

City Council
FY23-25 Biennial Budget
(Study Session)

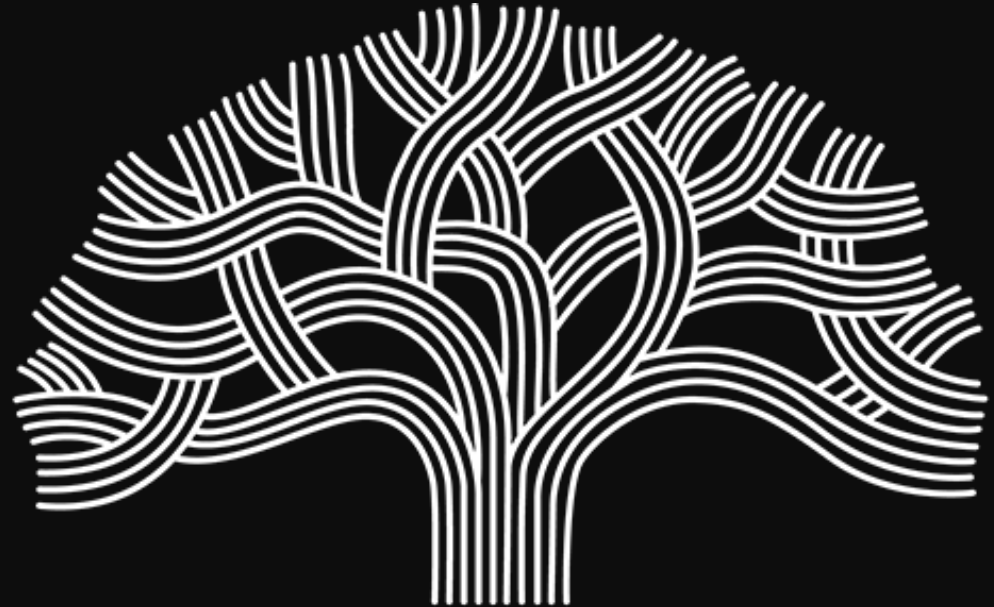
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City Auditor

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Assistant City Auditor



CITY OF OAKLAND

Office of the City Auditor

Mission Statement

To conduct performance audits and investigations that return in-depth and meaningful results to the residents of Oakland by identifying, auditing and investigating areas of government most vulnerable to mismanagement, fraud, waste, and abuse.





Vision and Value Statements

Vision

To serve the public with the utmost integrity while upholding the highest standards of performance and professionalism with a driving commitment to ***dig deeper and produce impactful work*** that underpins the effective, efficient, and ethical operations of city government.

Value

We value our independence. As an elected City Auditor, we operate independently to protect the public's resources free of influences allowing us to act with integrity and exercise objectivity.



Highlights of the City Auditor's Role & Responsibilities

Section 403 of the City Charter

The City Auditor has the power and duty to:

- ***To conduct surveys, reviews, and performance audits and financial audits*** as the Auditor deems to be in the best public interest or as requested by the Council or Mayor.
- ***Conduct audits in accordance with Government Auditing Standards*** as issued by the U.S. Comptroller General.
- ***Ascertaining compliance with Council's resolutions and policies and the Mayor's Administrative Instructions and Directives***, as well as applicable ***State and Federal laws and regulations***.
- ***Review and recommend to the City Administrator & Management adjustments in operating and administrative procedures and practices, internal systems and internal management controls***.



Highlights of the City Auditor's Role & Responsibilities

Section 403 of the City Charter

- ***Analyze allegations of fraud, waste, abuse or illegal acts*** that require further investigation to substantiate.
- ***Analyze City programs, activities, services, functions, policies, etc.*** as to the effectiveness and cost-effectiveness, including identifying any causes of inefficiencies.
- ***Prepare impartial financial analyses of all ballot measures***, pursuant to the provisions of the Municipal Code.
- ***Respond to requests from the City Administrator to provide recommendations*** on how to make City departments and services more effective and customer-service oriented.



How Does My Office Fulfill Its Mission And Goals?

- ✓ Conducting risk-based audits.
- ✓ Conducting mandated audits.
- ✓ Conducting whistleblower investigations.
- ✓ Completing ballot analyses.
- ✓ Undergoing peer reviews every three years.
- ✓ Meeting regularly with residents and community organizations.
- ✓ Communicating audit and investigation results widely to the community.
- ✓ Publishing annual reports summarizing recent audits, investigations and recommendations.
- ✓ Preparing an annual workplan including planned audits for the year and publishing such workplan in August of each year.



The Measures in Place to Assess How Effectively We are Delivering on This Mission

✓ Publishing annual reports

- Summarizing recent audits and recommendations
- Summarizing annual Whistleblower Hotline activity

✓ Publishing annual recommendation follow-up report

✓ Preparing a Strategic Plan

✓ Publishing Annual Workplan

✓ Calculating impact at the completion of an audit

- Quantify Economic Impact
- Race & Equity Impact

✓ Conducting Surveys

- Ethical Climate Survey
- Whistleblower Hotline Survey

✓ Undergoing Peer Reviews (every 3 years)



Impact of Measure X on the City Auditor's Budget Proposal

The passing of Measure X increased the Office of the City Auditor's staff size by 3 FTEs. These new positions will be included in our Office's minimum staffing level per the City Charter as of July 1, 2023.

Position	*Fully Loaded - On-Going \$ Change
Performance Audit Manager	\$293,498
Senior Performance Auditor	\$229,952
Performance Auditor	\$180,198
Total	\$703,648

The passing of Measure X was critical as the City Auditor's Office has been budget constrained for over **17 years** as documented in legal opinions rendered by the City Attorney in 2006 and again in 2010. Both legal opinions confirmed budget cuts would impair the City Auditor's Office from meeting its Charter mandated duties.



High-level Budget Proposal Summary

HIGH-LEVEL PROPOSAL SUMMARY

Per the City Charter, the recent passage of Measure X mandated the Office of the City Auditor to maintain a minimum staffing level of 14 FTEs.

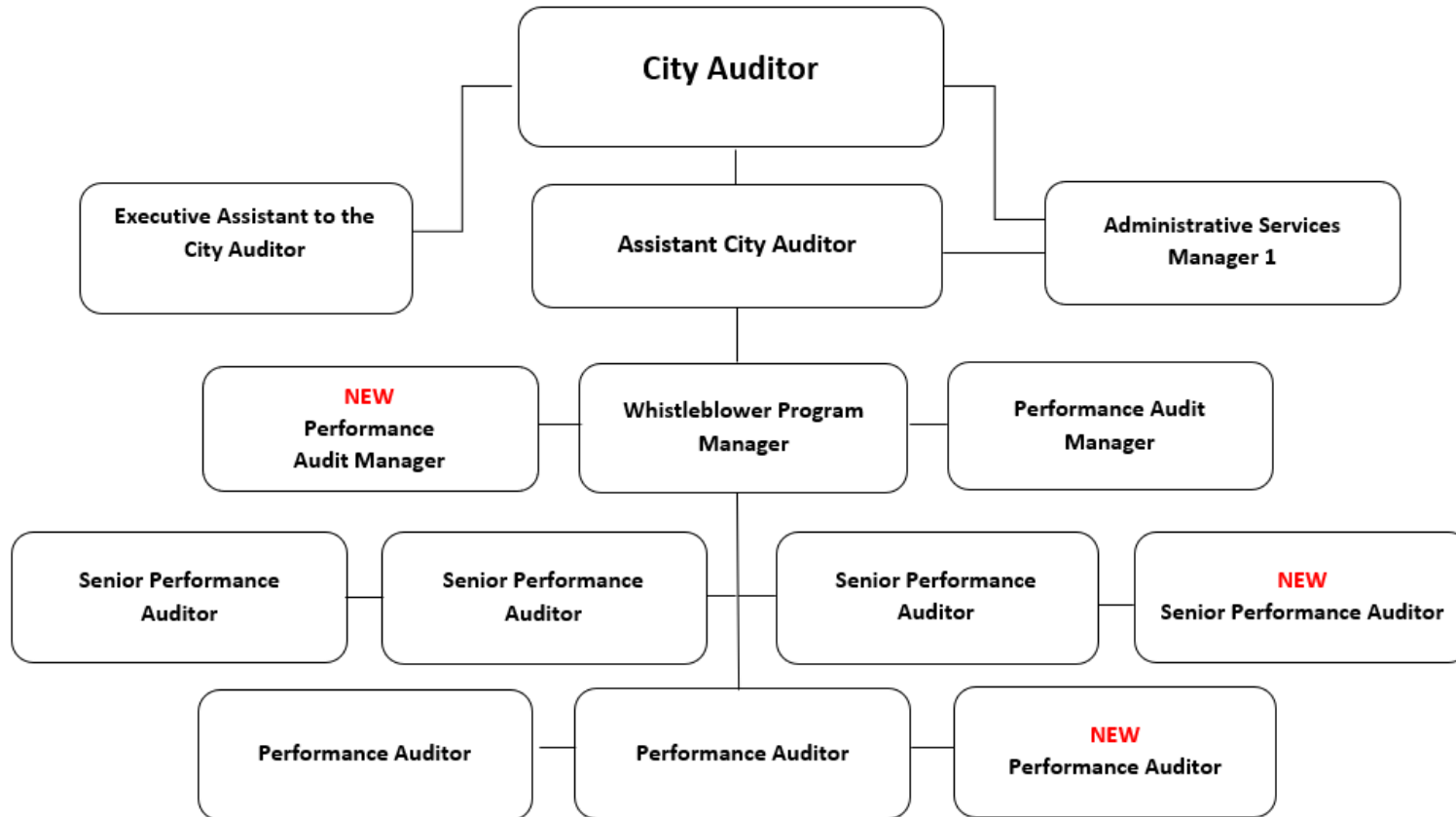
Accordingly, our budget proposal included the 3 additional FTEs to meet the minimum staffing level and related personnel costs.



Top Budget Priorities

Increase our staffing size from 11 to 14 FTEs to comply with Measure X

Office of the City Auditor Organization Chart





CITY OF
OAKLAND

Office of the City Auditor

Top Budget Priorities

Increase our operations and management funds to cover additional training and equipment costs and improve whistleblower interface to track equity outcomes

Additional O&M Costs	One-time \$ Change	Ongoing \$ Change
Whistleblower Program (WB) technical interface (expanding the tracking capacity of our WB Program to quantify equity outcomes)	\$5,000 (FY 23-24)	\$600
IT equipment (for new staff)	\$27,000 (FY 23-24)	
Training expenses/membership dues (for new staff)		\$12,000



Impact of Administration's Proposed 2023-25 Biennial Budget on our Office's ability to deliver on our oversight mandate

Measure X states the City Council may suspend the minimum staffing level for a fiscal year or two-year budget cycle, in the event of extreme fiscal necessity. As such, the Administration's Proposed Budget includes 1 of 3 mandated positions:

Position	*Fully Loaded - On-Going \$ Change
Performance Audit Manager	\$293,498
Senior Performance Auditor	\$229,952
Performance Auditor	\$180,198
Total	\$703,648



Impact of Administration's Proposed 2023-25 Biennial Budget on our Office's ability to deliver on our oversight mandate

The impacts of funding only 1 position are the following:

- ✓ reduces our ability to complete mandated audits timely,
- ✓ reduces our capacity to complete more high-risk departmental or programmatic performance audits,
- ✓ reduces our capacity to respond to City Council requests, including audits, timely,
- ✓ hinders our ability to follow-up timely on outstanding audit recommendations, and
- ✓ decreases our capacity to meet the growing demands of the Whistleblower Program.



QUESTIONS?