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CITY OF OAKLAND



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June 24, 2008

FINANCE AND MANAGEMENT COMMITTEE
OAKLAND CITY COUNCIL
OAKLAND, CALIFORNIA

RE: SALARY ORDINANCE AMENDMENT - CLASSIFICATIONS

Dear Chairperson Quan and Members of the Committee:

Upon taking office as Oakland's independent City Auditor, I vowed to create a model performance audit organization. I strongly believe that performance auditing is a cornerstone of good public sector governance. By providing unbiased, objective assessments of whether public resources are responsibly and effectively managed, performance auditing can assist organizations in achieving accountability and integrity, improve operations, and instill confidence among citizens and other stakeholders. One of the essential elements of an effective performance auditing program is competent staff. Performance auditing organizations must be able to effectively recruit and retain staff that have the qualifications and competence to conduct the full range of the audits needed in a complex municipal environment.

Background

One of the first steps I took to transform my office into a performance auditing organization was to rewrite the job classifications to reflect the appropriate qualifications, skills, and knowledge required for performance auditing. With the assistance of the Office of Personnel Resource Management (OPRM), the job descriptions and titles were revised for the four professional performance classifications. Specifically, the Chief Deputy City Auditor classification was changed to Assistant City Auditor, the Deputy City Auditor III was changed to Performance Audit Manager, the Deputy City Auditor II was changed to Senior Performance Auditor, and the Deputy City Auditor I was changed to Performance Auditor. OPRM performed a salary study that included inquiries to twenty-two Bay Area cities and counties. As a result of this study, OPRM developed the proposed salaries for the new classifications. As stated in the Agenda report from the Office of the City Administrator, the proposed salaries are both internally aligned with the salaries of classifications with comparable duties and responsibilities and externally aligned with salaries in the Bay Area and comparable jurisdictions.

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Although OPRM completed its work in October 2007, the new classifications were not formally approved until March 2008 when the Civil Service Board approved the classifications. While the Civil Service Board approved the new classifications in March, the civil service testing process still has not been initiated. Moreover, the salaries for the new positions are awaiting City Council approval.

This process has now been underway for 15 months. The delay has been a severe hardship for my office's employees and hinders my ability to carry out my duties as Oakland's elected City Auditor. Because we were revising the job classifications, I was allowed to hire staff as temporary employees. The employees hired were not eligible to receive any benefits, including paid leave, medical benefits, and retirement. The staff was also hired with the understanding that they could not be hired permanently until they completed the civil service testing process and scored high enough to be hired off the civil service list. Although the employees were hired last August, September, and October, they are still classified as temporary employees and are uncertain whether they will become permanent City employees. In fact, one employee recently resigned, citing the uncertainties of the position in deciding to seek employment elsewhere. Fortunately, this employee is currently reconsidering their resignation and is still with my office. However, I am increasingly concerned that I will lose the staff that I have hired because of the significant hardship this process has placed on them.

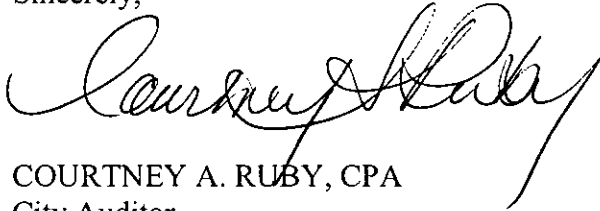
Fiscal Impact

The City Administrator's report states that the salary ranges for the proposed classification changes are unfunded. Technically this statement is true, however further clarification is warranted. If approved, the salary increases will be paid out of my office's existing personnel services budget. Although my office is authorized eight audit positions, my predecessor unfortunately downgraded two professional audit positions to student trainees and reduced the funding accordingly. Until this matter is addressed, I can only hire seven professional audit staff. By hiring seven audit professionals instead of eight, I have sufficient funds to pay for the increased costs of the new salaries.

For your information, I worked with the Mayor's Office to address this problem during the mid-cycle budget process; however, the additional funding needed to correct this problem was not brought forward in the Mayor's budget proposal.

In closing, over a year ago I initiated the process to revise my office's job classifications so I could attract the best qualified audit professionals needed to create a model performance auditing organization. Without highly qualified staff, my office cannot achieve its mission to audit the areas of government most vulnerable to fraud, waste, abuse, and mismanagement. Therefore, it is my hope that the Committee will support my office's mission by moving the recommended salaries for my positions forward to Council for approval.

Sincerely,



COURTNEY A. RUBY, CPA
City Auditor