MINUTE ITEM
~ Calendar Item No. _____
~ submitted for information
~ no action thereon
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INFORMATIVE CALENDAR ITEM

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## 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

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