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July 10, 2008

HONORABLE MAYOR DELLUMS  
HONORABLE CITY COUNCIL  
CITY OF OAKLAND

**RE: Audit Requirement for the Proposed 2008 Oakland Police Services Expansion Measure**

Dear Mayor Dellums, President De La Fuente, and Members of the Council:

I respectfully request the current language in the proposed 2008 Oakland Police Services Expansion Measure be changed as outlined below.

**Proposed Audit Requirement**

An independent audit shall be performed annually to ensure accountability and proper disbursement of the proceeds of this tax in accordance with the objectives stated herein as provided by Government Code sections 50075.1 and 50075.3. The City will, from time to time, retain an engineer for services pertaining to this parcel tax. Tax proceeds may be used to pay for audit and engineering services.

**Requested Change to the Audit Requirement**

The City Auditor will perform an annual audit to assure accountability and the proper disbursement of the proceeds of this tax in accordance with the objectives stated herein. The City will, from time to time, retain an engineer for services pertaining to this parcel tax. Tax proceeds may be used to pay for audit and engineering services.

Item: \_\_\_\_\_  
Rules Committee  
July 10, 2008

**Financial Audit versus Performance Audit**

The *proposed audit requirement* per Government Code sections 50075.1 and 50075.3 would only provide an annual financial audit report on:

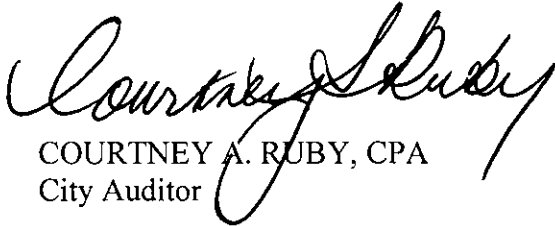
- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded per the ballot measure.

The *requested change to the audit requirement* would provide a performance audit to determine if the stated objectives of the ballot measure are being met. A performance audit would look at if the measure achieved its hiring objectives in addition to appropriately spending the funds. If the measure was not able to meet the hiring objectives or did not spend the funds appropriately, the audit would examine the cause and impact of not meeting the requirements of the measure.

**ACTION REQUESTED OF THE CITY COUNCIL**

Amend the resolution to include the audit requirement as requested by the City Auditor to ensure a greater level of accountability and transparency for the public, the Mayor and the City Council.

Respectfully submitted,

  
COURTNEY A. RUBY, CPA  
City Auditor

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