Audit Recommendation Follow-Up

as of June 30, 2024

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City Auditor

Photo: Matthew Roth, Wiki Commons

Performance audits seek to improve City programs and services

- We aim to **audit services and programs of the greatest impact** to the City and its residents and business owners
- Within those audits, we aim to **make recommendations constructive and feasible**, and based on reliable evidence
- Our audits have made recommendations designed to improve the **effectiveness of services Citywide**
- To retain our independence, we perform analysis and make recommendations, but **we rely on the City Administration to implement recommendations** from audits

This report updates the first semiannual audit recommendation follow up report

- This report covers **275 unique recommendations** from **44 performance audits** issued since 2014 (as of June 30, 2024).
- Our previous report was the first semiannual report, with status updates as of December 31, 2023
    - Prior to our first semiannual report, our Office followed up on recommendations within individual audits, the most recent being the *2022 Oakland Police Department (OPD) Overtime Recommendation Follow-Up Report,* which followed up on 21 recommendations.
- The audit recommendation follow-up cycle allows the City Administrator, the City Council, and the public to see the progress made in implementing audit recommendations twice per year, for periods ending June 30 and December 31.

This report updates the first semiannual audit recommendation follow up report

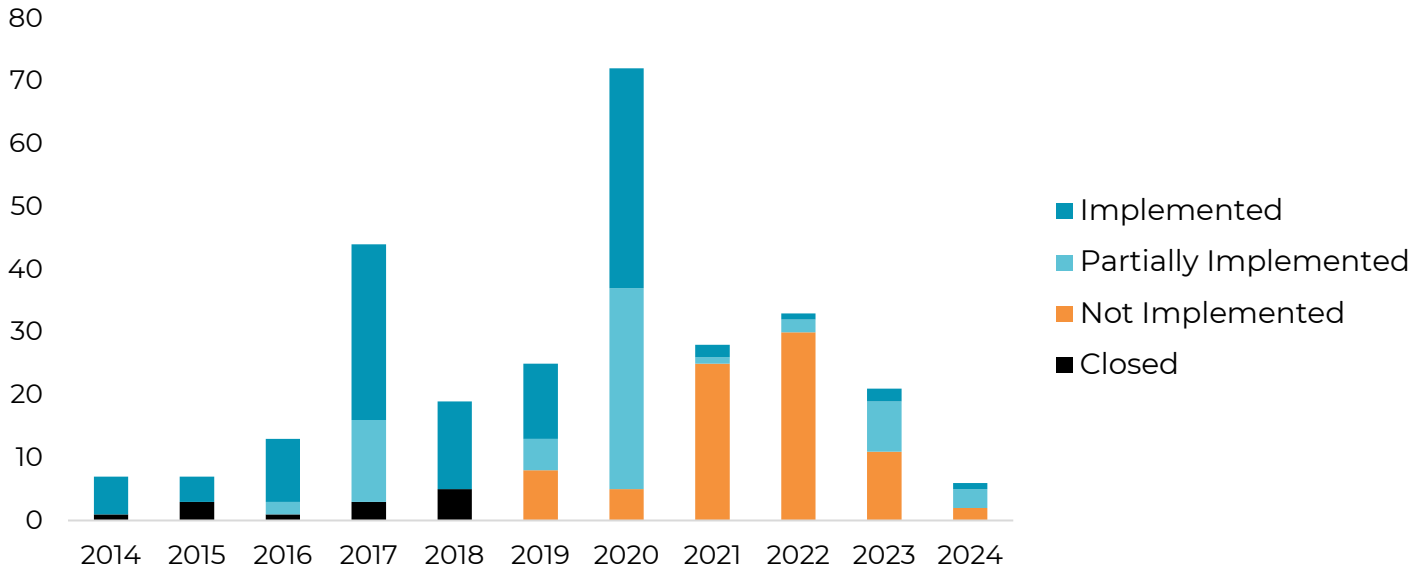
- Since the first semiannual audit recommendation follow-up process (as of December 31, 2023), **we added 6 recommendations by way of 3 newly issued audits**:
  1. Audit of Library Parcel Taxes for Fiscal Year (FY) 2019-20 through FY 2022-23
  2. Audit of the City's Application to the State of California's Organized Retail Theft Prevention Grant Program
  3. Performance Audit of the Development Services Fund: Centralized Fund Management Will Better Capture Citywide Costs
- **14 recommendations have changed status** (from not implemented to partially implemented or implemented, or from partially implemented to implemented)
- **We anticipate additional recommendations to change status in the upcoming cycle**

Overall, 128 (or 47 Percent) Audit Recommendations Have Been Implemented or Closed

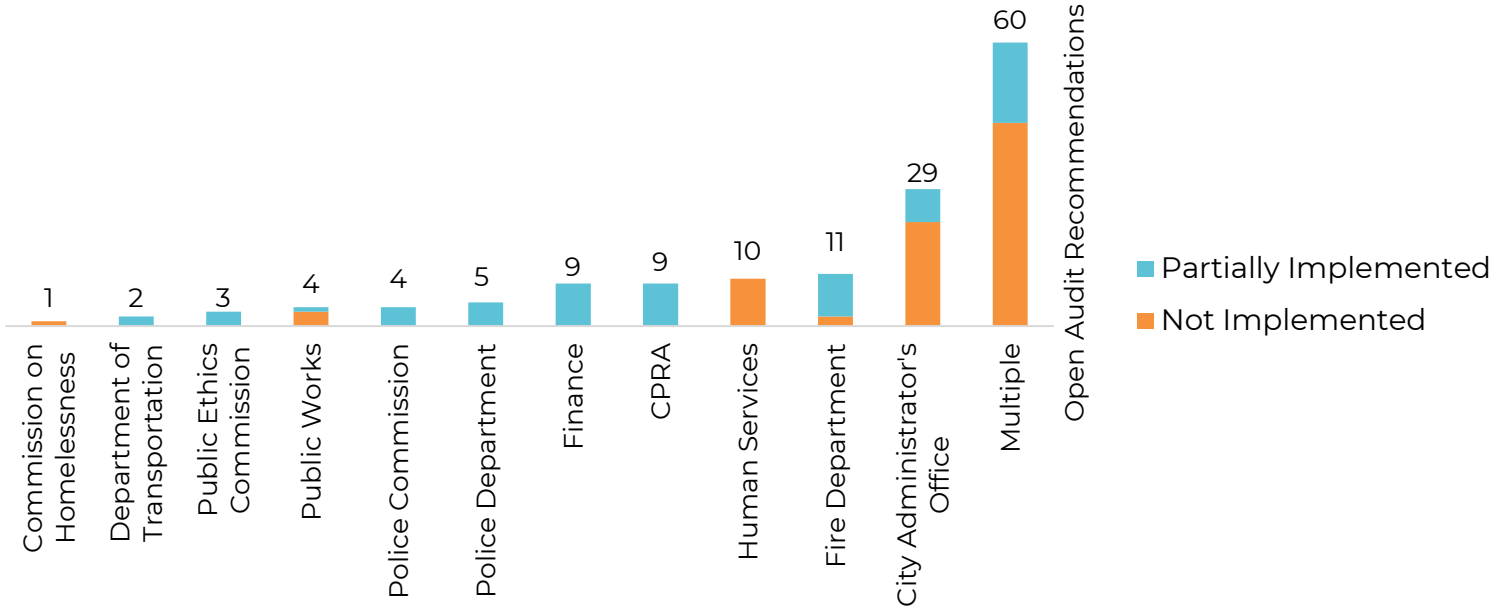
Examples of **implemented recommendations** from this cycle:

- The Fire Department and the Finance Department have developed written procedures for reviewing travel reimbursement requests to ensure no duplicate payments are made.
- The Police Commission established a comprehensive onboarding program to ensure new members are well-prepared and integrated.

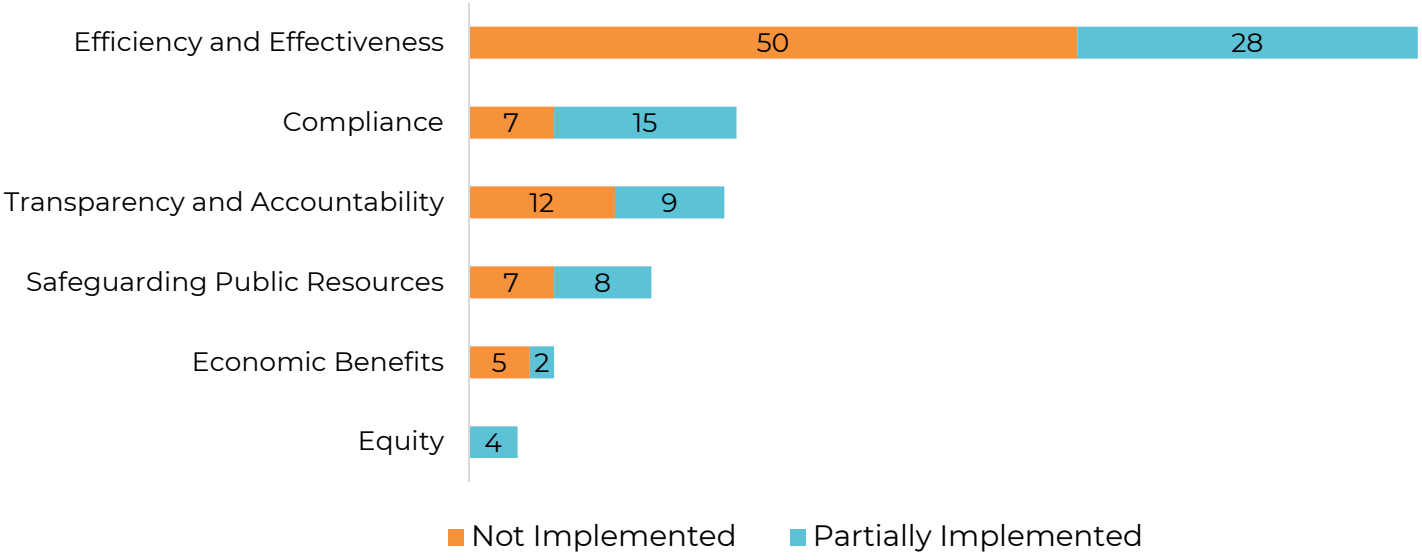
Recommendations Take Time—Recommendations Not Yet Implemented Tend to be More Recently Issued



Most Open Audit Recommendations are Addressed to Multiple Departments or the City Administrator's Office



Most of the Open Recommendations Seek to Improve the Efficiency and Effectiveness of City Services



7 Open Recommendations Support Budget Savings

- 5 open audit recommendations seek **to reduce the City's liability for Police overtime** through negotiating with the OPOA & OPMA to eliminate the provision that allows sworn staff to defer overtime payments, reducing the comp time accrual limit, setting limits on discretionary overtime, and discontinuing the informal practice of buying back comp time. *From 2019 Oakland Police Department Overtime Audit.*
- 1 open audit recommendation seeks to adjust the cost of development services **to reflect actual costs through regular fee studies**. *From 2024 Audit of the Development Services Fund.*
- 1 open audit recommendation seeks **to reduce favor in contracting** through risk assessment and controls to prevent delays and additional costs. *From 2017 Zero Waste Request for Proposals Audit.*

CITY OF OAKLAND
Office of the City Auditor

Appendices Show Recommendations By Audit and Individual Status Updates

Appendix A: Summary of Recommendation Status by Report

Key: Implemented | Partially Implemented | Not Implemented

Year	Audit Title	Current Recommendation Status
2014	Limited Public Financing Act: November 6, 2012 Election	3
2014	Measure D Children and Youth Services Baseline Spending and Set-Aside Requirements for the Kids First Fund FY 2009 - 2012	4
2015	Limited Public Financing Act: November 2014 Election	2
2015	Police Overtime for Fiscal Year 2012-13	5
2016	Payroll Audit & Review of Internal Controls	3
2016	Rent Adjustment Program	10
2017	Cash Handling	6
2017	Limited Public Financing Act (LPFA) - 2016 Election Year	17
2017	OPD 911 Call Operations	4
2017	Parking Citation Void Process	9
2017	Tax Penalties and Interest Waivers	3
2017	Zero Waste Request for Proposals	5
2018	Business Tax Refunds FY 2013-14 through FY 2016-17	3
2018	Measure D Audit FY 2012-13 through 2015-16	3
2018	Measure Q Audit FY 2013-14 through FY 2016-17	2
2018	Workforce Development Audit	6
2019	Limited Public Financing Act (LPFA) - 2018 Election Year	4
2019	Oakland Police Department Overtime Audit FY 2014-15 through FY 2017-18	21
2020	Measure D: Kids First Oakland Fund For Children and Youth Act Fiscal Years 2016-17 and 2017-18	1
2020	Oakland Fire Department's Fire Prevention Bureau	30
2020	Oakland Police Commission and Community Police Review Agency	41
2021	Library Services Retention and Enhancement Act & the 2018 Oakland Public Library Preservation Act, Fiscal Years 2017-18 and 2018-19	1
2021	Limited Public Financing Act November 2020 Election	1
2021	The City of Oakland's Homeless Encampment Management Interventions and Activities for Fiscal Years 2018-19 and 2019-20	26
2022	Measure M - Emergency Medical Services Retention Act	2
2022	Measure N - Paramedic Services Act	1
2022	The City of Oakland's Homelessness Services: Better Strategy and Data are Needed for More Effective and Accountable Service Delivery and Positive Outcomes for Oakland's Homeless Residents	30
2023	Business Tax Refunds Audit Fiscal Year 2018-19 through Fiscal Year 2021-22	1
2023	City of Oakland's Financial Condition Between FY 2012-13 and 2021-22	4

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Appendix B: Current Status of Audit Recommendations
January 1, 2014 - June 30, 2024

Report Number	Report Name	Rec #	Recommendation	Implementation Status	June 2024 Status Update	Responsible Party	Target Date
2016_02	Payroll Audit & Review of Internal Controls	2	Payroll Operations should prioritize the revision of Administrative Instruction 555 and submit in a timely manner to the City Administrator for review, approval, and implementation.	Partially Implemented	With the adoption of the FY 2024-25 budget, the centralization of all Payroll functions has been reorganized and the transition of staff and roles, and responsibilities will commence. The Finance Department reports that it has issued an informal RFP for Standard Operating Procedures and Administrative Instruction revisions to be based on this new structure.	Finance - Payroll Operations	Jun 2025
2016_02	Payroll Audit & Review of Internal Controls	3	Review and update AIs the that affect payroll processes and adopt the practice of assigning ownership of AI's to those department directors whose work process are most directly impacted by an AI. Designate Payroll Operations as the central primary entity to establish the internal control framework responsible for the accuracy, validity, and completeness of payroll transactions.	Partially Implemented	The Finance Department reports that some internal Standard Operating Procedures and guidelines have been updated and communicated to Payroll staff during monthly staff meetings. Interim guidance has been provided through an annual calendar or fiscal year end memos/Citywide Announcements.	Multiple - Finance/CAO	Jun 2025
2017_01	Cash Handling	4	Treasury should conduct a daily review of monies collected, based on the reporting from the POS system and compare to deposits submitted to Treasury. Treasury staff should contact cashiers to remind them to submit their deposits. Treasury should work with the Revenue management and City Administrator to update the Administrative Instruction 1002, which was last revised in 2008. City managers should ensure that the procedures outlined in this instruction represent up-to-date cash handling practices and appropriate security measures for monies collected at City locations.	Partially Implemented	The City Administration did not provide a status update in time to include in this report.	Finance - Revenue and Tax Administrator, City Treasurer	Dec 2024
2017_01	Cash Handling	6	Management should adjust staffing schedules and work assignments so that the business license reports can be reviewed thoroughly and timely throughout the year. Business License PSI reports showing exceptions, such as unpaid taxes, should be escalated for further action before submission to the vendor for printing of business license certificates.	Closed	We have dropped this recommendation because it is no longer relevant as it refers to a previous software issue.	Finance - Revenue and Tax Administrator	
2017_03	Parking Citation Void Process	3	Determine the appropriate use of ZVOID2, update all related written procedures, and provide training to ensure this practice is used as intended.	Implemented	In January 2023, OakDOT-Parking Enforcement developed a new process to eliminate the ZVOID2 when Parking Control Technicians (PCTs) need to void a citation midway due to officer error before the citation is printed. This updated process enhanced OakDOT's overall citation management to ensure greater accuracy and audit tracking for supervisors to review.	DOT - Parking & Mobility Division Manager	Dec 2024
2017_03	Parking Citation Void Process	6	Develop specific criteria for those assigned the eTIMS access rights, and identify explicit permission levels, so that employees have the necessary tools to perform their duties, but access is limited based on need.	Partially Implemented	The Department has reported that they have implemented this recommendation. However, as of August 2024, it has not yet provided the necessary supporting documentation to verify its implementation. Until we receive this documentation, the recommendation will remain classified as "partially implemented."	DOT	Dec 2024

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