



CITY OF OAKLAND

**2017 Annual Report
to
Finance Committee**

**Oakland City Auditor,
Brenda Roberts**

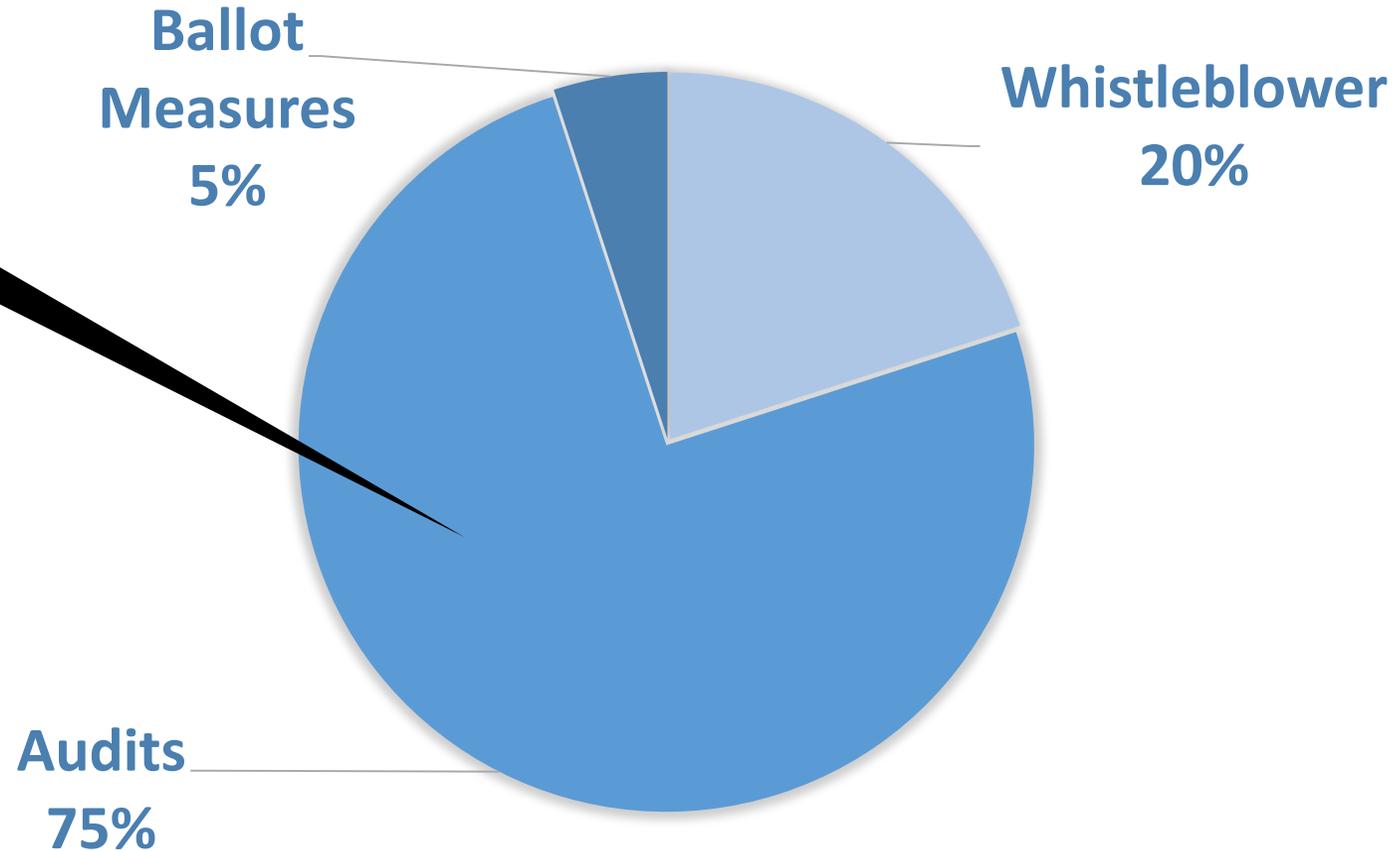
December 05, 2017

Key Message Points

- Transparency to Oakland residents
- Value to the City
- Objective recommendations, intended to develop stronger controls, greater efficiencies, and effective programs

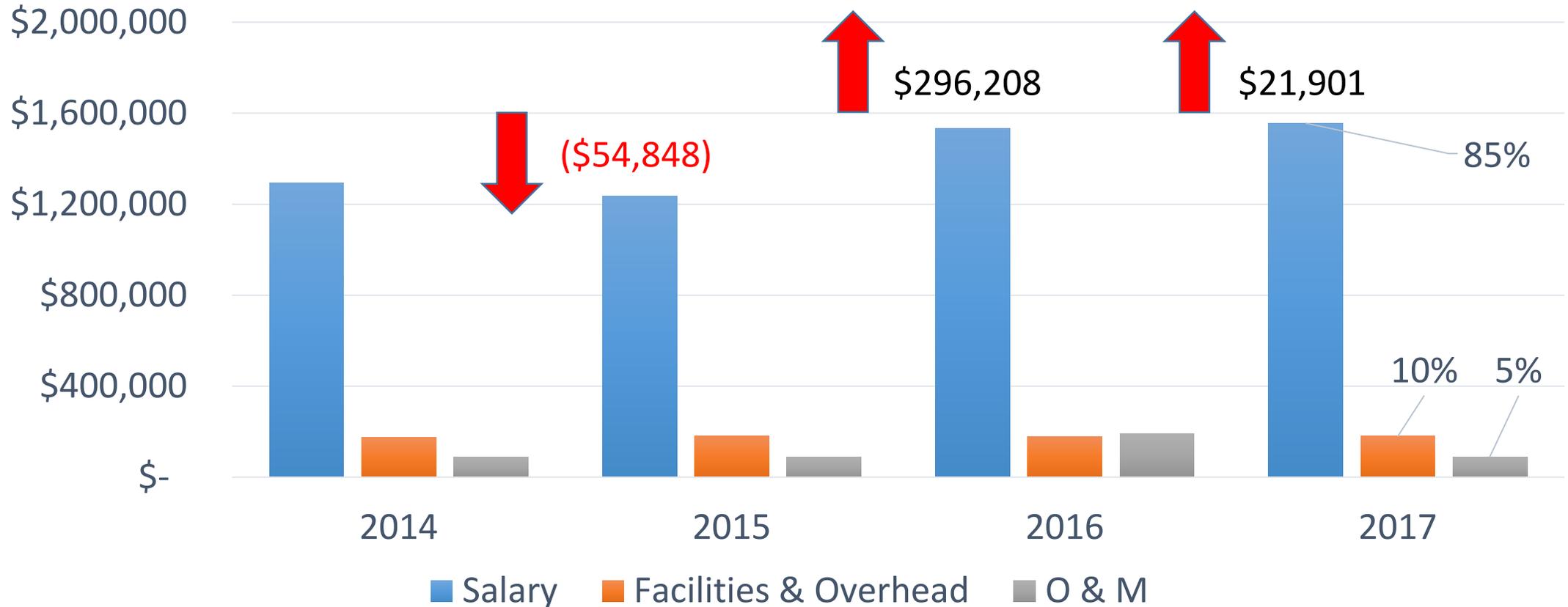
BREAKDOWN OF OFFICE ACTIVITY 2015 - 2017

**\$5.5 Million
Fiscal Impact**



City Auditor's Office Budget 2015 - 2017

➤ Transitioned from TeamMate to SharePoint:
\$17,000 in Annual Savings



Internal Audit Staffing Summary

Total Staff: 10

Internal Auditor
Certifications

Certified Public
Accountant
(CPA)

Master in
Business
Administration
(MBA)

Certifications & Education

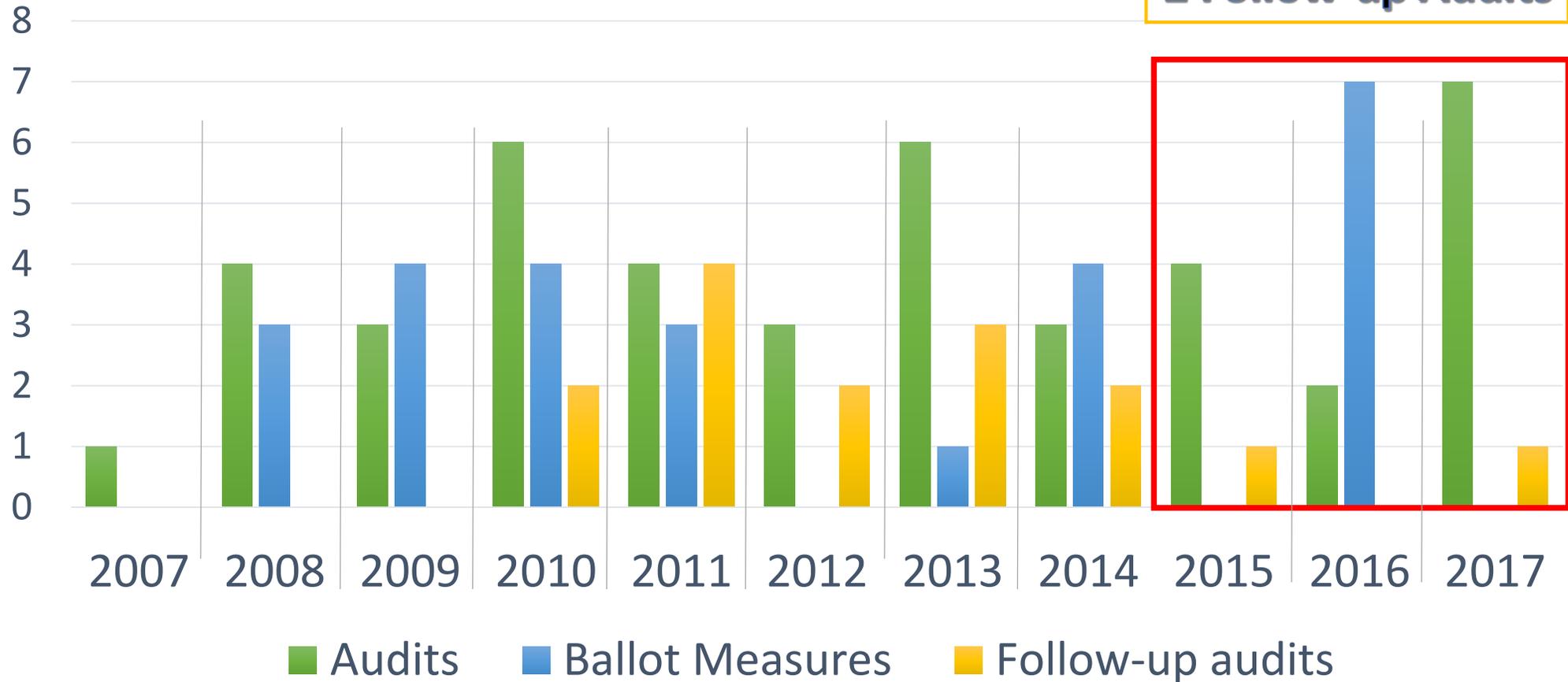
CPE: 80 hours every 2 years
**Staff averages 100+ hours per
year**

Certified Fraud
Examiner

Master of Public
Policy
(MPP)

Audit Reports

13 Audits
7 Ballot Measures
2 Follow-up Audits



Performance Audits Published in 2017

- Cash Handling in Revenue
- Tax Penalties & Interest Waivers
- Parking Citation Void Process
- OPD 9-1-1 Call Operations
- OFD Vegetation Inspection
- Limited Public Financing
- Zero Waste Program

Cash Handling - Revenue

Findings:

- Deposits of funds not timely
- Incomplete reconciliations
- Inaccurate records
- Inappropriate use of system log-in

Management Agreed

Management action plan: ★ New taxpayer system ★ Migrated to online payments

Tax Penalties & Interest Waivers

Findings:

- Tax penalty waivers without proper authorization
- \$541,145 in tax penalty & interest waived improperly
- Interest was waived contrary to Municipal Code
- Staff access rights not monitored

Management action plan: ★ New taxpayer system

Management Agreed

Parking Citation Void Process Audit



Findings:

- Improper use of void codes
- Inappropriate access to system
- Lack of management oversight

Management Agreed

Management action plan:

- ★ Eliminating Driver Arrived Program
- ★ Writing Policy Manual
- ★ Benchmarking error rates
- ★ Additional staff training

OPD Communications Division 9-1-1 Call Operations Audit



Management Generally Agreed

Findings:

- Calls not answered within standards
- Persistent vacancies: operators & dispatchers
- 18,856 (13%) abandoned calls
- Inconsistent performance appraisals
- Technology not up-to-date

LOCAL EMERGENCY
510-777-3211



LOCAL EMERGENCY
510-777-3211

Management action plan:

- ★ Continuous hiring
- ★ Upgrading CAD system
- ★ Revising Quality Assurance process
- ★ Reviewing call statistics

OFD Vegetation Inspection – 2nd Follow-Up (from 2013 audit)



Outstanding Recommendations (3 of 7)

- Accurate Inspections →
- Accurate and prompt invoicing →
- Parking solution needed in Oakland Hills →
- Quality Assessment program in process
- \$420,000 in invoices voided 2017
- Pilot parking program underway

Management action plan:

- ★ Strengthening training program
- ★ Clearer fire code language
- ★ Implementing Quality Assurance procedures
- ★ Transferring billing system

Management Partially Agreed

Common Audit Findings

- Outdated or Underutilized Technology
- Under-staffed Departments
- Non-competitive Salaries
- Outdated Policies & Procedures
- Access Controls not monitored
- Quality Assessments/Internal Controls outdated or not in place

Office Audits & Projects

2018 Audits Scheduled

- Measure D - Kids First
- Workforce Development
- Measures M - Emergency Services
- Measures N - Paramedic Services
- Measure Q - Library
- Rent Adjustment Program Follow-up
- OPD Overtime Follow-up
- Business Tax Refunds

Office Activities



Term in Office to date:

- Performance audits to date - **15**
- External Peer Review - Passed
- Data analysis software – Implemented
- Hosted Bay Area City Auditor Training
- Goldman School of Public Policy/ Mills College Masters Fellows
- Obama’s Young African Leaders Initiative
- Hosted Hong Kong Government Representatives
- Hosted job talk with local High School students interested in local government careers
- City Auditor – Whistleblower

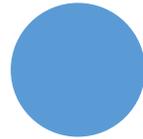
Whistleblower Hotline Update

January 2015 to date



Opened

157



Closed

136



Active

21

Findings include:

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



Questions?



- Holy Hearts High School



WHISTLEBLOWER PROGRAM
Of The Oakland City Auditor



STAND UP
FOR OUR CITY
HOTLINE 888-329-6390

Comments and questions may be directed to
cityauditor@oaklandnet.com

See the full reports at
www.oaklandauditor.com
