



BERKELEY CITY AUDITOR



INFORMATION CALENDAR
September 29, 2022

To: Honorable Mayor and Members of the City Council
 From: Jenny Wong, City Auditor *JW*
 Subject: New Audit Recommendation Dashboard

INTRODUCTION

Municipal code section 2.24.100 states that the City Auditor may follow up with audited departments on the status of audit recommendations. Additionally, Administrative Regulation 3.7 requires the City Auditor to monitor the status of outstanding audit recommendations and periodically report to City Council. The City Auditor's Office recently launched an online public dashboard to increase the transparency and accessibility of how we fulfill those responsibilities.

CURRENT SITUATION AND ITS EFFECTS

On September 8, 2022, our office launched an online dashboard¹ to track the status of outstanding audit recommendations. The main purpose of the dashboard is to report on the implementation phase of audit recommendations. The dashboard increases transparency by making it easier for City Council, management, and the community to view data about audit recommendations.

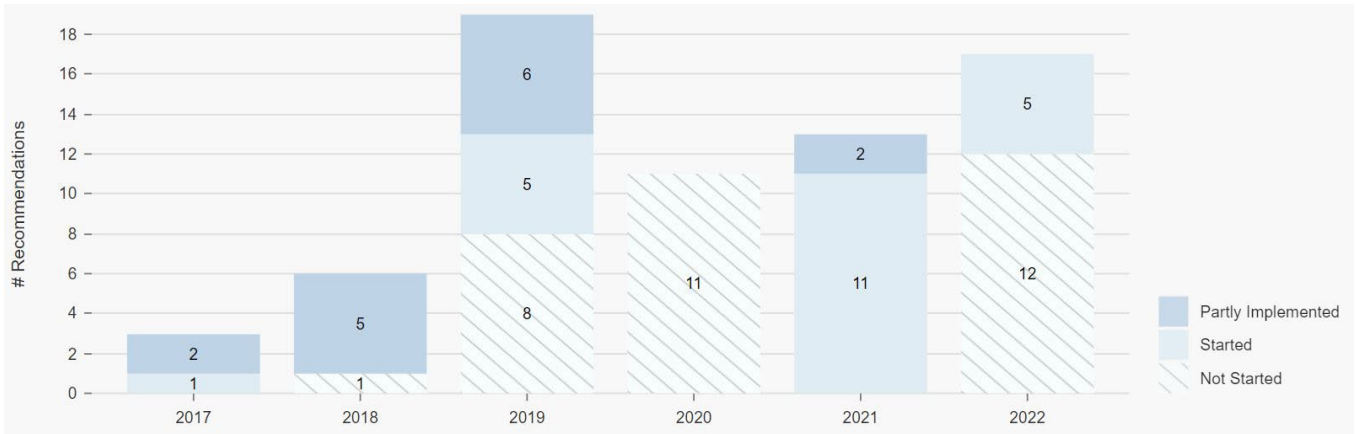
The dashboard includes every audit report issued since 2012 and recommendations that were still open, or not yet implemented, during or after 2012. For each recommendation, the dashboard shows the original audit issue date, department responsible for implementation, most recent status update, current implementation phase, and recommendation type (such as transparency, efficiency, etc.). The dashboard allows users to sort the data and filter by these characteristics. The sections below highlight some of the data available on the dashboard as of September 8, 2022.

¹ The dashboard is available through Missionmark, an online audit management platform:
<https://dashboard.missionmark.com/779a7do-a1b8-4c51-bdb1-bf81145bc76e/>

Total Recommendations and Audits Issued

The City Auditor’s office has issued 49 audits with a combined total of 330 recommendations since 2012. Currently there are 69 recommendations from 12 audits that are considered open, or pending implementation (Figure 1).

Figure 1. Open Recommendations



Source: Missionmark dashboard

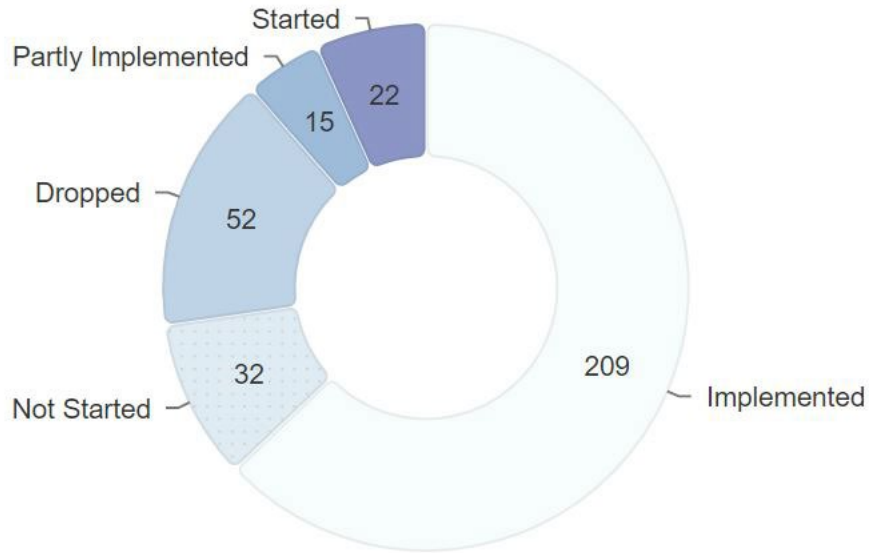
Implementation Phase

The dashboard groups recommendations by implementation phase:

- **Implemented:** The audited department has addressed the audit risk by completely implemented the recommendation.
- **Partly implemented:** The audited department has implemented 50 percent or more of the recommendation.
- **Started:** The audited department has started to address the recommendation but has not reached the 50 percent threshold.
- **Not started:** The audited department has not yet taken action to implement the recommendation.
- **Dropped:** The audited department has accepted the risk to the city that the recommendation is meant to address and is unable or unwilling to implement the recommendation. This status is assigned for recommendations not implemented by five years after the audit release date.

Of the 330 total recommendations, 209 (63 percent) have been fully implemented as of September 8, 2022.

Figure 1. Recommendations by Implementation Phase



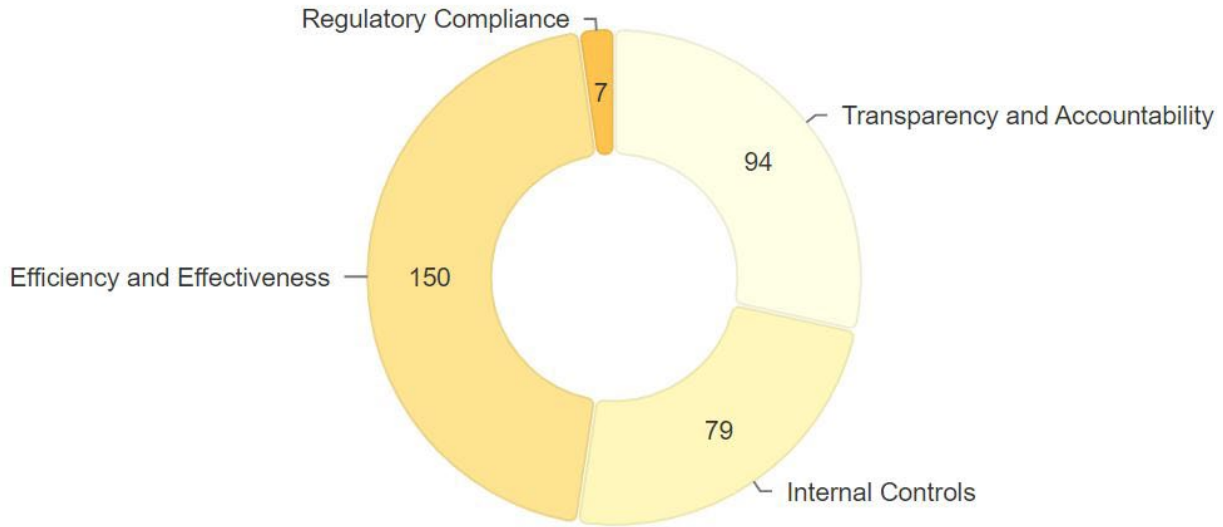
Source: Missionmark dashboard

Recommendations by Type

All recommendations are categorized as one of four categories: regulatory compliance, transparency and accountability, efficiency and effectiveness, and internal controls. These categories help summarize the primary issue that the recommendation is intended to help mitigate and the nature of the risk to the City if it is not implemented.

The largest group (45 percent) of recommendations are related to efficiency and effectiveness. The second largest group (28 percent) are related to transparency and accountability.

Figure 2. Recommendations by Type

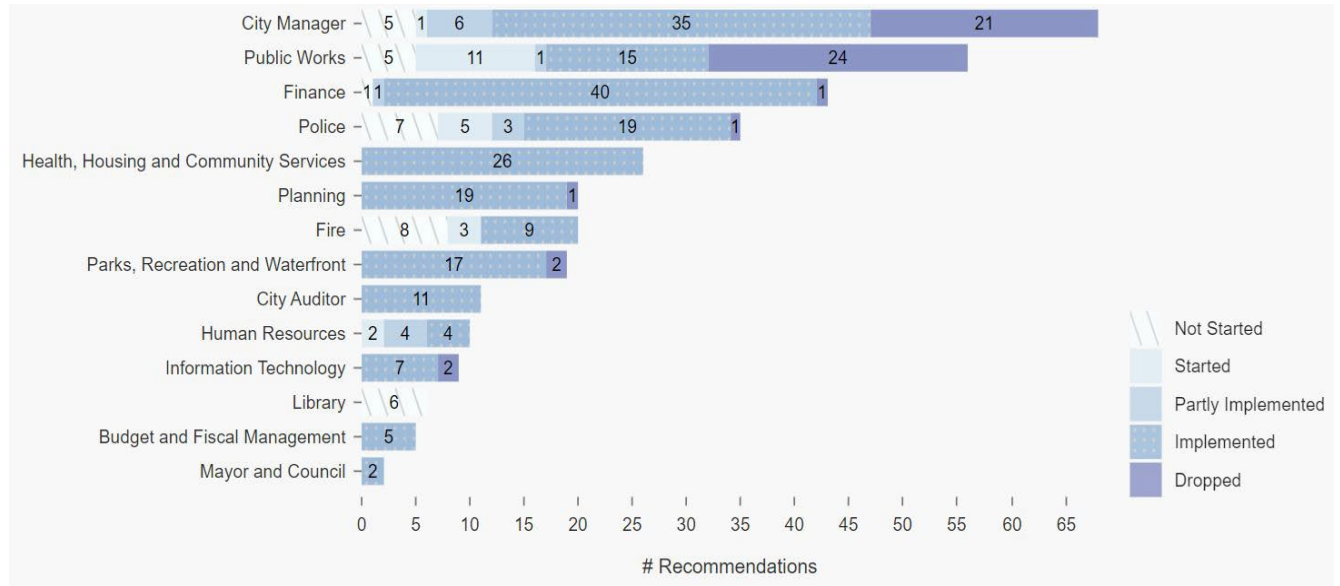


Source: Missionmark dashboard

Recommendations by Department

The dashboard lists recommendations by responsible department and implementation phase. The City Manager has the most recommendations, followed by Public Works and Finance.

Figure 3. Recommendation by Department and Implementation Phase



Source: Missionmark dashboard

Dashboard Updates

To ensure that the dashboard data is accurate, our office will manually update the dashboard after verifying documentation from departments that support their proposed updates to the implementation phase. Consequently, the dashboard will reflect accurate information as of the most recent update.

BACKGROUND

Following up on audit recommendations is an important part of the audit process that helps hold departments accountable for implementing agreed-upon audit recommendations. The City Auditor's office paused this process in March 2020 to allow departments to prioritize responding to the COVID-19 pandemic. In April 2022, we resumed the follow up process and worked with departments to update the status of open audit recommendations in the newly-implemented Missionmark recommendation management system.

The audit follow-up process begins when the audit is issued. When the City Auditor's Office issues audit reports, we ask Council to direct auditees to report back on the implementation of audit recommendations. The first audit recommendations report is generally due to the Council six months after we issue the audit report and every six months after for two years or agreed-upon timeline. Our expectation is that auditees implement our recommendations within two years of audit issuance. If recommendations cannot be implemented within this timeline due to constraints beyond the auditee's control (e.g., new software implementation, a lack of sufficient funds, or union agreement restrictions), we take those into consideration. Generally, we follow up on recommendations for up to five years after they are issued.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

While there may be environmental impacts associated with some audit recommendations, there are no identifiable environmental effects or opportunities associated with the recommendations dashboard report.

CONTACT PERSON

Jenny Wong, City Auditor, (510) 981-6750

