

CITY AUDITOR'S BUDGET

Fiscal Year 2022



BERKELEY CITY AUDITOR



OVERVIEW

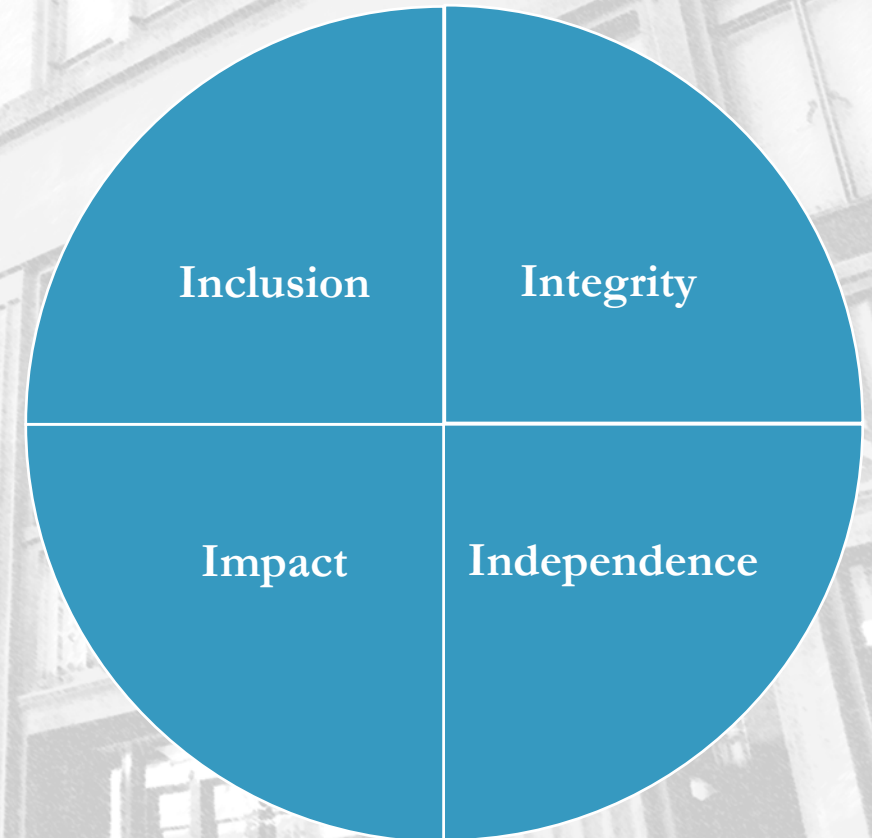
The City Auditor's Office provides independent oversight of City services and activities. The missions of our divisions are:



Performance Audit – Promoting transparency and accountability in Berkeley government.



Payroll Audit – Providing accurate, timely, and compliant payroll services to Berkeley employees.





MANDATE

Charter Section 61, Article X

“The Auditor shall examine all payrolls, bills and other claims and demands against the City, and shall issue no warrant or check for payment unless [they find] the claim is in proper form, correctly computed and duly certified; that it is justly and legally due and payable; that a budget appropriation has been made therefor which has not been exhausted, or that the payment has been otherwise legally authorized; and that there is money available to make payment.”





CITY AUDITOR AUTHORITY

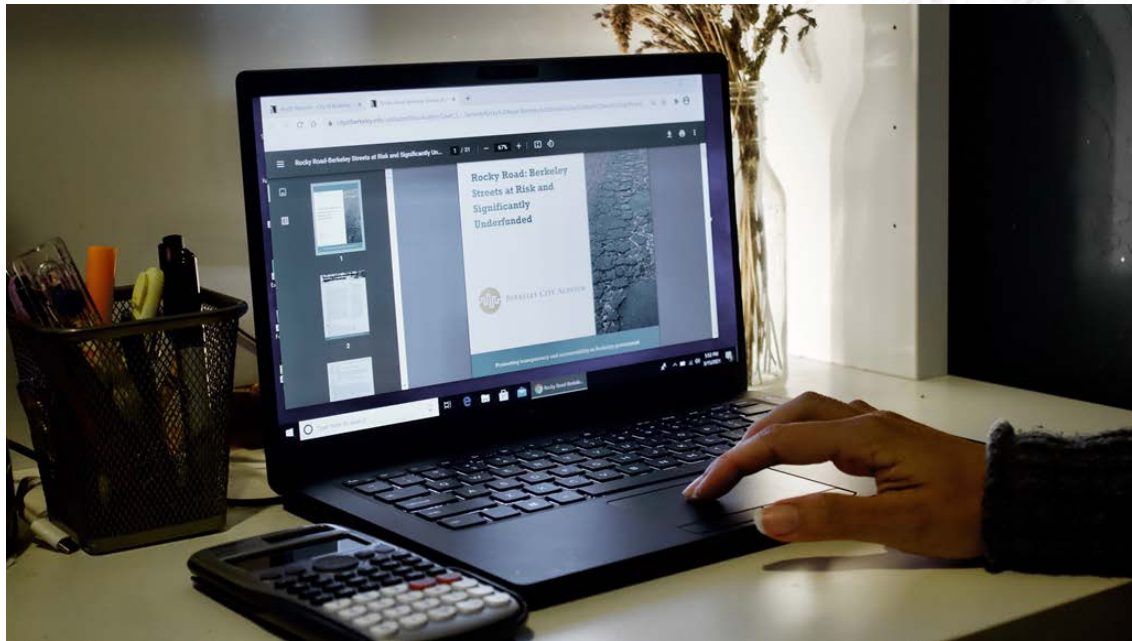
B.M.C. Section 2.24.010

“The effectiveness of the audit function is enhanced when the Auditor is required to adhere to government auditing standards, and that these standards require that the Auditor has an unrestricted right to audit and sufficient resources to audit.”

“It was the City’s intent in placing a requirement that resources be provided for performance of audits in the Charter to constrain Council from limiting the Auditor’s ability to audit.”



OVERVIEW



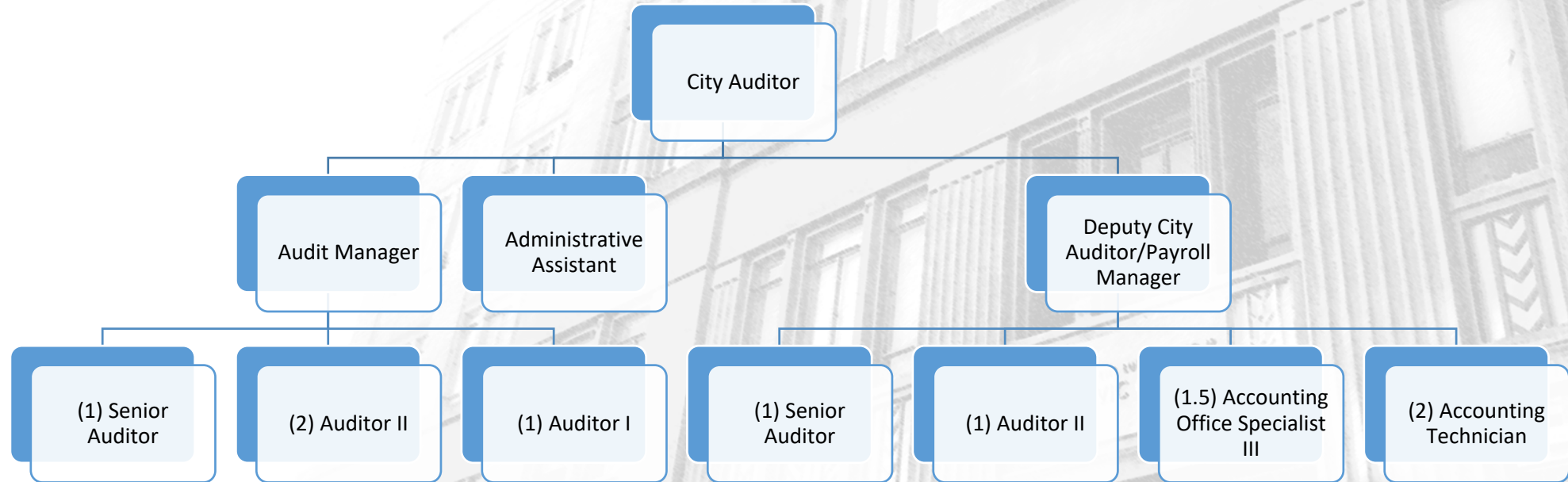
Dual Roles – Elected to represent the public and serve as department head

Performance Audit – Expectation to conduct audits of programs and communicate regularly with public

Payroll Audit – Coordinate payroll auditing responsibilities across departments



STAFFING





STAFFING

	FY 2018	FY 2019	FY 2020
Authorized FTE Positions	13.5	13.5	13.5
Temporary Staffing	0	0	0
Number FTE Vacant Positions	1	1	1
Number of Long Term Vacancies (> 1 year)	0	0	0



STAFFING

FTE Positions	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
City Auditor's Office	13.50	13.50	13.50	13.50	13.50
Total City	1470.19	1493.74	1531.55	1559.60	1617.80

Percent Change in FTEs since 2016

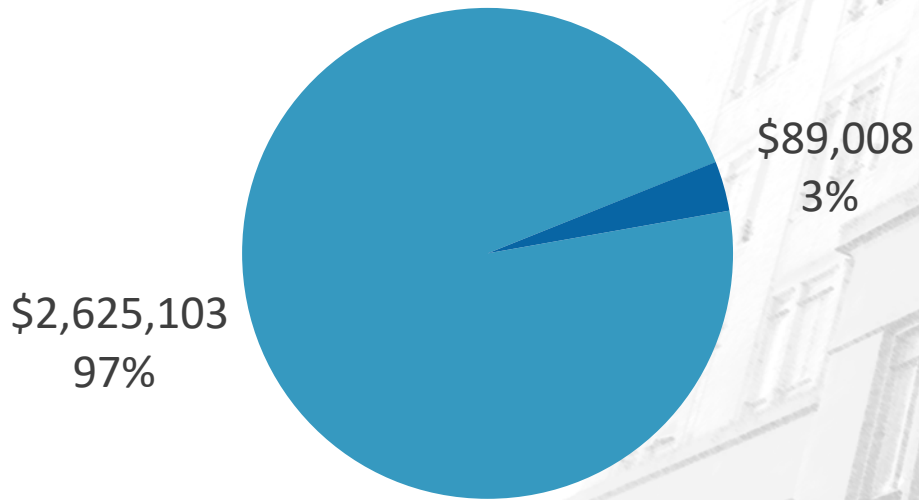
Total
City FTEs
+10%

City Auditor's
Office
0%



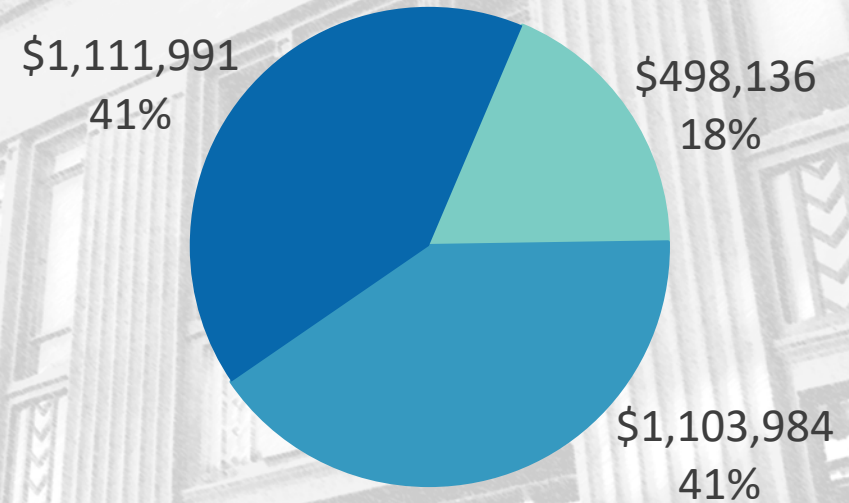
FY 2020 FINANCIALS

Expenditures by Fund



■ General Fund ■ Workers' Comp Fund

Expenditures by Division



■ Administration ■ Performance Audit ■ Payroll Audit



KEY PROJECTS/PROGRAMS



Performance Audit

- Performance audits
- Special reports, including audit recommendations follow-up



Payroll Audit

- Citywide payroll operations
- Corrects personal actions
- ERMA HR/payroll module implementation



PERFORMANCE MEASURES

	2018	2019	2020	2021
Audits and Special Reports	3	4	3	4
Additional Council Reports	6	5	3	2
New Recommendations	35	31	11	TBD
Percentage of corrections made to personnel actions*	12.8%	21.5%	47.5%	TBD
Percentage of paychecks that are accurate and correct	99.8%	99.9%	99.9%	TBD

*PAs had errors that Payroll Audit identified and corrected. The number of corrections made is due to errors by other departments' errors.



ACCOMPLISHMENTS – PERFORMANCE DIVISION



Issued 13 reports, including audits, special reports, and updates on audit recommendations





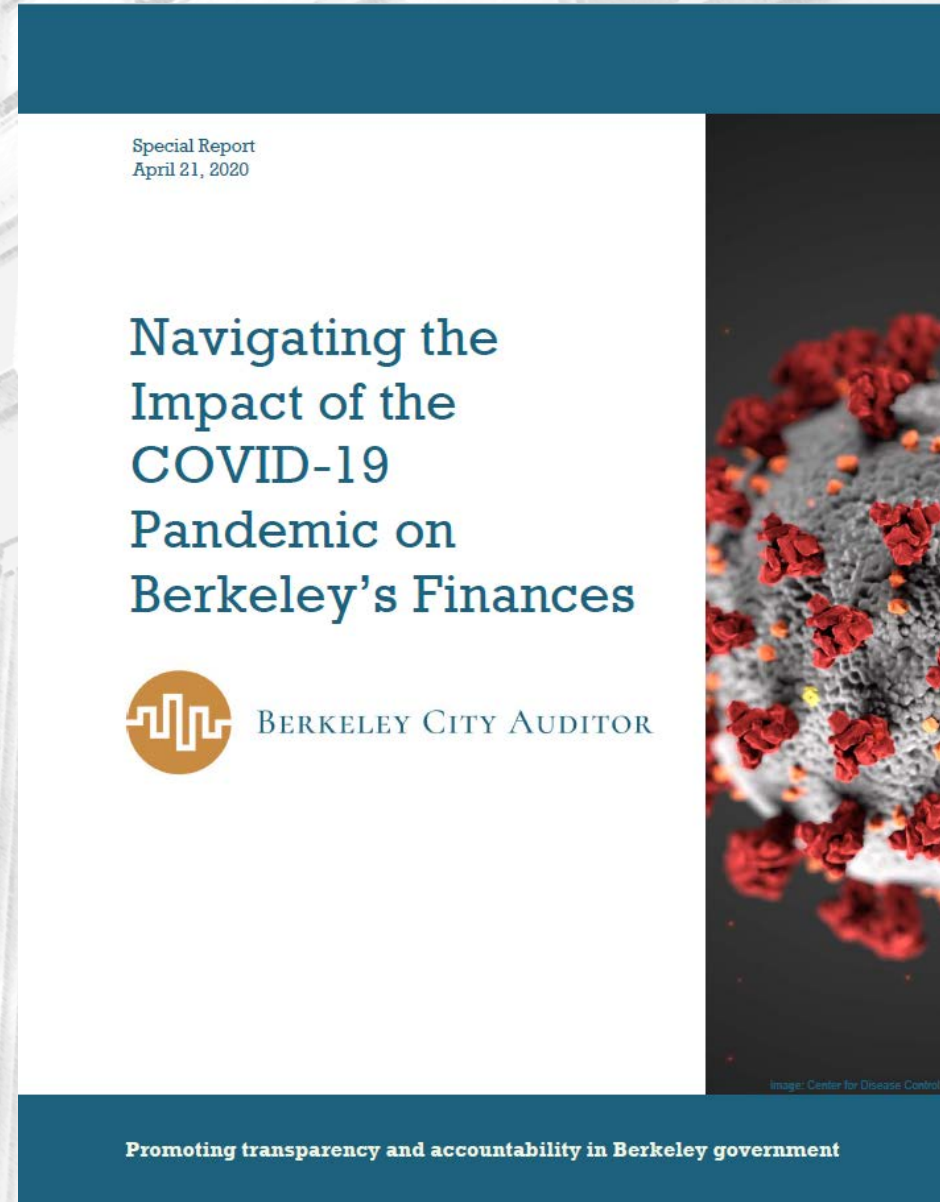
BERKELEY CITY AUDITOR



Issued a report on the impacts of the COVID pandemic on the City's budget and economy



Recommended better fiscal accountability by ensuring passing of stronger general fund reserves policy to address budget challenges due to the COVID pandemic





BERKELEY CITY AUDITOR



Won top national awards for audits two years in a row.



ALGA

2020 Knighton Award

Exemplary Winner – Small Shop

Association of Local Government Auditors

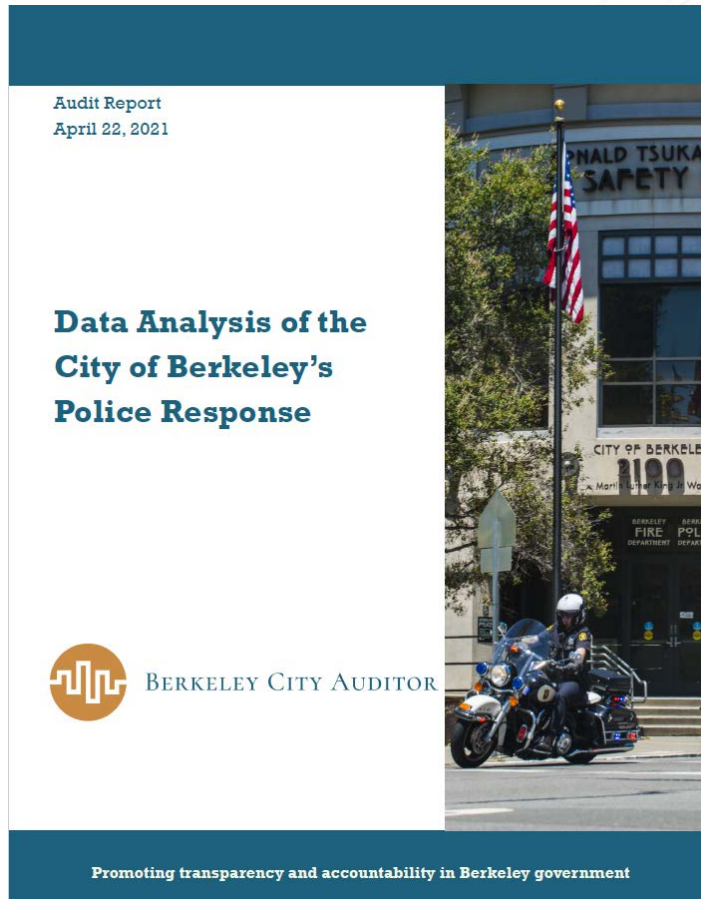




BERKELEY CITY AUDITOR



Issued a report on calls for police service data as part of public safety reimagining process



THE DAILY CALIFORNIAN
Wednesday, April 21, 2021

NEWS

News Sports Arts Opinion Blogs Multimedia Weekender Featured

CAMPUS | CITY | COUNTY | UC | STATE | NATIONAL | ASUC | OBITUARIES | RESEARCH & IDEAS | ELECTIONS 2020 | COVID-19 | NOTES FROM THE

CITY GOVERNMENT

MONDAY, JULY 6, 2020

Berkeley city auditor to review police department staffing, budget



JIM XU/STAFF

Amid nationwide protests, the city auditor will carry out an audit of the Berkeley Police Department.

BY CLAIRE DALY | STAFF

LAST UPDATED JULY 7, 2020



ACCOMPLISHMENTS – PERFORMANCE DIVISION



Worked with city management to address recommendations on 13 audits




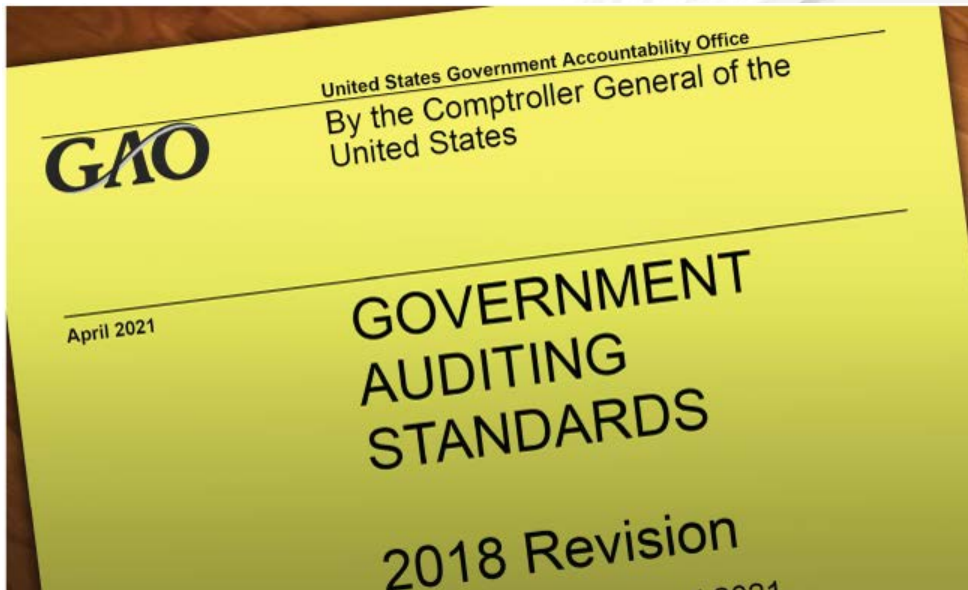
Streamlined contract review process resulting in time savings



ACCOMPLISHMENTS – PERFORMANCE DIVISION

 Suggestion of equity inclusion adopted in national audit standards









 Included Spanish translation of highlights page in recent audit reports











ACCOMPLISHMENTS – PERFORMANCE DIVISION

Performance Audit accomplishments resulted in:

-  Public Works working with related Commission to incorporate equity in Paving Plan
-  Library developing reserves policy to address emergencies and fiscal risk
-  Police conducting dispatcher staffing analysis and plans for improved recruitment and training
-  Finance issuing policies to ensure credit card use and business license processing align with policy
-  Finance issuing guidance on cash handling procedures and took steps towards a new cashiering system
-  City Manager establishing goals to improve customer service wait times for construction permits
-  City Manager clarifying procedural guidelines for the department director transition process
-  Public Works conducting a five-year rate review and moving to adopt software to improve the City's billing and analysis of metrics to accomplish Zero Waste goals



ACCOMPLISHMENTS - PAYROLL DIVISION

-  Ensured accurate payroll and records for 1400 employees
-  Identified mistakes and corrected 47.5 percent of personnel actions submitted in 2020
-  Designed and implemented electronic timesheets and provided enhanced customer service during pandemic
-  Provided data to other departments as needed
-  Completed implement new payroll/HR system that corrected for errors in former system of FUND\$
-  Completed complex FLSA payments by working with vendor and across departments





BUDGET DEFERRALS AND SAVINGS

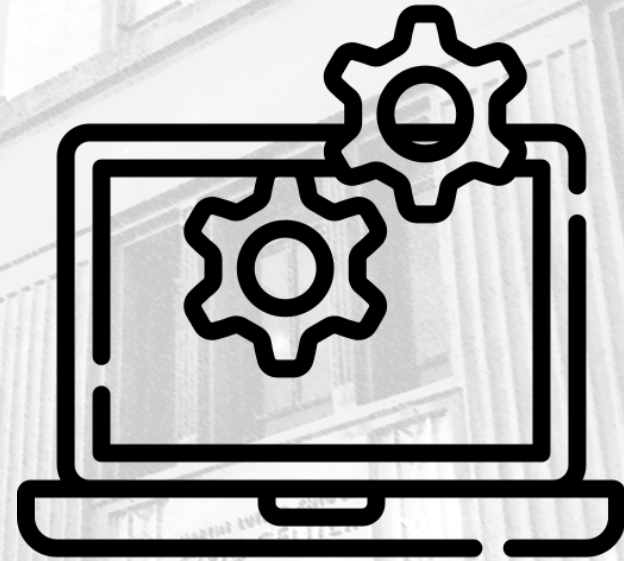
- FY 2020 savings of \$187,000 due to Audit Manager leaving and limited training due to COVID-19
- FY 2021 projected savings of \$100,000 from staff vacancy and limited training due to COVID-19





TECHNOLOGICAL NEEDS

- Exploring different media to communicate our audit results
- Online system to display audit recommendation statuses
- IT needs for producing data-intensive audits
- Improving website to increase accessibility





CHALLENGES

- Implementing new timekeeping system and addressing updates from new payroll/HR system
- Addressing final FLSA retroactive pay calculation
- Competing priorities and limited funding
- Changes due to the COVID-19 pandemic
- Staffing changes and capacity
- Training new staff on charter mandated auditing standards





FUNDING REQUESTS

Performance Audit and Payroll Audit divisions:

- Not requesting additional positions or proposing significant changes from the prior year's budget.





NEXT STEPS/ACTION

- Development of a new audit recommendation follow-up process
- Issue audit reports and initiate new audits
- Further address rollout of the comprehensive HR/payroll auditing method in ERMA