

MINUTE ITEM

Calendar Item No. \_\_\_\_\_  
submitted for information  
action thereon  
necessary.

INFORMATIVE CALENDAR ITEM

31

8/20/81  
W 40207  
Trout

OPERATIONAL AUDIT OF THE  
LONG BEACH TIDELANDS OIL OPERATIONS - THUMS

As its meeting of April 28, 1981, the State Lands Commission accepted for staff review, the operational audit report of the Long Beach Unit Oil Operations (THUMS), prepared by the Certified Public Accounting firm of Deloitte, Haskins and Sells.

With the considerable assistance of Deloitte, Haskins and Sells, obtained through a \$10,000 augmentation of the original contract amount of \$168,855, staff conducted a review focused on the objectives of implementing the report recommendations. To accomplish this, several meetings were held among principals of the State Lands Commission, the Long Beach Department of Oil Properties, THUMS and Deloitte, Haskins and Sells. The result of this effort is the supplemental report of Deloitte, Haskins and Sells on file in the office of the State Lands Commission, which focuses on three major areas of implementation, i.e., General Management, Organization and Data Processing.

The area of "General Management" addresses planning and management information systems; Organization and Operations addresses organizational roles, performance measures and various operational systems; Data Processing addresses development of information processing systems. Deloitte, Haskins and Sells recommends, with the concurrence of the three principals involved, that highest priority be given to the area of Data Processing, with initial emphasis directed to a study of user requirements. The selection of Data Processing as the area of highest priority is a recognition of its pervasive effect on the other two general areas and serves as a focus for the requirements in those areas.

Accordingly, THUMS has submitted a budget augmentation request to initiate the first phase of implementation. That request is the subject of a separate Calendar Item to be considered by the Commission today.

A 57, 58  
S 27, 31

-1-

CALENDAR PAGE	151
MINUTE PAGE	1737