, fraud or abuse

Irwindale, November 29, 2016 – In response to the audit completed by California State Auditor Elaine M. Howle, City of Irwindale, City Manager John Davidson issued the following statement:

On behalf of the residents of Irwindale, we are pleased with the results of the state Auditor's Office audit of the City and delighted that the audit report acknowledges the City Council has made significant strides in many areas, including reducing the resident benefit program costs. The audit found no evidence of violations of law, financial mismanagement, fraud or abuse. The state auditor has confirmed what residents know from experience; for many years following the Great Recession, Irwindale faced real financial challenges and increasing costs that forced us to make significant cuts to core city services.

We welcomed a full review by the Auditor's Office of the City since Irwindale prides itself on its commitment to being transparent and following best city business practices. Many of the suggestions in the audit will be implemented since Irwindale always strives to improve accountability, management and oversight. We are thankful to Sen. Ed Hernandez who requested the audit as part of his effort to ensure that local government agencies use public funds appropriately. I would like to thank Sen. Hernandez for his leadership on this matter and appreciate his on-going concern for the financial integrity of our city.

While no entity enjoys a review, I believe the overwhelming favorable audit results will serve as a means of restoring public confidence in our city government. Irwindale enjoys a \$18.9 million General Fund Reserve, representing 97% of the annual operating expenses for Fiscal Year 2015-16. Additionally, in the current Fiscal Year 2016-17, Irwindale has already finalized transactions which will realize one-time financial gains of \$7 million, effectively increasing its General Fund Reserves to \$25.9 million and surpassing its pre-recession levels

While we disagree with some of the auditor's recommendations because the suggestions in the report are based on incorrect statements of fact, state law, or generic statements, the City will use the opportunity of this independent audit to review management practices and implement necessary changes where appropriate. While the City has already initiated many improvements, I pledge to work collectively and aggressively to incorporate the audit recommendations.

Editor's note:

To review the Audit Scope and Objectives, [click here](#).

For more information contact:

John Davidson, City Manager
(626) 430-2200