

05 APR 2006 12:21
FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Auditor
Roland E. Smith, CPA
City Auditor

(510) 238-3378
FAX (510) 238-7640
TDD (510) 839-6451
www.oaklandauditor.com

APRIL 11, 2006

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

**SUBJECTS: 1) REQUEST FOR LETTER OUTLINING COMPLETION DATES
OF CITY CHARTERED AUDITS.**

PURPOSE AND SCOPE

In accordance with the Measure H Charter Amendment, which was passed by the voters at the General election of November 5, 1996, we have made an impartial financial analysis of the accompanying Proposed Resolution and Agenda Report. In making our analysis, we also asked for additional information and clarification from City and Redevelopment Agency staff.

The City Auditor is elected by the citizens of Oakland to serve as an officer in charge of an independent department auditing City government activities. The City Charter established the independence of the Office of the City Auditor.

Since the Measure H Charter Amendment specifies that our impartial financial analysis is for informational purposes only, we did not apply Generally Accepted Government Auditing Standards as issued by the Comptroller General of the United States. Moreover, we found that the scope of our analysis is impaired by Administrative Instruction Number 137, effective May 21, 1997, which provides only two (2) weeks for us to plan, perform and report on our analysis. Due to this time constraint, we did not verify data contained in the Proposed Resolutions and Agenda Report.

SUMMARY

This is a report to the Finance & Management Committee and to City of Oakland's City Council regarding our response to the status of City Chartered audits. This presents a copy of the January 13, 2006 response to the City's request. See attachments.

Prepared by:



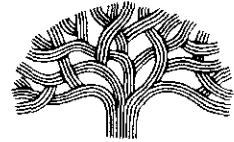
Anica Ashbourne, JD
Chief Deputy Auditor

Issued By:



Roland Smith, CPA, CFS
City Auditor

CITY OF OAKLAND



1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Auditor
Roland E. Smith, CPA
City Auditor

(510) 238-3378
FAX (510) 238-7640
TDD (510) 839-6451
www.oaklandauditor.com

March 29, 2006

Jean Quan
Oakland City Council
One Frank Ogawa Plaza, 2nd Floor
Oakland, CA 94612

RE: Response to your December 14, 2005 letter of inquiry about certain audits.

I am enclosing copies of the following letters:

1. Your letter of December 14, 2005
2. My response on January 13, 2006 hand delivered to the members of the City Council.

Is there some reason you do not acknowledge a response was made?

A handwritten signature in black ink, appearing to read 'Roland E. Smith', written over a horizontal line.

Roland E. Smith, CPA, CFS

cc: Ignacio De La Fuente
Jane Brunner
Pat Kernighan
Nancy Nadel
Desley Brooks
Larry Reid
Henry Chang

CITY OF OAKLAND



1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Auditor
Roland E. Smith, CPA
City Auditor

(510) 238-3378
FAX (510) 238-7640
TDD (510) 839-6451
www.oaklandauditor.com

Date: January 13, 2006

To: City Council
From: Roland E. Smith, City Auditor
c.c.: Scott Kivel, Esq.
Deborah Edgerly, City Administrator

Re: Audits of:

Measure K
Measure DD
Measure M
Measure N
Measure O
Measure Q
Llad

MEASURE K

Measure K does not require an audit by the City Auditor. The City Auditor's report of the actual allocable revenue entitlement is based on the report of the CAFR report which is not available for the Fiscal year ended June 30, 2005. Our report will be forth coming when the City Council receives and approves that document which is usually not until April of May of the following year.

MEASURE DD

Measure DD does not specify an audit by the City Auditor. It says the City Council shall order an independent audit not specifying who shall perform the audit. This office was not provided with funding to perform the audit by the Budget Department, since, we were not mandated to perform the audit by the Measure. The Finance Department is not independent for the performance of audits.

MEASURE M, MEASURE N, MEASURE Q, LLAD

These audits are in process. We are near completion of our audit of the revenue for these measures that includes auditing the engineers information sent to the County of Alameda and auditing the county's billing, collection and remittances to the City of Oakland.

When the revenue audit is complete and adjustments are made for errors discovered, we will audit the expenditures, a lesser task, and will issue a report for each program.

Our schedule suffers due to the fact that we have been performing with only three of seven of our audit positions occupied.

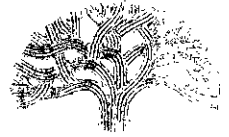
Sincerely,

A handwritten signature in cursive script, appearing to read "Roland E. Smith".

Roland E. Smith, CPA, CFS
City Auditor

CITY AUDITOR'S OFFICE

CITY OF OAKLAND



2005 DEC 15 PM 1:49

CITY HALL • 1 FRANK H. OGAWA PLAZA, • OAKLAND, CALIFORNIA 94612

Jean Quan
Councilmember
District 4
www.jeanquan.org
www.oaklandnet.com

(510) 238-7004
FAX (510) 238-6129
TDD (510) 839-6451

December 14, 2005

At yesterday's December 13th Finance and Management Committee, as Chairperson I noted in regard to Item 13, that there is a series of audits required by the charter that had not been performed by the Auditor's Office. When you inquired as to which audits were delinquent, the staff was unable to immediately produce a complete list of such audits. By the end of the meeting, but after you left, they did provide the list below.

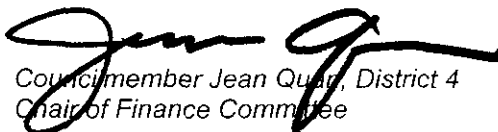
As you know the Finance and Management Committee reviews a series of audits annually in compliance with the requirements of the charter and various City legislative acts. As chair of the committee I am requesting a timeline for their completion so that we may schedule them for presentation at committee.

According to the City Administrator's Office, the Auditor's Office has not produced required annual audits for:

- Measure K – Kid's First
- Measure M – Emergency Medical Services
- Measure N – Paramedic Services
- Measure Q – Library Services
- Measure DD
- The LLAD

Please let me know if your office has differences with this list. While there may be any number of reasons why these audits were not performed, they are required by law and I would like report to the Council and the public the dates of review as soon as possible.

I look forward to your cooperation in this matter.


Councilmember Jean Quan, District 4
Chair of Finance Committee