

“This is Not Fine”:

Title of LA Controller’s Report Is (Unfortunately) True

A Cautionary Example of in How NOT to Write A Report

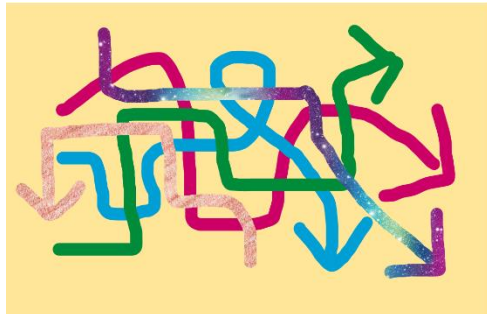
By Douglas Hileman, FSA, CRMA, CPEA

The Los Angeles Times referenced a report by the LA City Controller’s office on the city’s green deal in its October 6, 2023 edition. Working in the environmental/ sustainability field for decades, as an engineer and auditor, and a resident of the City of Los Angeles, I was intrigued.

I wanted to like this report. Alas, the title is an unfortunate description of the report itself. The topic of the report involves dozens of initiatives, affects millions of LA residents, and involves tens (if not hundreds) of millions of dollars in funding. The report is a tragically missed opportunity, likely to result in confusion, minimal actions, little impact– even backlash.



The report is poorly organized. There is no Table of Contents. The report authors depend on readers to plow through 80 pages to find the content relevant or of interest to them. The report provides ten takeaways – five pages into the Executive Summary. The report provides more detail, but it doesn’t begin until two pages later. Furthermore, the takeaways – conveniently numbered in the Executive Summary – are not numbered in the rest of the report. There are section headings cautioning that “cars cannot be our future”, addressing double-counting of carbon gains, and leveraging LA’s assets and power. Tables have no titles. I’ve read the report three times. I cannot track the Controller’s conclusions for each of the 10 takeaways. The relevance for the supporting bullets to each takeaway is not clear. The report suggests data to track in various categories, including Industrial Emissions & Air Quality, Waste & Resources. This does not map to the Key Takeaways, nor to any other discernable organizational pattern in the report.



The objective(s) are not clearly stated. Why was this effort undertaken? Who directed it, or sponsored it? The report doesn’t say. Without knowing the objective of the effort, how would anyone know if it has been accomplished? Was the exercise requested by the Mayor? Was it requested by a member of the City Council? Is some effort required to comply with provisions of grant funding that supports some of the programs mentioned? City departments responsible for aspects of these programs, Council members who should provide oversight, and citizens/ taxpayers are poorly served when the objectives and drivers are not stated.

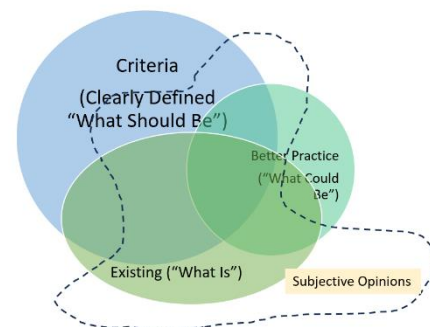


The criteria are not identified or provided. The report references the *Green New Deal*. The title of the report “calls for a reboot of LA’s *Climate Plan*”. Which is it? One paragraph in the Executive Summary highlights that “the last report on progress (released in May of 2022) mostly inventoried the short-term milestones” and describes this report further. Was this effort to revisit the design or accuracy of that one? Buried in the Executive Summary (in an unnumbered section on page 4), the report describes a Climate Action Planning Framework, developed by C40, an international consortium of cities (of which Los Angeles is a member). Absent clear statement of assessment criteria, the Controller cannot focus their effort. Nor can the reader fully understand what the desired framework, procedures, or controls are supposed to be.



Attribution and key references are missing. The report references the “Green New Deal” as an update of a 2015 Sustainability Plan. A link to the primary reference document is on page 17 – once, and after it has been mentioned several times. There is no Reference or Glossary section in the document. The report mentions “the LADWP’s move towards 100% renewable energy” without citation. It also declares this to be “the most important step towards decarbonizing Los Angeles” without justification. CalEnviroScreen is mentioned with no reference. The Controller obviously obtained many of these sources from within the City of LA; the report does not indicate what department or group provided the data, or is responsible for compiling and publishing it. The City is a large, sprawling complicated bureaucracy. Like any major city, it’s been tinkered with over time to meet changing needs and political winds. Where the report does offer suggestions, the reader must do their own homework (or guess work) as to where the existing data and information comes from, and who should take the lead. Absent clear attribution, future actions are predictable: nothing.

The report is not objective. The report includes shrill language and opinions. They betray underlying biases, which may not align with many residents’ philosophies – or with what should be the criteria for this effort. Furthermore, they do not serve key segments of the population, or even the city as a whole. “We are past the stage of changing light bulbs, carrying groceries in reusable bags and virtue signaling by driving a Prius or Tesla.” “The City has a large budget ... financial power should be used to invest in social programs such as housing, health care libraries and more.” “Police and Fire Pensions should divest from fossil fuel investments.” Are these relevant to the Green New Deal, or the objective of this effort (if one were stated)?





One I found particularly irksome: “Commercial aviation is necessary for modern society. Private jet travel is not.” Does the Green New Deal include a provision to eliminate private air travel in the City of LA? This gratuitous inclusion of an ideological notion is unfounded and irresponsible. Private jet travel is useful for traveling professional athletes and entertainment executives. It is useful for celebrities who



value privacy and their personal security, and prefer not to negotiate the crush of fans at LAX. Medical teams and patients may find it handy to use private air travel for immediate transport of an organ from Reno for a transplant patient awaiting surgery. Yes, even to charter a jet to fly that exact pair of designer shoes from New York to Los Angeles for a party. People watch those influencers, and it drives the city’s economy.

Illogical or counterproductive?: At least one suggestion caught my eye as erroneous, not supported by precedent, or inconsistent with other policy or common sense. The report suggests eliminating permit fees for owners to cap and properly abandon oil wells. The report excoriates the fossil fuel industry elsewhere. Homeowners pay permit fees when they get a new roof or bathroom. Dry cleaners pay to reclaim cleaning chemicals. We all pay fees to support recycling of tires, electronics and car batteries. A fundamental premise of environmental law is “polluter pays.” Why should Los Angeles residents (including lower income residents living near wellheads) subsidize the oil companies the report author castigates?

Closing

Each of these factors is corrosive to the credibility of the report, and even to the office of the Controller itself. I have a saying: “a report lives forever.” That’s why it is so important to produce a thoughtful, well-organized, objective report. One that clearly stated its purpose and criteria. One that included a concise roster of suggestions, how they align with the objective and criteria (e.g., Green New Deal), and free from personal biases.

Sadly, the title of the report is spot on, in a meta-sort of way: “This is Not Fine.”

[See for yourself here.](#) If you worked for the City of Los Angeles, would you know what to do? What changes would make reports more decision-useful? Would restructuring reports drive improvements to the integrity of the underlying work itself? If so, what? Your comments welcome.



About Douglas Hileman Consulting LLC



Douglas Hileman helps clients with Sustainability compliance, risk, programs, reporting and disclosures and audits. He is an author of COSO’s supplemental guidance “Achieving Effective Internal Control over Sustainability reporting (ICSR)”, which has taken the accounting and audit community by storm. He is the only non-CPA and only ESG specialist on the author team. He has over four decades of experience in operations, corporate, management consulting, Big 4 firm experience (including during early Sarbanes-Oxley years), and with his consultancy. He was on the Volkswagen Monitor Team for three years, as the senior environmental management/ auditing specialist, working on behalf of the DOJ. He is in demand for training, workshops, and presentations at conferences. One distinction is his ability to bridge the gap between traditional financial reporting professionals (Accounting, Internal Audit, Finance) and functions responsible for much of the Sustainability data and information (Environmental, HR, IT, Operations, Procurement, Real Estate, etc.). More at www.douglashileman.com.