



Audit Recommendation Follow-Up

as of December 31, 2024

Presentation to the
Finance & Management
Committee
April 22, 2025

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City Auditor

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 fulfills a Charter requirement

- The City Charter requires the City Auditor submit, at a public meeting of the City Council, **a semi-annual report to the Council and public on the extent of implementation of recommendations** for corrective actions made in in the City Auditor's reports **(Section 403 (4)(8))**.
- To this end, our Office published its third semi-annual report on the status of open audit recommendations on March 28, 2025.

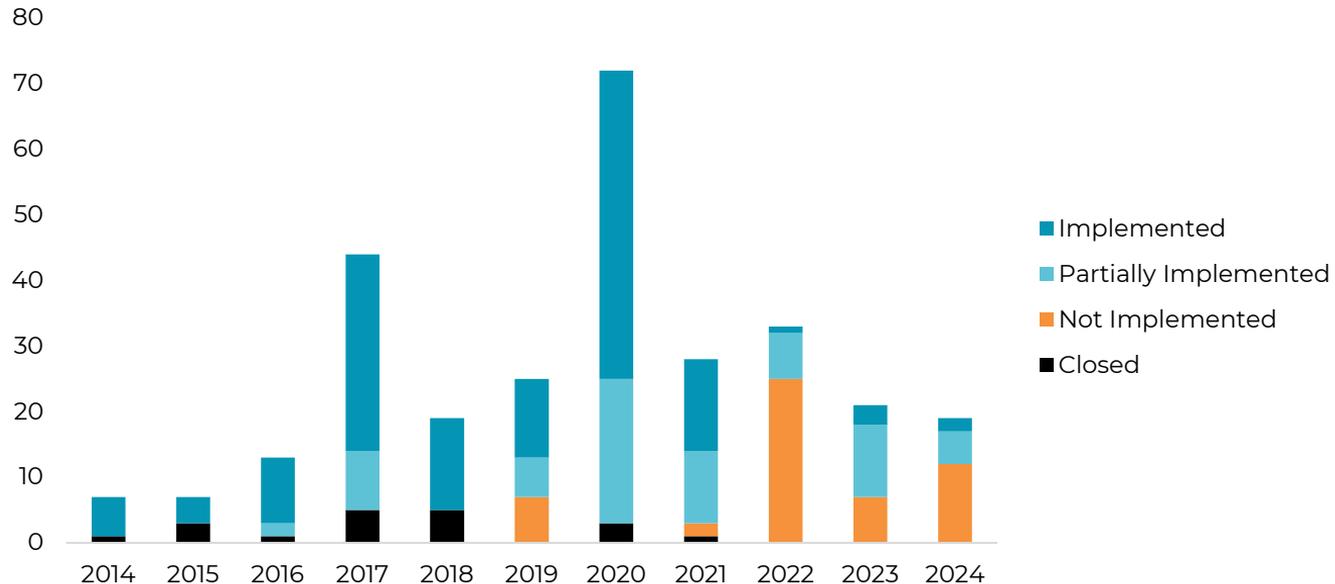
Audit Recommendation Follow-Up as of December 31, 2024

- This report covers **288 unique recommendations** from **45 performance audits** issued since 2014 (as of December 31, 2024).
- Our previous report was the second semiannual report, with status updates as of June 30, 2024.
- 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.

Audit Recommendation Follow-Up as of December 31, 2024

- **13 new recommendations were added** based on newly issued audits:
 - *Performance Audit of Grants from the City of Oakland to Saba Grocers Initiative and its Fiscal Sponsor* (issued July 2024)
 - *Performance Audit of Citywide Pay Equity* (issued November 2024)
- **39 recommendations have changed status** (from not implemented to partially implemented or implemented, or from partially implemented to implemented)
- **This represents an improvement from the last cycle**
- Effective December 26, 2024, the City Administrator and City Auditor jointly signed an update to Administrative Instruction (AI) 701 *Implementing Audit Recommendations* to describe the semi-annual follow up process
- We anticipate additional recommendations to change status in the upcoming cycle

The number of audit recommendations made varies by year, depending on the number and types of audits completed



Overall, 162 (or 56%) audit recommendations have been implemented or closed



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

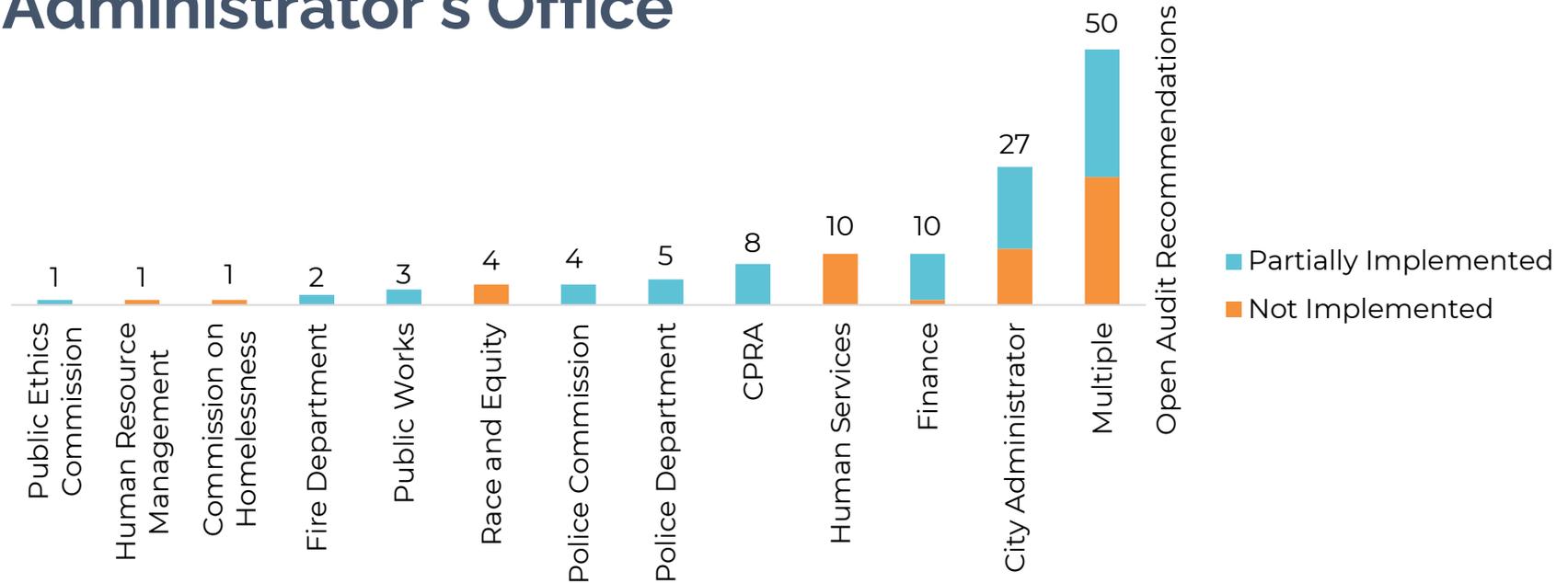
- The Fire Prevention Bureau of the Oakland Fire Department (OFD) has made concerted efforts to bring Oakland schools up to fire code. The Fire Marshal issued a letter in November 2024 to the Superintendent of the District on fire code deficiencies and necessary actions for OUSD to take (from the audit of Fire Prevention, 2020).
- The City has developed written goals and objectives for encampment management and staff created an encampment management organizational chart, which includes three responsibilities (from the audit of encampment management, 2021).

126 recommendations remain open

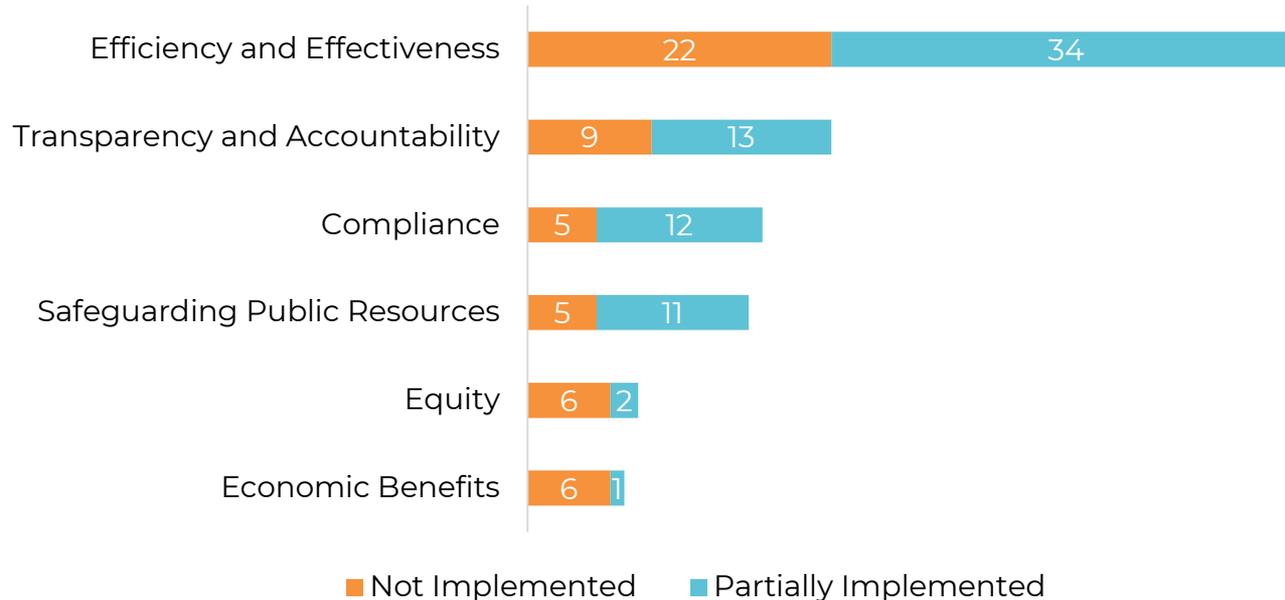
Examples of **open recommendations** include:

- A recommendation to ensure that requirements within service provider contracts reflect adopted performance metrics and targets and ensure such requirements are consistent across different service provider contracts within the same program type (Recommendation 4 from the audit of the City of Oakland's Homelessness Services, 2022).
- Thirteen (13) recommendations from the 2019 audit of the Oakland Police Department's overtime intend to improve overtime planning, management, and tracking, and limiting the use of overtime by individual employees and the department as a whole.
- At least seven (7) open recommendations that rely on the adoption of the draft Consolidated Fiscal Policy (CFP) that the Department of Finance presented to the Finance and Management Committee. These include updates pertaining to Citywide policy on grants management, maintenance of efforts thresholds, and reserve policies.

Most open audit recommendations are addressed to multiple departments or the City Administrator's Office



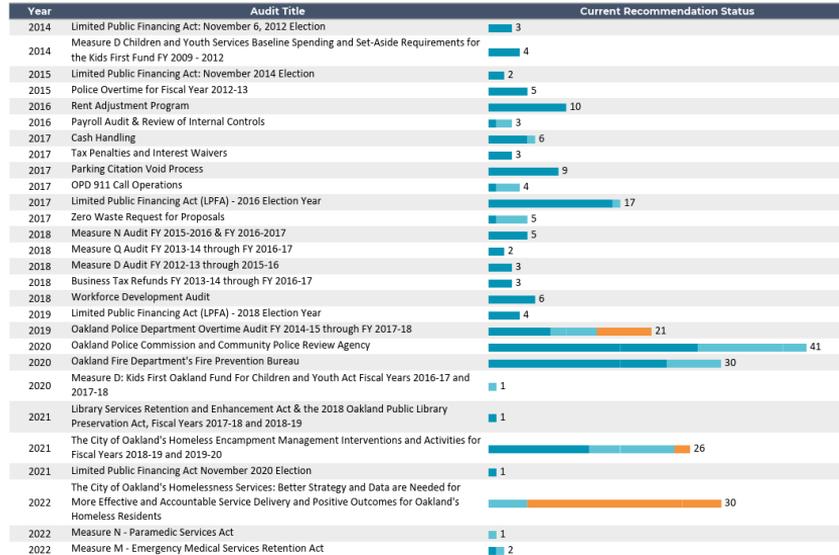
Most of the open recommendations seek to improve the efficiency and effectiveness of city services



Appendices show recommendations by audit and individual status updates

Appendix A: Summary of Recommendation Status by Report

Key: Implemented | Partially Implemented | Not Implemented



Appendix B: Current Status of Audit Recommendations
January 1, 2024 - December 31, 2024

Report Number	Report Name	Req. #	Recommendation	Implementation Status	Dec 2024 Status Update	Responsible Party	Target Date
2016_01	Payroll Audit & Review of Internal Controls	2	Payroll Operations should prioritize the revision of Administrative Instruction 103 and submit it to a body member 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 completed and the transition of staff and roles and responsibilities is in progress. The Finance Department reports that following an informal RFP for Standard Operating Procedures and Administrative Instruction revisions, they have had a opportunity to update AI 103 and that the draft revisions are being reviewed.	Finance - Payroll Operations	Jun 2023
2016_03	Payroll Audit & Review of Internal Controls	3	Review and update all of the other payroll processes and adopt the practice of assigning ownership of all to those department groups whose work process are most directly impacted by any. Designate Payroll Operations as the center 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 staff are still researching which Administrative Instruction(s) need to be revised, removed, or created. The Finance Department has a consultant who is prioritizing the revision of the payroll act.	Multiple - Finance/CAO	Jun 2023
2017_01	Cash Handling	4	Treasury should conduct a daily review of monies collected, based on the reporting from the PDS system and compare to deposits submitted to Treasury. Treasury staff should consider deposits to receive from 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 processes outlined in this instruction represent up-to-date cash handling policies and appropriate security measures for monies collected at City facilities.	Partially Implemented	Per Finance the Treasury Bureau conducts daily reconciliations of PDS transactions to deposits received and the Bureau consistently makes up with departments that have not submitted their daily deposits. Additionally, internal meetings are held to track cash and enforce the AI policy on cash handling and its associated requirements. The Bureau is in the process of updating the AI policy in alignment with the implementation of new PDS system.	Finance - Revenue and The Administrator, City Treasurer	Jun 2023
2017_08	Parking Citation Void Process	8	Develop specific criteria for those assigned the AIFFS access rights, and specify explicit permission sets, so that employees have the necessary tools to perform their duties, but access is limited based on need.	Implemented	DOT has established specific criteria for user access and permission sets. These permissions are enforced monthly through an AIFFS audit report, which the department reviews from the vendor on a monthly basis.	DOT	
2017_08	Parking Citation Void Process	7	Management should establish a procedure to regularly review the aging of employees with access rights to ensure they are current and appropriate, reducing the risk of fraudulent activity.	Implemented	DOT has established specific criteria for user access and permission sets. These permissions are enforced monthly through an AIFFS audit report, which the department reviews from the vendor on a monthly basis.	DOT - Pricing & Mobility Division Manager	
2017_04	OPD 911 Call Operations	1	Management should continue to report 9-1-1s knowing time statistics and carry out remedial actions on all emergency calls are reviewed within standard requirements. This is especially important as the requirement changes with the revision to accept all emergency calls. PDS calls within the City of Oakland by the end of 2023.	Partially Implemented	OPD reports that to the of answering calls within the mandated answering center longer than 45.7 seconds for the first six months of 2024. Call answering speeds are consistently positive on the City's website. Staff reports that continued training challenge involve the Communications Division's ability to meet the mandated answering speed. This recommendation will be considered fully implemented when the Communications Division consistently meets the standard of answering 80 percent of 9-1-1 calls within 35 seconds.	OPD	Dec 2023

Questions?

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**AUDIT RECOMMENDATION FOLLOW-UP
AS OF DECEMBER 31, 2024**

City Auditor

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March 28, 2025