

City Auditor's Office Mid-Cycle Update December 2016



Current Audit Activities

Key Message Points

- Transparency to Oakland citizens
- Value to the City
- Objective recommendations, that are intended to develop stronger controls, greater efficiencies, effective programs

Summary of Audits and Ballot Measures in 2016

Performance & Mandated Audits

- Payroll Audit & Review of Internal Controls
- Measure N Audit Fiscal Year 2014 - 2015
- Measure M Audit Fiscal Year 2014 - 2015
- Rent Adjustment Program

Ballot Measures – Impartial Financial Analysis

- Sugar-Sweetened Beverage Tax – **Measure HH**
- Maximum Lease Term - **Measure II**
- Rent Adjustment Program & Just Cause for Evictions - **Measure JJ**
- Infrastructure & Housing Bond – **Measure KK**
- Civilian Commission – **Measure LL**

** Oakland residents passed all measures*

Audit Report Highlights

Payroll Audit & Review of Internal Controls

- Payroll spend is \$571 million per year
- 5,100 employees (full and part-time)
- Bi-weekly payroll operations
- The objective of the audit was to make sure:
 - *the controls were in place and*
 - *all transactions were accurate, timely and authorized*

Recommendations

- Strengthen controls around timekeeping and the authorization of approvals of timecards
- Centralize payroll functions
- Revise and update the City's procedures to reflect current practices

Audit Report Highlights

Rent Adjustment Program

- 156,000 housing units in Oakland
- RAP Budget = \$2.1 million per year
- The objective of the audit was to review that the internal controls were in place and the program was effective

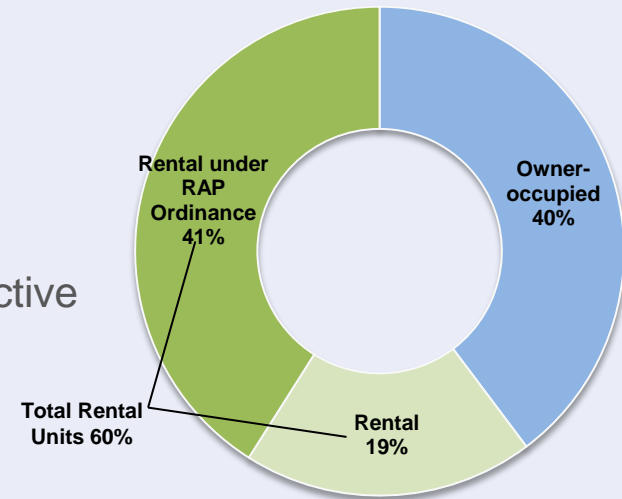
Recommendations

Rent Board

- Ensure timely appointments of Rent Board members
- Create formal training program for Rent Board members

Rent Adjustment Program

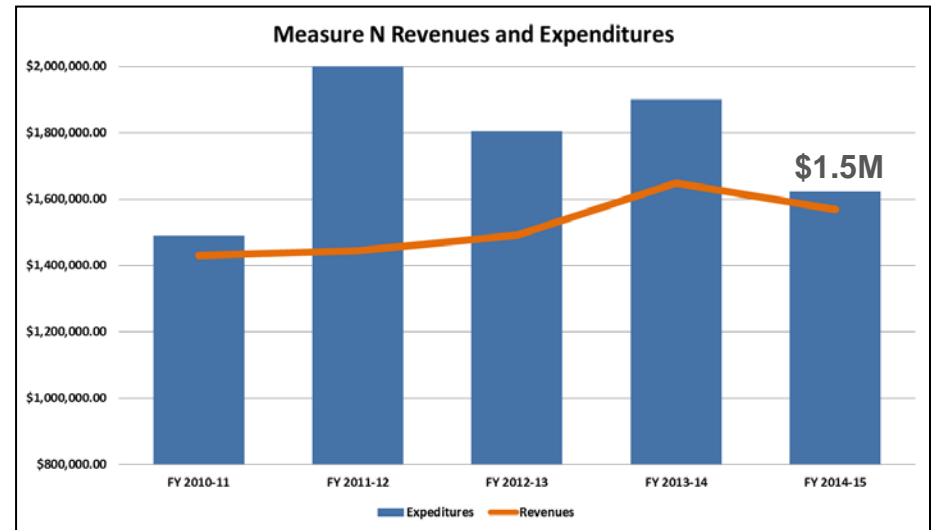
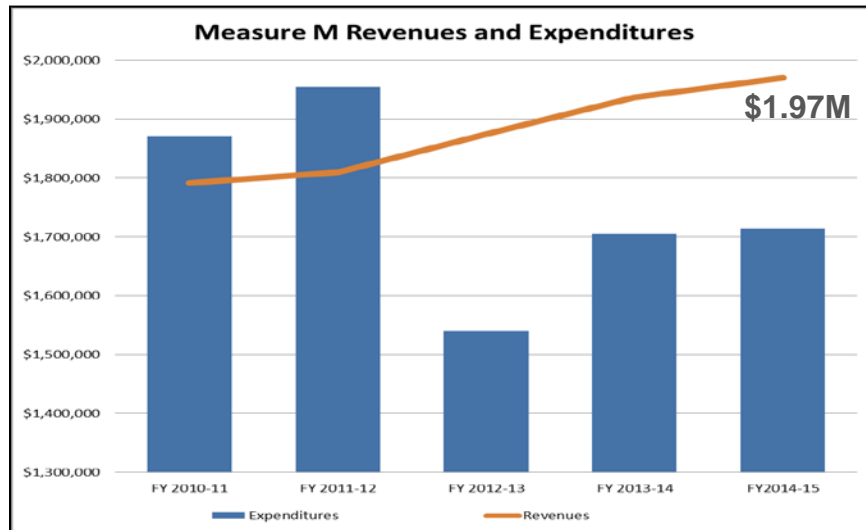
- Determine accurate listing of RAP and Just Cause properties
- Adjust budget to be in line with cost of the program
- Adopt newer technologies
- Expand public outreach program



Audit Report Highlights

Measure M & Measure N

- Annual audits
- Parcel taxes since 1997 to support:
 - *Emergency medical services*
 - *Paramedic emergency services*



Recommendation

- Formalize spending and cash management plan

Whistleblower Hotline Program

The Whistleblower Program aims to:

- Identify and stop loss of city resources
- Act as a deterrent to fraud, waste and abuse
- Provide a confidential way to report suspect activity
- Protect employees from retaliation
- Ensure accountability and integrity in Oakland

Fraud Awareness training at monthly New Employee Orientation

Hotline Reports

	Opened	Active	Closed
Jan 1 – Nov 2016	47	32	15

Whistleblower Investigation Highlights

- Employee operated personal business using City computer
- Employee used position to promote own personal business
- Employee disclosed confidential information
- Employee received a gift of property
- Theft of controlled substances

If You See Something - Say Something!!!

- File an online report at: www.ethicspoint.com
- Call the hotline at: **888-329-6390**
- All reports go through **EthicsPoint**:
 - Independent company
 - Reports are taken by trained intake specialists
 - Reports are then reviewed by the Office of the City Auditor

You can choose to
remain **anonymous**

CONFIDENTIAL

WHISTLEBLOWER PROGRAM
Of The Oakland City Auditor



STAND UP
FOR OUR CITY
HOTLINE 888-329-6390

Upcoming Audits & Projects

Departments

- Oakland Police Department
- Workforce Development
- Public Works
- Revenue Management Bureau
- Contracts and Compliance
- Finance and Management

Mandated Audits

- Measure D – Kids First Fund
- Measure M – Emergency Medical Services
- Measure N - Paramedic Emergency Services
- Measure Q – Library Parcel Tax
- Limited Public Financing – Election Campaign Fund
- Revenue Management Bureau – Business Tax Refunds

Assistance Provided to:

- Oakland Police Department – study of hiring and recruiting
- Provided support & guidance to all City departments to improve internal controls, improve work processes.

Other Activities of the City Auditor's Office

- External Peer Review
- Young African Leaders Initiative - “YALI fellows” (President Obama initiative)
- Yellow Command Exercise – for disaster preparedness training
- New Hire Orientation
- Onboarding Orientation
- Supervisory Academy Curriculum
- Goldman School UC Berkeley
- Master Fellows/Intern Program
- Hong Kong Government Representatives
- Responding to Constituent Concerns

Internal Audit Staffing Summary

Total Staff: 10



Staff Vacancies:

#	JOB CLASSIFICATION TITLE	VACANCY DATE	STATUS
1	Administrative Assistant	April 26, 2016	Dept. Interviews Scheduled
2	Exec Asst. to the City Auditor	July 22, 2016	Request to Fill (REQ) authorized
3	Performance Auditor	April 28, 2016	Request to Fill (REQ) authorized
4	Performance Auditor, Sr.	April 26, 2016	Recruitment Closed (HRM screening in progress)

* 2015/14 - under budget by (\$60,000) primarily related to salaries

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WHISTLEBLOWER HOTLINE: (888) 329-6390

Thank You!