

# City of Berkeley



Office of the City Auditor  
 Martin Luther King Jr.  
 Civic Center Building  
 2180 Milvia Street  
 Berkeley, California 94704

TEL: (510) 644 6440

FAX: (510) 644 6435

E-MAIL: [hogan@ci.berkeley.ca.us](mailto:hogan@ci.berkeley.ca.us)

## CONSENT CALENDAR

March 12, 1996

To: Honorable Mayor and  
 Members of the City Council

From: Ann-Marie Hogan, City Auditor *amh*

Subject: CLEAN STORM WATER ASSESSMENT AUDIT

### RECOMMENDATION:

That Council request the City Manager to report on implementation of the Clean Storm Water Assessment Audit recommendations by July 1996.

### BACKGROUND:

Although the Clean Storm Water Assessment provides almost \$2 million per year to the Public Works Department, procedures are not in place which provide reasonable assurance that all parcels are properly assessed. Problems include inadequate internal controls to maintain accurate parcel square footage information. Additionally, the City does not monitor whether the County is accurately levying the assessment based on information submitted by the City. The City also is not properly reviewing and approving updates to the assessment data base, or documenting this activity.

Three City entities are key to the maintenance and transmission of accurate assessment data for billing purposes; The Finance Department, the Information Systems Division of the Management and Administrative Services Department, and the Public Works Department. Failure to assign and document responsibility within each department, and to coordinate efforts between the three departments, created the conditions which led to these findings.

In the last two years, the Auditor's Office has issued five reports regarding significant loss of revenue because of internal control weaknesses related to billing. These weaknesses include failure to properly document billing systems and to perform billing procedures, to reconcile data, to ensure integrity of databases, and to exercise adequate oversight. Lack of timely implementation of improvements recommended by these audits could result in significant loss of revenue to the City because of time limits on collectibility.



As is the case regarding these previous reports, better coordination between Finance, Information Systems, and the Public Works Department is essential to the successful implementation of the recommendations of the Clean Storm Water Assessment Audit.

The Finance Department and Information Systems have each agreed to implement many of the recommendations of the audit by June 30, 1996. The Public Works Director has proposed creating a position in the Public Works Department which will be responsible for oversight of assessments of these funds and other Public Works funds which Finance is responsible for billing.

The Auditor's Office strongly urges the City Manager to ensure a coordinated and timely response, from all three departments, to the Clean Storm Water Assessment Audit as well as to all outstanding recommendations from the related audits and reviews: Landscape and Park Maintenance Assessment, Sanitary Sewer Fund Billing, Refuse Billing Operations, and Transfer Station Financial Operations.

#### FINANCIAL IMPLICATIONS:

During FY 1994-95 the Clean Storm Water Assessment Fund received \$1.8 million in revenue.

For the three FYs 1992-93 through 1994-95, we identified \$140,348 in Clean Storm Water Fees that were not assessed.

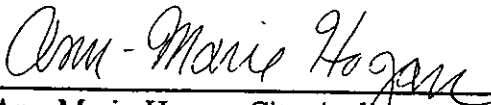
Our audit statistical sampling methodology allowed us to project that \$393,760 may have been underassessed due to understated parcel square footage information in the Land Management data base.

In addition, we quantified that the Clean Storm Water Fund had foregone \$769,800 in revenue because parcels owned by the City of Berkeley and other Public Agencies had not been assessed the Clean Storm Water Fee.

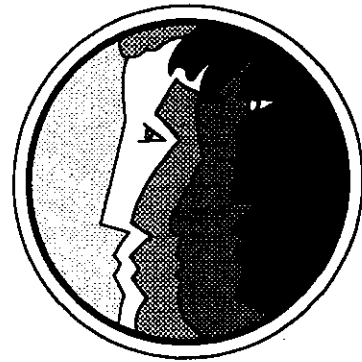
#### CONTACT PERSON:

(Ann-Marie Hogan, City Auditor, 644-6440)~

Approved by:

  
\_\_\_\_\_  
Ann-Marie Hogan, City Auditor

City of Berkeley



*Clean Storm Water Assessment  
Audit*

*October 1995*

Prepared by:

Ann-Marie Hogan, City Auditor  
Susan Maher, CPA, Audit Manager  
Frank Marietti, Auditor II

Office of the City Auditor

2180 Milvia Street, Berkeley, California 94704

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# CLEAN STORM WATER ASSESSMENT AUDIT

## I. INTRODUCTION

### A. PURPOSE AND SYNOPSIS

At the request of the Director of Public Works, an audit of the Clean Storm Water (CSW) Assessment was performed to determine if Clean Storm Water Fees had been properly levied. For Fiscal Years 1992/93 through 1995/96, we identified the following:

1. Billing errors resulting in CSW Fees totaling \$140,348 not being assessed,
2. Inaccurate data in the assessment data base (data used to calculate CSW Fees) resulting in an estimated \$393,760 in under-assessed Fees,
3. Parcels owned by public agencies and parcels owned by the City of Berkeley which were not assessed for various reasons. It is estimated the City could potentially have assessed these entities up to an estimated \$769,800.

See **Table 1** in the Appendix for more information.

### B. BACKGROUND

#### Legal authority for the Fee

In order to fund Clean Storm Water activities mandated by Federal and State law and to reduce the amount of pollutants that enter the City's storm water drainage system, the City established a user fee in 1991. The Clean Storm Water user fee was imposed by Ordinance No. 6070 N.S. which was adopted on June 25, 1991. This Ordinance was amended by Ordinance 6124 N.S. on April 7, 1992, which exempted real property which is lower than the elevation of "mean high water" for Berkeley. The legislation authorizes the assessment, identifies how it is to be calculated, specifies against whom the fee is to be assessed, and restricts the use of the money to Clean Storm water activities.

Fees are to be used only for:

- 1) Program activities of the Alameda County Urban Runoff Clean Water Program, a County-wide joint venture, which has been established to comply with the National Pollutant Discharge Elimination System requirements.

- 2) Operation and maintenance of the City's storm water drainage system.
- 3) Capital improvements to rehabilitate or replace components of the City's storm water drainage system.

### Application of the Fee

The Fee is levied as a special assessment on each real estate parcel, using the mechanism of the annual Alameda County property tax bill. The CSW Fee is to be imposed on all owners of real property in Berkeley except those owners whose:

- 1) total gross household income is \$15,000 or less, or
- 2) land is below the elevation of "mean high water" for Berkeley.

The assessment has generated approximately \$1.9 million in revenues each year since inception. The CSW Fee is the only special assessment in Berkeley which has a fee calculated based on parcel square footage.

### Calculation of the Fee

The Fee is a two tier fee. Parcels with use codes in the Single Family Residential land use category are assessed a flat fee of \$50 annually. About 17,141, or 63% of the approximately 27,167 parcels in the City, are levied the flat \$50 assessment. The second tier, which accounts for the remaining 37% of the parcels, represents owners with parcels assigned land use codes other than Single Family Residential. Their Fee is calculated by using the following formula as provided for by the Ordinance:

$$[(\text{parcel sq. footage} \times \text{runoff factor}) / (\text{RU})] \times [\text{rate per RU}]$$

The theoretical basis for the calculation of the Fee is the invented concept of the "Standard Run-off Unit" (RU). This is a device used by civil engineers which attempts to calculate the area of a parcel that is impervious to run-off due to the footprint of the real estate. If a structure or pavement is present, the storm water will not be absorbed into the ground and, thus, must "run-off" around the structure and be transported through the storm drains into the Bay. The cost of transporting that storm water not absorbed by the ground is the basis for the user fee. The RU is set at 2,196 square feet, or the estimated average area of a single-family residential unit.

The other factor used in the basic formula is the "Runoff Factor". This is determined by the use code that the parcel has been assigned by Alameda County. The theory is that in order to impose a true user fee the relationship between the use to which the land is put must be considered when determining the quantity of storm water that will be transported off of the property by the City's storm drain system and into the Bay. For each of the seven Land Use Categories, a runoff

factor is assigned. There are four run-off factors ranging from .1 for vacant land to .8 for commercial and industrial property.

The "Rate per RU" for Fiscal Years 1991-92 through 1994-95 was set at \$50 by Resolution 55,981 N.S. adopted on July 9, 1991. The continuing authority for the rate has been established by Resolution 57,999 N.S., adopted on May 23, 1995.

An example for a tier two Fee calculation is as follows:

Parcel Square Footage:	25,000 square feet
Land Use Category:	Industrial
ROF for Industrial Land Use Category:	.8

Formula:

$$\begin{aligned} &[(\text{parcel sq. footage} \times \text{runoff factor}) / (\text{RU})] \times [\text{rate per RU}] \\ &[(25,000 \text{ sq.ft} \times .8) / 2,196 \text{ sq.ft.}] \times \$50 = \$455.37 \\ &\text{Annual CSW Fee:} = \underline{\underline{\$455.37}} \end{aligned}$$

The parcel square footage information that is required to produce the CSW Fee resides in the City's Land Management data base. This data base is maintained by Information Systems and by the Real Estate unit of the Department of Finance. This is a relatively stable data base with regard to the parcel square footage field. However, during the course of the year the parcel count field may change due to lot splits or lot mergers. Alameda County is the official Recorder for these additions, deletions, and modifications. The most current Alameda County Tax Roll information is available through quarterly reports which the City can purchase. These reports are the primary source of information used by the City to update the Land Management data base. The updating process is automated and produces exception reports which are forwarded to the Finance Department's Real Estate unit. Assistant Property Clerks in Real Estate then investigate the reported exceptions and input parcel square footage etc. as required. Additionally, on an ongoing basis Property Clerks update the data base throughout the year based on information they receive from the City's Engineering Division of Public Works or new parcel maps received from Alameda County.

Levy of the Fee

Prior to sending CSW Fee assessment information to Alameda County in August of each year, Information Systems provides Real Estate and Public Works with an edit report for their review. After corrections are made, if appropriate, Information Systems generates the CSW Fee assessment and transmits it to the Alameda County Auditor-Controller's Office on magnetic tape. The Alameda County Auditor-Controller then runs this interface against the property tax roll and generates the CSW Fee as a special assessment. All parcels except those owned by a utility are assessed on the Regular Tax Roll. Utilities are assessed on the Utility Tax Roll.

CSW Fees are accounted for in the Clean Storm Water Enterprise Fund (Fund 831). Enterprise funds are used to account for operations financed and operated in a manner similar to private sector business enterprises - the costs of providing services are to be recovered through user charges.

### C. SCOPE, OBJECTIVES AND METHODOLOGY

The scope of our audit was the CSW Fee assessment levied for fiscal year 1994-95.

The objectives of our audit were to determine if:

1. All parcels which should have been assessed were assessed, and
2. All Fee calculations were computed in accordance with the formula as prescribed by the Ordinance, and
3. The parcel square footage factor used in the calculation was correct.

Our methodology included:

1. A review of legal requirements governing the CSW Fee, and
2. Interviews with City and Alameda County staff responsible for the Fee, and
3. Examination and testing of assessment records and practices.

We conducted a limited purpose audit and, consequently, we did not evaluate the overall system of internal control. However, during the course of our fieldwork certain significant internal control weaknesses which could have a material effect came to our attention. We have identified and addressed these internal control weaknesses in our report.

A draft copy of this audit report was provided to the Director of Public Works and Finance, and the Information Systems Manager. The City Manager's Office coordinated their responses to the audit findings and recommendations and those responses are included in this report.

The review was conducted in accordance with the Government Auditing Standards prescribed by the U.S. Comptroller General.

### D. SUMMARY

Results of our review are summarized below. Details of our Findings and Recommendations are located in Section II of this report.

Objective 1: Determine if all parcels which should have been assessed were assessed

Results of Review: Not all parcels were assessed.



A) Parcels owned by public agencies and the City were not assessed. By law, they can only be assessed the capital improvement portion of the CSW Fee. Additionally, the City must negotiate a CSW Fee agreement with each State agency before these agencies are obligated to pay a CSW Fee.

Three public agencies which are not owned by the state can immediately be assessed an estimated \$11,070 for fiscal year 1994/95. State agencies could potentially be assessed up to an estimated \$150,207 in Fees for fiscal year 1994/95. It appears that the Ordinance would also allow City owned parcels to be assessed. For fiscal year 1994/95, it is estimated the City General Fund and other funds would owe the CSW Fund \$29,960 and City agencies could be assessed an estimated \$1,213. See **Finding 1**. Public agencies and the City also were not assessed for Fiscal Years 1992/93 - 1995/96.

B) Some parcels were not assessed because parcel square footage, a necessary component of the formula, had not been entered into the Land Management data base (billing data base). The computer application requires that an amount be entered in the square footage data field or the system cannot perform the calculation. Although Information Systems had provided the Real Estate unit of Finance with a report which identified the parcels without parcel square footage, this deficiency was not always corrected.

During our test work we identified an escaped assessment for eight large parcels owned by the Catellus Development Corporation. Because parcel square footage for these parcels had not been input into the Land Management data base, the parcel owner was not assessed an estimated \$20,084 in Fiscal Year 1994/95 and Fiscal Year 1995/96, for a total of \$40,168. Additionally, we noted other parcels which did not have parcel square footage entered and, therefore, were not assessed in Fiscal Years 1994/95 and 1995/96, resulting in additional lost revenue. See **Finding 3**.

C) Internal controls and written procedures necessary to provide a reasonable assurance that all assessable parcels are assessed are not in place. Further, the Public Works Department is not overseeing CSW assessment activities to ensure that all parcels which should be assessed are assessed. See **Findings 3-5**.

Objective 2: Determine if all Fee calculations were computed according to the formula prescribed by the Ordinance.

Results of Review: Not all the Fee calculations were mathematically correct.

Parcel square footage was truncated to six digits prior to CSW Fees being calculated. This is a computer system error in which, for example, a parcel with an area of 1,200,000 square feet is read as having an area of 200,000 square feet. As a result, eleven parcels owned by the Catellus Development

Corporation (separate from the eight Catellus owned parcels cited above which were not assessed at all) were under-assessed by \$50,090 in Fiscal Year 1994/95. This same condition existed in Fiscal Year 1993/94, resulting in a total revenue loss of \$100,180 for the two year period. See **Finding 2**.

No other exceptions were noted.

Objective 3: Determine if the parcel square footage factor used in the calculation was correct.

Results of Review: Correct parcel square footage was not always used in the calculation of the Fee.

A) An estimated \$98,440 in CSW Fees for Fiscal Year 1994/95 was under-assessed because the parcel square footage factor used in the formula was incorrect. We observed both understated and overstated parcel square footage discrepancies during our test work. By using statistical sampling methods we were able to determine that for approximately 10% - 20% of the second tier parcels (parcels other than Single-Family Residential Land Use) the square footage reported in the Land Management data base contained an error of 10% or more. Our process had an estimated 95% confidence interval level. See **Finding 2**.

B) Internal controls and written procedures necessary to provide a reasonable assurance that correct parcel square footage is used to calculate each parcel's Fee are not in place. Further, the Public Works Department is not overseeing CSW assessment activities to ensure proper parcel square footage is used to calculate Fees. See **Findings 4 and 5**.

## II. FINDINGS AND RECOMMENDATIONS

### **Finding 1            Public agencies and the City of Berkeley are not assessed Clean Storm Water Fees.**

Public agencies and the City of Berkeley were not assessed the CSW Fee. They can be levied the capital improvement portion of the Clean Storm Water Fee. Because they are not being assessed, it is estimated up to \$192,450 was not levied in fiscal year 1994/95. This condition also existed prior to fiscal year 1994/95 and exists with the fiscal year 1995/96 assessment.

The Ordinance which authorizes the CSW Fee states:

**"Every person or entity who owns real property within the City of Berkeley shall pay a fee for clean storm water activities".**

Ordinance 6070 N.S. is silent on whether or not public agencies are to be exempted from the Fee. There are two issues that need to be clarified:

1. Does the Fee apply to Public Agencies (other than the City of Berkeley)?
2. Does the Fee apply to the City of Berkeley?

The Director of Finance sought guidance from the City Attorney on the first issue. A June 14, 1993 legal opinion rendered by the City Attorney's Office stated:

- "The portion of the CSW Fee devoted to capital improvements may be assessed against public agencies such as BART, East Bay MUD, and the Park District.

- The City must negotiate an agreement with the University of California (U.C.), the Berkeley Unified School District (BUSD), and other State agencies before those entities are obligated to pay the capital improvement portion of the Fee.

- The portions of the Fee devoted to Storm Water Management Programs and to the operation and maintenance of storm water activities may not be assessed against any of the public agencies listed above."

The Manager of the Real Estate Unit in the Finance Department confirmed that public agencies and City owned parcels have not been assessed CSW Fees since Fiscal Year 1992/93. (In Fiscal Year 1991/92 public agencies were incorrectly assessed the entire Fee, not just the capital improvements portion, but only EBMUD is believed to have paid.) She stated that the assessment of public agencies had never been pursued by the Finance Department because they had

never been asked to do so by the Public Works Department.

According to the Assistant City Manager, most public agencies were not assessed CSW Fees because it was management's understanding that the City Council had not intended to assess public agencies. The Assistant City Manager also stated that attempts by the City to negotiate assessment of CSW fees would be contrary to the spirit of the July 26, 1990 Mitigation Implementation Agreement between the City and U.C., and therefore would not be likely to meet with success.

Based on the auditor's preliminary discussion with the City Attorney's Office, it appears that, since the Mitigation Agreement was executed in 1990 and predates the CSW Fee, which was established in 1991 (and does not specifically prohibit future fee negotiations), the Mitigation Agreement would not necessarily preclude the City from negotiating the imposition of a CSW Fee on U.C. The Assistant City Manager, Director of Public Works, and Acting Director of Finance all confirmed that the City has not attempted to negotiate a CSW Fee agreement with U.C. or the BUSD.

Three public agencies which require a negotiation process as a pre-condition for the imposition of CSW Fees were identified during our audit. They are U.C., BUSD and the State of California. Only the portion of the Fee dedicated to Capital Improvements may be assessed against these agencies. Since the rate approved in the legislation, \$50 per RU unit, was developed with the assumption that 42.95% was to be expended on capital improvements, that is the factor used to develop the estimate of CSW Fee revenue. Based on this allocation, we estimate that additional CSW revenue of \$150,208 could have been generated by negotiating and reaching agreement with these public agencies. See **Table 2** in the Appendix for detailed information.

In addition, we identified three public agencies, East Bay MUD, East Bay Regional Park District and BART, which can be assessed the capital improvement portion of the CSW Fee without negotiations. These public agencies were not assessed an estimated \$11,070 for fiscal year 1994/95. Two other agencies, the Redevelopment Agency and the Berkeley Housing Authority, were not assessed an estimated \$1,213 for fiscal year 1994/95. A determination was not made whether these agencies could be assessed without an assessment agreement.

With regard to the second issue, *Does the CSW Fee apply to the City of Berkeley?*, we recognize that this is a policy issue that should be decided by the City Council. However, a literal interpretation of the language in the legislation would indicate that the City should also pay the capital improvement portion of the Clean Storm Water Fees for City-owned parcels. No documentation was made available to us during the audit which would exempt the City from CSW Fees. If the City paid the capital improvement portion of the CSW Fee for the parcels it owned, it is estimated that the Clean Storm Water Fund would receive an additional \$29,960 (164 parcels) in revenue for fiscal year 1994/95.

## ***Auditee's Response***

*Agree with Finding*

### **Recommendation 1**

Negotiate CSW Fees which can be assessed each state owned public agency. Public agencies include the U.C., BUSD and the State of California. Assess these state agencies. Public agencies which are not owned by the City or State should be assessed for the capital improvement portion of the CSW Fee as soon as possible since negotiations are not required. If possible, retroactively levy these public agencies for prior year Fees.

Develop a process for billing these agencies. The City will have to assess these parcels using a separate billing mechanism other than the Alameda County Tax bill.

### ***Auditee's response***

*Disagree with Recommendation to negotiate with University of California, Berkeley Unified School District, BART, East Bay MUD, and the Park District.*

*This is a policy matter that should be confirmed by the City Council. As a policy, staff is recommending that the City not enter into negotiations with these public agencies to try to secure payment for the capital portion of the Clean Water bill. This Council item recommending this policy will be on the same Council agenda as the audit report.*

### **Auditor's disposition**

We agree that Council should decide this policy issue in order to avoid the appearance that City staff are selectively enforcing the provisions of the CSW Fee Ordinance.

The auditee's response states the City must negotiate CSW Fee agreements with East Bay MUD and the Park District before CSW Fees can be assessed. These public agencies, along with BART, can be assessed Clean Storm Water Fees without going through a negotiation process.

### **Recommendation 2**

Clarify the intent of the Ordinance with respect to the assessment of City owned parcels. Request a legal opinion from the City Attorney regarding the issue - *Must the City be assessed the Fee based on the current language of the ordinance?* Based on the results, City owned parcels should be assessed if appropriate, or the Ordinance

amended to specifically exempt City owned parcels from CSW Fees.

***Auditee's response***

*Agree with recommendation. No problem asking legal for a clarification of the ordinance as it applies to the City of Berkeley. Staff will recommend that the City not pay the capital portion of the Clean Storm Water fee.*

**Finding 2            Parcel square footage used to calculate the Clean Storm Water Fees was not always correct.**

Parcel square footage used to calculate the Clean Storm Water Fee was not always correct. We observed two problem areas:

- A. Overstated and Understated parcel square footage, and
- B. Truncated Square Footage

**Overstated and understated parcel square footage**

With an estimated 95% confidence interval, we projected that between 1,034 - 1,958 parcels (out of a universe of 10,026 parcels) had their CSW Fees calculated using parcel square footage which was either overstated or understated by 10% or more. The net effect of this condition was that Fees in the estimated amount of \$98,440 were not assessed in FY 1994/95. It appears that this condition has existed since the assessment was first levied in FY 1991/92 due to initial loading of flawed data into the data base. Our audit sample included parcels owned by the Berkeley Unified School District, all of which had materially understated parcel square footage.

According to various City sources, the original parcel square footage information for the Land Management data base was obtained from Alameda County Assessor records, from various City records and from an outside consultant. Any errors in the original loading of the data have been institutionalized and may account for the majority of the discrepancies.

Our methodology compared parcel square footage from several different sources to determine if the City used accurate parcel square footage to calculate CSW Fees. We compared parcel square footage calculated by using parcel dimensions from the Alameda County Assessor Maps with parcel square footage data from two private companies, MetroScan and TRW. These companies purchase and report county parcel information. Our test work indicated that parcel square footage reported by these private companies was not always accurate and was often not available. Parcel square footage calculated by using parcel dimensions from the Alameda County Assessor maps was found to yield the most accurate parcel square footage information.

Parcel square footage calculated using parcel dimensions from the Alameda County Assessor's maps was compared to actual FY 94/95 assessment square footage for 248 randomly selected parcels. The net effect was that the City had assessed \$2,434 less in Fees than it should have because parcel square footage used to calculate the Fees was understated. A simple projection of the sample error rate indicates an underassessment of \$98,400 (10,026 parcels in population / 248 parcels audited X \$2,434 overstated Fee for sample). The actual understatement of CSW Assessment Fees calculated by the City could be greater or less than \$98,400 if 100% of the parcels were audited.

Currently the City has no procedures in place to identify and correct inaccurate historical parcel square footage that resides in the Land Management data base. Further, there are no controls in place which provide a reasonable assurance that new parcel square footage entered into the Land Management data base is accurate. According to the Manager in Real Estate, staff in Real Estate are able to input new parcel square footage information into the Land Management data base without any review or approval. See **Finding 4.1** for more information.

#### Truncated parcel square footage

When Information Systems ran the program to generate the CSW Fee for fiscal years 1993/94 and 1994/95, parcel square footage exceeding six digits was truncated. This condition was not identified by Information Systems staff or by staff in Real Estate or in Public Works using available edit reports. The understated assessment information was then passed over to Alameda County without corrective action. As a result, eleven parcels owned by the Catellus Development Corporation were under-assessed \$50,090 for Fiscal Year 1993/94 and 1994/95, for a total revenue loss of \$100,180. See **Table 3** in the Appendix.

Additionally, we noted that two parcels owned by the University of California also had assessment fees calculated which were based on truncated square footage. However, since the University was not assessed, truncation did not result in the City receiving less revenue. We did observe that parcel square footage was not truncated for Fiscal Year 1992/93 and 1995/96.

It should be noted that this condition would only have impacted parcels with square footage in excess of 999,999 square feet, or more than 22.96 acres, so we have concluded that the exposure to loss from this computer error was contained to the parcels we have identified above.

There are no written procedures governing the review process over CSW Fees prior to this assessment information being sent to the Alameda County Auditor-Controller.

#### ***Auditee's Response***

*Agree with Finding*

### **Recommendation 3**

Because Berkeley Unified School District parcels were present in our random sample and contained material errors, verify whether the assessment square footage for all Berkeley Unified School District-owned parcels is correct. Obtain parcel square footage information from a reliable source, such as calculating it by using the Alameda County Assessor Maps. Update Land Management to reflect the correct parcel square footage for these parcels. Retroactively assess parcels which have been incorrectly assessed in past years, if possible.

#### ***Auditee's response***

*Disagree with recommendation. As stated above, it's a policy matter for the Council to assess BUSD. Allocating resources at this time to clear up BUSD parcel data is a low priority until Council makes that policy determination.*

### **Recommendation 4**

In order to ensure the integrity of the Land Management data base, implement procedures which require the testing of parcel square footage in Land Management data base each year. On a sample basis, a parcel's square footage in the data base should be compared with the parcel's actual square footage, as determined by an accurate and independent source. Such sources include direct measurement or use of parcel dimensions on Alameda County Assessor Maps. The sample size should be increased if a significant number of errors are found. This activity should be documented, reviewed and approved by a supervisor. Further, we recommend that, in order to maximize revenue, the larger parcels with Fees calculated using a runoff factor of .6 or .8 be examined first.

#### ***Auditee's response***

*Disagree with recommendation to physically measure on an annual basis, actual square footage of property.*

*The cost of performing an accurate survey would outweigh the benefit. However, procedures will be developed by July 1, 1996 to sample properties and compare to County map (Plot maps). Large properties will be sampled first.*

*Finance in conjunction with Public Works and Information Systems will develop and implement procedures for annual testing of parcel square footage in the Land Management data base. The test will be accomplished by comparing assessor's plat maps with the Land Management System data for the larger parcels and particularly for those parcel with a .6 or .8 runoff factor. The procedures and testing schedule will be issued for implementation by June 30, 1996. We are in agreement with the recommendation on this issue.*



### **Auditor's disposition**

Paragraph three of the auditee's response agrees to implement the entire audit recommendation. Paragraphs one and two of the auditee's response misinterpret the audit recommendation.

### **Recommendation 5**

Obtain a list of the parcels which our audit test work disclosed were using incorrect parcel square footage. Enter their correct parcel square footage in Land Management. Retroactively assess or credit these parcel owners for prior incorrect CSW assessments.

#### ***Auditee's response***

*Agree with recommendation and correct parcel square footage for identified parcels will be corrected (using plat maps) by June 30, 1996 and corrected bills will be sent at that time.*

### **Recommendation 6**

Assess and bill Catellus Development Corporation for CSW fees which were not assessed in Fiscal Year 1993/94 and 1994/95 because parcel square footage had been truncated.

#### ***Auditee's response***

*Agree. In response to this finding brought to the attention of the Finance Department by the Auditor's Office, the Finance Department has assessed and billed the Catellus Development Corporation parcels.*

### **Recommendation 7**

The CSW assessment program should be modified to prevent or to clearly identify truncation problems. Written procedures should require staff to confirm that the largest parcels in Berkeley had their CSW Fees calculated using parcel square footage which was not truncated.

#### ***Auditee's response***

*Agree. Information Systems will attempt to develop a hashing mechanism to guard against future truncation. Additionally, Information Systems will work with Finance to develop written procedures to be used by the Finance staff to detect software truncation errors.*

**Finding 3 CSW Fees are sometimes not assessed because parcel square footage is not entered.**

Information Systems prepares exception reports which identify parcels in the Land Management data base which lack square footage data. Frequently follow-up or corrective action was not taken to remedy these identified deficiencies. Since square footage information was not input, CSW fees could not be calculated for these parcels, and they were not assessed. More than \$20,084 was not assessed in Fiscal year 1994/95 and again in 1995/96 because of this condition.

The following was observed:

1. Eight parcels owned by the Catellus Development Corporation were not assessed an estimated \$20,084 in fiscal year 1994/95. These parcels were also not assessed in FY 1995-96. See **Table 4**. This occurred because 8 new parcel numbers were entered into the assessment data base in early 1994, and the old parcel numbers were removed. Square footage for these new parcels was not entered into the assessment data base even though edit reports available in the Real Estate unit clearly identified this condition.

2. We examined an Edit Report produced by Information Systems and issued on August 8, 1994, which identified 166 parcels without parcel square footage. This information was provided to the Real Estate unit so that the deficiencies could be cured and these parcels could then be assessed. After excluding the condominiums, single-family residential and public-owned parcels, 52 parcels which were to be assessed in FY 94/95 based on parcel square footage were identified. The auditor selected a judgmental sample of 23 parcels. These parcels were reviewed and 18 were found not to have been assessed because square footage had not been provided. The remaining 5 were found to have no exceptions. Of the 18 parcels with exceptions, 8 were the parcels owned by Catellus which were discussed above.

According to the Manager in the Real Estate unit, Public Works is responsible for providing parcel square footage information to Finance. There are no written procedures to support or document her statement. We were unable to identify staff in Public Works who had been assigned responsibility for performing this task. Also, staff in Finance acknowledged that they had not submitted a request to Public Works to provide them with the missing parcel square footage for the fiscal year 1994/95 assessment. However, it was observed they had requested information from Public Works for the Fiscal Year 1995/96 assessment, but it was not provided, according to staff in Real Estate.

***Auditee's Response***

*Agree with Finding*

## **Recommendation 8**

Develop a process to identify parcels which were not assessed in fiscal year 1994/95 and 1995/96 because their parcel square footage was not obtained. Obtain and input the necessary data so that these parcels may be retroactively assessed.

Also see applicable recommendations for **Finding 4**.

### ***Auditee's response***

*Due to the way in which assessments were calculated during FY 94/95, it would be very difficult to identify the parcels with 0 square footage at the time of the assessment, using the Land Management database. These corrections will need to be made manually, using the assessment reports produced for FY 94/95. Information Systems will support Finance in preparing these corrections.*

*As for the 95/96 assessment year, all critical information used for assessment purposes was saved in its original state and Information Systems will provide Finance with the necessary information they need to prepare the corrections.*

*Role of responsible staff will be identified and specific procedures reviewed by 6/30/96. Staff believes this represents a small number of parcels and does not have a significant financial impact (excluding Catellus property identified above).*

### **Auditor's disposition**

The auditee's response states, "Due to the way in which assessments were calculated during FY 94/95, it would be very difficult to identify the parcels with 0 square footage at the time of the assessment, using the Land Management database." This may be difficult using the Land Management database, but by using the August 8, 1994, Edit report discussed in the finding, the recommendation should be easy to implement.

**Finding 4**            **Due to internal control weaknesses, procedures do not provide a reasonable assurance that all parcels which can be assessed CSW Fees are properly assessed.**

Internal control weaknesses, in addition to those discussed in other audit findings in this report, were identified throughout the billing cycle. We noted the following deficiencies in the internal control system, a lack of:

1. Data input controls over parcel square footage data.
2. Data input controls over parcel deletions.
3. Written policies and procedures for Fee adjustments and exemptions.
4. Managerial reports
5. Data output controls to conform City output to County requirements.
6. External reconciliation of parcel data to Alameda County records.

As a result of these internal control weaknesses, assessable parcels which are not assessed or not properly assessed may go undetected. This can result in lost revenue to the City. Each of these conditions is discussed in more detail below:

**1. Lack of data input controls over parcel square footage data.**

There are no procedures to prevent incorrect parcel square footage from being entered into the assessment data base (Land Management) or to identify incorrect parcel square footage once it has been entered. As a result, the City may be losing revenue because CSW Fees are being calculated using understated parcel square footage. Weaknesses are:

Lack of audit trail for input

A City report available in Real Estate titled *Land Master Changes* identifies additions, deletions and changes made in the data fields and identifies which employee made the changes. This report, however, does not identify changes made in the parcel square footage field. As a result, this report cannot be used as an audit trail to verify that parcel square footage was correctly entered into Land Management data base.

Access to data base not restricted

There is unnecessary risk that square footage data may not be correctly entered into Land Management because there are too many departments/staff that have the ability to add, delete, or change parcel square footage. Select staff in Finance - Real Estate, City Planning - Building and Inspections and Information Systems can add, delete or change parcel square footage in Land Management. However, there are no controls in place which would prevent these staff from entering incorrect

parcel square footage, or controls for detecting incorrect parcel square footage once it has been entered.

### Standards for data not established

There are no written procedures in Finance instructing staff where to obtain parcel square footage information. Staff in Finance - Real Estate are responsible for entering parcel square footage into Land Management. Standards for data input are also not documented in writing. The effect is that staff could be entering parcel square footage from sources which have not been approved and which therefore may be incorrect.

## **2. Lack of data input controls over parcel deletions**

Current procedures allow parcels incorrectly deleted to go undetected.

Select staff in Finance - Real Estate, City Planning - Building and Inspections, Public Works, and Information Systems can delete a parcel. A City report titled *Land Master Changes* is available in Real Estate. It identifies deleted parcels, and the staff person who made the deletion. During the five month period February 1995 through June 1995, 81% of the deletions had been made by a programmer in Public Works. This is a concern since the auditor had been told that Real Estate was generally the unit responsible for deletions. Written procedures require that Real Estate contact staff who have deleted a parcel and document that staff person's explanation for the deletion in the report. This had not been done for the five month period reviewed, February - June 1995. Since this procedure would not identify parcels which had been improperly deleted intentionally, it is insufficient. Additionally, it was observed that parcels were being deleted in Real Estate without documented review and approval.

## **3. Lack of written policies and procedures for Fee adjustments and exemptions.**

### Fee adjustments

Unauthorized CSW Fee Adjustments that the City requests Alameda County to make can go undetected.

The current procedure is for the AOA II in Finance - Real Estate to receive a written request from Public Works - Engineering for a CSW Fee adjustment. The AOA II then sends Alameda County a memo requesting these adjustments. The AOA II was unable to provide documentation that many CSW Fee adjustments that she had requested the County to make in FY 94/95 had been authorized by Public Works - Engineering. According to this AOA II, she can only contact Alameda County and request CSW Fee

adjustments if she is directed to do so in writing by PW - Engineering. Additionally, there was no documentation to support that the adjustments the County had been asked to make had been reviewed and approved by the AOA IP's supervisor. As a result, incorrect and unauthorized CSW Fee adjustments can go undetected, resulting in lost revenue to the City.

There are no written procedures in Finance - Real Estate regarding adjustments. Based on City letters in the Finance file, there were not a large number of adjustments nor a large dollar impact for fiscal year 1994/95.

#### Fee exemptions

Although Ordinance 6124 N.S. states land that is lower than the elevation of "mean high water" for Berkeley is exempt from the CSW Assessment Fee, staff in Finance - Real Estate do not know how to identify whether this condition exists. Additionally, staff in Public Works are not monitoring whether this exemption is correctly applied. As a result, parcels which may be exempt from the Fee may be incorrectly assessed.

#### **4. Lack of managerial reports**

Reports are not available which document:

- A) that all assessable and non-assessable parcels in Berkeley are in the Land Management data base.
- B) why each non-assessable parcel in Berkeley has a non-assessable status.

Because these reports are not available, managers are unable to determine whether all parcels which should have been assessed were assessed.

A. The City does not formally reconcile parcel number and parcel count information in the Land Management data base (data used to calculate CSW Fees) with the Alameda County Master File data base (Official property tax roll information) just prior to running the CSW billing program routine. As a result, users and managers cannot tell if the Land Management data base contains all assessable parcels. Therefore, assessable parcels which are not properly included in the Land Management data base may not be assessed. According to the Information Systems Manager, his staff have been comparing City data with County data for the last several years. He further stated that information obtained during this process was used to update Land Management. However, this activity was not documented for fiscal year 1994/95 or for prior years and is not included in the written policies and procedures in Information Systems. We observed that fiscal year 1995/96 reports do support the statement that

data bases are being compared. However, there is still no formal reconciliation prepared.

As part of the audit, we attempted to reconcile total parcel count in Land Management and the Alameda County Master File. Although the reconciliation could not be completed, we found only a small percentage of parcels which may not have been assessed. However, future reconciliations might identify a larger number of parcels which were not assessed.

B. The City does not formally prepare a list of parcels in the Land Management data base which are not to be assessed. Such a list should document why each parcel has its exempt status. This list would facilitate the identification of assessable parcels in Land Management which were not levied. This could be accomplished by determining if the total number of exempt parcels on the list and the total number of assessed parcels agrees with the total number of parcels in the Land Management data base. There is no documentation to support that such a reconciliation is currently being performed.

#### **5. Lack of data output controls to conform City output to County requirements.**

Alameda County's Tax Roll program is not programmed to bill public agencies. The City incorrectly asked the County to assess the City and public agencies the CSW Fee. This can't be done because the Alameda County Tax Roll program is not programmed to bill these entities. This condition illustrates that due care is not being taken to ensure that the assessment information the City passes to the County is compatible with the County's computer system. As a result of this condition, errors which could result in lost revenue are more likely to go undetected. This condition appears to have occurred because Information Systems has not customized the City's output sent to Alameda County to conform to Alameda County's system parameters.

In each of the last three years (ending with fiscal year 1994/95), Alameda County has rejected approximately \$198,000 - \$444,000 in Clean Storm Water Assessment Fees that the City had requested they assess. For fiscal year 1994/95, the majority of the dollars the County rejected were for parcels owned by public agencies or the City. These entities do not receive a property tax bill, and must be assessed by the City. As stated in **Finding 1**, public agencies and the City are currently not paying CSW Fees.

## **6. Lack of external reconciliation of parcel data to Alameda County records.**

Public Works and Finance do not have procedures which provide a reasonable assurance that all assessment data the County receives is assessed. Staff in the Public Works and Finance Department did not reconcile the assessment information they sent the County to the County's assessment confirmation (Special Assessment Control Report). There are no written procedures requiring either department to prepare such a reconciliation. As a result, parcels which are not assessed by the County could go undetected.

### Regular Roll

A reconciliation for fiscal year 1994/95 would have disclosed that City and County assessment records for the regular tax roll differed by almost \$200,000. As stated in **Finding 4.5**, these unreconciled amounts represent assessments the City requested the County to assess, but which could not be assessed because the County did not send a property tax bill for these parcels. A reconciliation would have clearly documented the need for the City to assess these parcels, as well as identifying other potential problems.

### Utility Roll

Additionally, a reconciliation would have disclosed that the City and County assessment records for the utility tax roll did not agree. The County's assessment confirmation for the Utility tax roll showed that fees totaling \$23,213 were assessed instead of the \$37,514 directed by the City in an August 15, 1994 Transmittal letter. The confirmation indicated that only one of the four utilities, Southern Pacific, had been assessed. After the audit brought this to the attention of the manager in Finance - Real Property, the analyst that works for her contacted the Alameda County Auditor Controller's Office. The county auditor stated that in addition to Southern Pacific, two other utilities had been assessed, but had been omitted from the County's confirmation in error. The City does not receive the assessment roll for utilities. Therefore, the City can not confirm which utilities were assessed. The Alameda County Auditor Controller's Office stated that the fourth utility identified by the City, East Bay MUD, had not been assessed because they were not a utility for tax purposes and did not receive a property tax bill from the County. In summary, because a reconciliation was not performed, the City may not have received all the CSW Fees it should have.

### ***Auditee's Response***

*Agree with Finding*



## **Recommendation 9**

Finance should develop written policies and procedures which clearly define the respective roles of Information Systems, Public Works and Finance in managing and controlling square footage input into the Land Management assessment data base. Procedures should include the authorized sources of parcel square footage information which are to be used to calculate CSW Fees.

### ***Auditee's response***

*Agree. Finance concurs with the recommendation and will work with Information Systems, Public Works and Planning to develop written procedures by June 30, 1996.*

*Public Works Engineering staff will review the database and identify all parcels which fall below mean high water. In addition, Public Works Engineering Staff will periodically review the database and update it, as appropriate.*

## **Recommendation 10**

Finance should require the Real Estate Manager to verify that parcel square footage input by her staff is correct on a sample basis. This review of staff work should be documented and kept on file. Finance should require Information Systems to modify the Land Master Changes Report to identify parcel square footage changes.

Only departments/divisions responsible for maintaining parcel square footage information should have the ability to add, delete or change parcel square footage in Land Management. All others should be denied this ability by means of access controls in the computer system. If divisions other than Finance - Real Estate can add, delete or change parcel square footage, their work should also be reviewed by a supervisor, and this activity documented.

### ***Auditee's response***

*Agree. Since early 1993, only Property Records and the programmers mentioned have had the ability to change lot and building square footage. Information Systems will provide the Auditor with a computer-generated report listing all FUNDS\$ users with access to this information.*

*Information Systems can provide reports to help manage this problem. Such reports would list parcels that exceed or fall short of a predetermined range. In addition, we could provide a daily audit trail listing of all square footage that has been changed, showing the values before and after the change. Both of these reports could be reviewed by a supervisor.*

*Only Property Records and Information Systems have the ability to change square footage. We are currently attempting to devise a method for the originating department (i.e. Engineering or Codes) to maintain this data directly.*

### **Auditor's disposition**

Written statements from the CSW programmer, obtained during audit field work, contained contradictory information regarding who can add, change or delete parcel square footage in Land Management. As a result, it is unclear if access in this area is properly restricted. To clear up this confusion, the programmer agreed to provide the auditor with a report listing all FUND\$ users and their access ability. The report has not yet been provided. Therefore, the auditor's recommendation should be implemented.

As stated in the recommendation, any changes to parcel square footage in Land Management should be reviewed and approved by Finance - Real Estate. This includes changes made by Information Systems. Since the auditee has agreed to the recommendation, it is the understanding of the Auditor's Office that this procedure will be implemented.

### **Recommendation 11**

Finance should assign responsibility for deleting parcels to only one department/division. All others should be denied authorization to delete parcels.

A manager should review deleted parcels on a sample basis to determine whether these parcels were appropriately deleted. This review of staff work should be documented and kept on file.

### ***Auditee's response***

*Agree. The Customer Service Division will be authorized to delete parcels. The review of deleted parcels will be included in procedures described above - completed by June 30, 1996.*

### **Recommendation 12**

Finance should maintain documentation for each CSW Fee adjustment sent to Alameda County. Alameda County should be instructed not to process Fee adjustments for the City unless the request is signed by two authorized City employees. One employee should be a supervisor.

***Auditee's response***

*Agree. Finance concurs that CSW fee adjustments sent to the County should be documented, filed and maintained. However, Finance believes that the request for adjustments should be signed by the divisional manager responsible for the CSW assessment.*

**Recommendation 13**

Finance should provide training to staff so they know how to identify parcels lower than the elevation of "mean high water" in Berkeley. Make sure these parcels are not being levied the CSW Fee, as required by the Ordinance.

***Auditee's response 13***

*Agree. Public Works Engineering staff will review the database and identify all parcels which fall below mean high water. In addition, Public Works Engineering Staff will periodically review the database and update it, as appropriate.*

**Recommendation 14**

Finance should formally reconcile parcel number and parcel count information in the land Management data base with the Alameda County Master File data base just prior to running the CSW billing program. Document this activity in a report. Update the Land Management data base as necessary.

Additionally, prepare a complete list of parcels in the Land Management data base which are not to be assessed. Document why each of these parcels is not to be assessed. The number of parcels on this list and the number of parcels Alameda County was asked to assess should be documented as agreeing with the total number of parcels in Land Management. Differences should be researched and all errors and omissions corrected.

***Auditee's response***

*Agree. Information Systems will work with Finance to develop manual procedures to document the reconciliation process and to retain all pertinent audit trail reports.*

*Information Systems will provide any necessary support to Finance in preparing the list of parcels that were not assessed. Finance will perform the necessary research and submit the list to the Auditor.*

### **Recommendation 15**

Finance should develop data output controls to conform City output to County requirements. For example, the City should discontinue requesting Alameda County to assess public agencies and the City.

#### ***Auditee's response***

*Agree. The 1995/96 tax year was the first year on the new program. Some output controls were in place during this first year. Finance and Information Systems will complete and document the data output controls by June 30, 1996.*

### **Recommendation 16**

Finance should reconcile the City assessment records (which the City provided to the County) with the Alameda County Assessment Confirmations. Resolve all material differences.

This work should be documented and kept on file.

#### ***Auditee's response***

*Agree. Finance concurs with the recommendation. Written procedures will be completed by June 30, 1996.*

### **Recommendation 17**

Written procedures should be developed for completing all steps in recommendations 1 - 8.

#### ***Auditee's response***

*No response provided.*

#### **Auditor's disposition**

The auditee's response does not state whether or not they will implement this recommendation. We strongly recommend that this recommendation be implemented.

**Finding 5            The Public Works Department is not overseeing Clean Storm Water Assessment activity. There are few written procedures for the CSW assessment in the Finance Department and none in the Public Works Department.**

Nobody in Public Works has been assigned responsibility for overseeing that the Clean Storm Water Fees are properly calculated and levied. As a result, Public Works does not know if all parcels were assessed, Fee computations were correct, or parcel square footage used to calculate fees was correct.

Additionally, written procedures do not identify the Clean Storm Water assessment process from beginning to end, or identify tasks to be performed by each department/unit (Information Systems, Finance and Public Works). In fact, there are almost no written procedures in Finance and none in Public Works dealing with the Clean Storm Water Assessment.

The lack of written procedures and assigned responsibilities, as well as, the lack of oversight by Public Works appears to be the underlying cause why Clean Storm Water Fees were not always properly assessed. As shown in **Findings 1-4 and Table 1 in the Appendix**, this condition is indirectly responsible for up to an estimated \$1.3 million in potential CSW Fees not being assessed during fiscal years 1992/93 - 1995/96. Since Public Works relies on assessment Fees to operate the Clean Storm Water Program, it is in their best interest to make sure assessment procedures are in place and followed, and Fees are properly calculated and levied.

It is a concern that this problem may not be limited to the Clean Storm Water assessment. Two audits of the City's Solid Waste Management Division of Public Works (another enterprise fund) that were completed April 1994 found: 1) millions of dollars which had not been billed and 2) that Public Works was not properly overseeing / monitoring this activity. Additionally, a Sanitary Sewer Fund Billing review (an enterprise fund) completed in fiscal year 1994/95 found that 1) millions of dollars had not been billed and 2) Public Works had not identified or corrected these problem.

***Auditee's Response***

*Agree with Finding*

### **Recommendation 18**

Assign a manager in Public Works responsibility for overseeing that the Clean Storm Water Assessment Fees are properly calculated and levied.

#### ***Auditee's response***

*Agree. Public Works is working to develop a position of which will be responsible for oversight of the fund assessments. This position will be discussed in the context of the FY 96-97 budget review and any recommendations to Council by May 1, 1996.*

### **Recommendation 19**

Public Works, Information Systems and Finance should jointly develop comprehensive written procedures for the Clean Storm Water Assessment. Each task to be completed should be assigned to a department/unit. These procedures should include the reports and records that the managers in Public Works will need to review and approve CSW Fees prior to assessment information being sent to the County.

#### ***Auditee's response***

*Agree. Staff from the Departments of Finance, Information Systems, and Public Works will jointly develop and implement procedures to support Clean Storm Water assessment. The procedures will include a description of necessary tasks, an assignment of responsibility for each task, a schedule for task completion which shows all recurring deliverables, and a bibliography of pertinent reports and records to use for fund oversight. The Finance Department will take the lead in managing the development of these procedures. Written procedures will be completed by June 30, 1996.*

### **III. CONCLUSION**

Potentially, up to an estimated \$361,064 in Clean Storm Water Fees was not assessed in fiscal year 1994/95 (\$1.3 million during fiscal year 1992/93 - 1995/96). Documentation supports that a large number of parcels which could have been assessed were not assessed. In these instances, documentation as to why the parcels were not assessed was not available. A large number of parcels which were assessed were also not assessed the correct Fee because parcel square footage used to calculate the Fee was incorrect. Internal controls are deficient, unnecessarily increasing the risk that assessable parcels will not be correctly assessed. Assessment reports which would allow for the efficient oversight of the Clean Storm Water Assessment are not available. These conditions appear to exist because:

- 1) There are virtually no written procedures.
- 2) Clean Storm Water assessment tasks have not been clearly assigned.
- 3) Nobody is overseeing that the Clean Storm Water Assessment is properly levied.

Table 1

CLEAN STORM WATER ASSESSMENT AUDIT  
SUMMARY SCHEDULE OF UNREALIZED REVENUE

Unrealized Revenue	Finding Number	Fiscal Year				Total
		1992-93	1993-94	1994-95	1995-96	
<b>FEES NOT ASSESSED:</b>						
Parcel square footage was truncated	2	\$0	\$50,090	\$50,090	\$0	
Parcel square footage was not input	3	0	0	20,084	20,084	
		0	50,090	70,174	20,084	\$140,348 1A
<b>PUBLIC AGENCIES &amp; COB NOT ASSESSED:</b>						
State Agencies	1	150,207	150,207	150,207	150,207	1B
Other Agencies	1	11,070	11,070	11,070	11,070	1A
City Agencies	1	1,213	1,213	1,213	1,213	1D
City of Berkeley	1	29,960	29,960	29,960	29,960	1D
		192,450	192,450	192,450	192,450	769,800
<b>FEES UNDER-ASSESSED</b> (Understated parcel square footage)						
	2	98,440	98,440	98,440	98,440	393,760 1C
<b>Total</b>		<b>\$290,890</b>	<b>\$340,980</b>	<b>\$361,064 (2)</b>	<b>\$310,974</b>	<b>\$1,303,908</b>

Footnotes:

1. Probability of Collection
  - A. 100% collectable
  - B. Subject to negotiations
  - C. Statistical estimate
  - D. To be decided by City Council
  
2. The shaded area represents the audited year. We conducted our testwork on records for FY '94-95. However, when we discovered revenues not realized, we determined the estimated impact on prior and subsequent years.



Table 2

**Parcels Owned by Public Agencies  
Which Were Not Assessed a Clean Storm Water Fee  
For FY 1992/93 - 1995/96**

Public Agencies	Estimated Fees Not Assessed Each Fiscal Year	No. of Parcels Not Assessed
Regents of the University of CA. (S)	\$129,148	72
Berkeley Unified School District (S)	19,836	36
East Bay MUD (O)	5,516	15
S. F. Bay Area Rapid Transit (O)	5,378	21
State of California (S)	1,223	7
Redevelopment Agency (C)	972	11
Berkeley Housing Authority (C)	241	7
East Bay Regional Park District (O)	176	2
<b>Total</b>	<b>\$162,490</b>	<b>171</b>

S = State Agency C = City Agency O = Other Agency

**Note:**

Parcels owned by the City and Public agencies were identified by searching Alameda County parcel records (data and search capability provided by a private services) and an August 24, 1994 Alameda County Special Assessment Reject Report.

Public agencies are only to be assessed for the capital improvement portion of the CSW Fee. Audit estimates of the Fees public agencies and the City had not been assessed were generally the Fees calculated by the City (identified in the reject report) extended by a factor of .4295. This factor represents the capital improvement portion of the CSW Fee. The capital improvement portion of the CSW Fee was developed based on information in a Technical Report Public Works submitted to City Council when seeking their approval for the CSW assessment. This report identified the portion of the Fee budgeted for capital improvements.

Table 3

**Parcels Owned by Catellus Development Corporation  
Which Were Under-Assessed For FY 1993/94 and 1994/95  
Because Parcel Square Footage Was Truncated**

	Parcel	Use Code	Correct Parcel Sq. Ft.	Assessment			
				Levied	Recommended	Difference	
						FY 93/94	FY 94/95
1	060-2512-001-00	40	1,386,079	\$879	\$3,156	\$2,277	\$2,277
2	060-2512-002-00	40	2,113,096	258	4,811	4,553	4,553
3	060-2513-005-00	40	1,546,380	1,244	3,521	2,277	2,277
4	060-2513-006-00	40	1,235,362	536	2,813	2,277	2,277
5	060-2520-001-00	40	1,730,203	1,662	3,939	2,277	2,277
6	060-2520-002-00	40	1,745,885	1,698	3,975	2,277	2,277
7	060-2521-004-00	40	1,092,049	209	2,486	2,277	2,277
8	060-2527-002-00	40	4,134,280	306	9,413	9,107	9,107
9	060-2535-001-00	99	1,758,517	13,816	32,031	18,215	18,215
10	060-2535-002-00	40	1,538,539	1,227	3,503	2,276	2,276
11	060-2540-001-00	40	1,824,293	1,877	4,154	2,277	2,277
	<b>Total</b>					<b>\$50,090</b>	<b>\$50,090</b>

Table 4

**Parcels Owned by Catellus Development Corporation  
Which Were Not Assessed For FY 1994/95 and 1995/96  
Because Parcel Square Footage Was Not Obtained**

	Parcel	Use Code	Correct Parcel Sq. Ft.	Assessment			
				Levied	Recommended	Difference	
						FY 94/95	FY 95/96
1	060-2528-004-09	40	585,882	\$0	\$1,334	\$1,334	\$1,334
2	060-2528-004-10	40	1,048,925	0	2,388	2,388	2,388
3	060-2528-004-11	40	384,373	0	875	875	875
4	060-2528-010-02	40	392,476	0	894	894	894
5	060-2529-001-01	40	799,326	0	1,820	1,820	1,820
6	060-2529-001-02	40	730,937	0	1,664	1,664	1,664
7	060-2529-002-01	40	2,013,779	0	4,585	4,585	4,585
8	060-2534-001-02	40	2,865,377	0	6,524	6,524	6,524
	<b>Total</b>					<b>\$20,084</b>	<b>\$20,084</b>



# City of Berkeley



City Manager's Office  
 Martin Luther King Jr.  
 Civic Center Building  
 2180 Milvia Street  
 Berkeley, California 94704

TEL: (510) 644 6580  
 FAX: (510) 644 6035

E-MAIL: [manager@ci.berkeley.ca.us](mailto:manager@ci.berkeley.ca.us)

## COUNCIL INFORMATION March 12, 1996

To: Honorable Mayor and  
 Members of the City Council

From: Weldon Rucker, Acting City Manager *AK for WR*

Subject: CLEAN STORM WATER REPORT

### STATUS:

Because of current pressing issues that have come up in a number of areas, I have been unable to prepare the City Manager's response to the Clean Storm Water Report, specifically the issues addressing the application of the tax to public agencies.

### DISCUSSION:

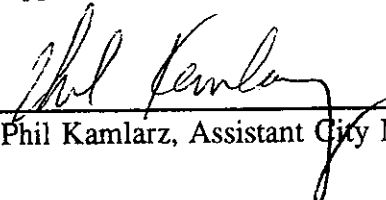
A report clarifying these issues will be on the March 19th Council Agenda.

### FINANCIAL IMPLICATIONS:

### CONTACT PERSON:

Phil Kamlarz, Assistant City Manager, 644-6580

Approved by:

  
 Phil Kamlarz, Assistant City Manager



