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MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Courtney A. Ruby
City Auditor

SUBJECT: Informational Report From The
City Auditor On The Status Of
Required Audits

DATE: October 10, 2022

INFORMATION

Attached is an informational report on the status of mandated audits performed by the Office of the City Auditor.

These mandated audits are required as set forth in specific ballot measures successfully passed by Oakland voters or by ordinance and approved by City Council.

This informational report will be presented to the Finance and Management Committee Meeting on October 10, 2022 at 1:30pm.

Respectfully submitted,

Office of the City Auditor / Courtney A. Ruby
City Auditor, Office of the City Auditor

For questions, please contact *Michael C. Houston*, Assistant City Auditor at MHouston@oaklandca.gov

Attachment

-- City Auditor's Office - Report on Status of Required Audits – October 2022

Status of Required Audits

#	Required Audit	Background/Audit Objectives	Department	Status	Next Planned Audit
1	Business Tax Refunds*	The Municipal Code requires the City Auditor to annually audit business tax refunds on a sample basis to determine if these refunds were paid correctly, properly approved, and management controls are sufficient.	Finance	In Progress (to cover FYs 2018-19, 2019-20, and 2020-21). We plan to issue the audit report in December 2022.	Planned for December 2023.
2	Limited Public Financing Act	The City Auditor was required to audit the administration of the Limited Public Financing Act (LPFA) every two years after the City Council elections to assess whether the Public Ethics Commission has adequate internal controls to ensure the process for qualifying and awarding public funds complies with the intent of the requirements of the LPFA.	Public Ethics Commission	Issued October 29, 2021 (covered the November 2020 election).	Requirement of biennial post-election audits of the LPFA eliminated by City Council in May 2022.
3	Measure D – Kids First! Oakland Fund for Children and Youth Act*	The City Auditor is required to assess whether the City has satisfied the Children and Youth Services Baseline Spending and Set-Aside requirements annually.	Finance	Issued Nov 2020 (covered FY 2016-2017 and FY 2017-2018).	Planned for June 2023 (to cover FY 2018-19, FY 2019-20, and FY 2020-2021).
4	Measure M – Emergency Medical Services Retention Act*	The City Auditor is required to conduct annual audits to determine whether the Oakland Fire Department used parcel tax monies in accordance with the purposes of the measure--for emergency medical services.	Fire	Audit is in progress. It will be issued in October/November 2022 (covering FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21 along with the Measure N audit).	To Be Determined.

*Due to resource limitations, the City Auditor’s goal is to conduct these required audits biennially. However, due to the COVID-10 pandemic, staff vacancies, and increased mandated workload, the Office was unable to complete these audits biennially. These audits had been previously conducted by the Office multiple times. Audit findings have been insignificant and therefore these audit areas are considered low risk.

Status of Required Audits

#	Required Audit	Background/Audit Objectives	Department	Status	Next Planned Audit
5	Measure N – Paramedic Services Act*	The City Auditor is required to conduct annual audits to determine whether the Oakland Fire Department used parcel tax monies in accordance with the purposes of the measure--for paramedic services.	Fire	Audit is in progress. It will be issued in October/November 2022 (covering FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21 along with the Measure M audit).	To Be Determined.
6	Measure Q – Library Services Retention and Enhancement Act*	The City Auditor is required to audit the Library Department to determine whether the Library has spent tax proceeds as intended by the measure and complied with the Library Services Retention and Enhancement Act that created a parcel tax to raise revenues to fund library services. In June 2022, Measure Q was extended by the voters, through the passage of Measure C, which requires biennial audits by the City Auditor.	Library	Issued February 11, 2021 (covering FY 2017-18 and FY 2018-19).	Planned for October 2023 (to cover FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23 in conjunction with the Measure D Library Services audit).
7	Measure D – Library Services*	The City Auditor is required to perform an annual audit to ensure accountability and proper disbursement of all revenue collected by the City from the special tax imposed by this Ordinance, in accordance with the objectives stated and in compliance with provisions of California State Law.	Library	Issued February 11, 2021 (covering FY 2017-18 and FY 2018-19).	Planned for October 2023 (to cover FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23 in conjunction with the Measure Q Library Services audit).

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8	Measure W – Vacant Property Tax	The City Auditor is required to perform audits to ensure accountability and proper disbursement of Measure revenue collected by the City for the following purposes: to support a variety of identified services and programs for homeless people; to preserve existing affordable housing and produce new affordable housing; to provide code enforcement and cleanup of blighted properties and remedy illegal dumping; and to pay the City’s costs of administering the tax.	Finance	Planned to begin in January 2023.	Scheduled for Fall 2023 (Scope to be determined).
9	Measure Q – Parks Preservation, Litter Reduction, and Homelessness Support	The City Auditor is required to perform biennial audits to ensure accountability and proper disbursement of revenue collected by the City from the special tax imposed by this Ordinance, in accordance with the objectives stated herein and in compliance with provisions of California State Law.	Public Works, Human Services, Parks, Recreation, and Youth Development, City Administration	Audit is in Progress.	Planned for January 2023.

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