



City Auditor's Office

INFORMATION CALENDAR
March 13, 2018

To: Honorable Mayor and Members of the City Council

From: Ann-Marie Hogan, City Auditor

Subject: City Auditor's Snapshot: Quarterly Summary Report on Audit Recommendations

INTRODUCTION

The City Auditor's Snapshot highlights City management's action on audit recommendations and the risks that impede progress toward achieving goals.

CURRENT SITUATION AND ITS EFFECTS

The City Auditor's Office issued two audit reports in November 2017, identifying 18 new opportunities to improve City operations:¹

- *Measure GG Nonpersonnel Expenditures*: City staff used the tax funds as intended. Improved documentation and communication will further support appropriate use. Three new audit recommendations.
- *Parks, Recreation, & Waterfront Building & Maintenance On-call Program*: Improvements needed include systems for cost allocation and enhancing and documenting monitoring for potential fraud or abuse. 15 new audit recommendations.

The City Auditor's Office also monitored management's progress on implementing audit recommendations and reported to Council on actions and risks of inaction.

BACKGROUND AND ENVIRONMENTAL SUSTAINABILITY

The City Auditor's Office provides independent oversight of City operations and is a catalyst for improving City government and holding it accountable in its use of public resources. We manage our documents electronically in support of sustainability.

POSSIBLE FUTURE ACTION AND FISCAL IMPACTS

Council directs the City Manager to fully address audit recommendations and report back on progress made. Implementing recommendations will improve fiscal sustainability, environmental sustainability, and progress toward other Council and community goals.

CONTACT PERSON

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Attachment:

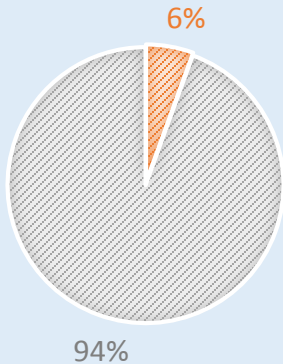
1: City Auditor's Snapshot: Progress Made and Challenges Ahead, Q2, FY 2018

¹ Measure GG Audit: <http://bit.ly/2Fb1hxl>; and PRW On-Call Program: <http://bit.ly/2n9R4tr>

CITY AUDITOR'S SNAPSHOT: PROGRESS MADE AND CHALLENGES AHEAD

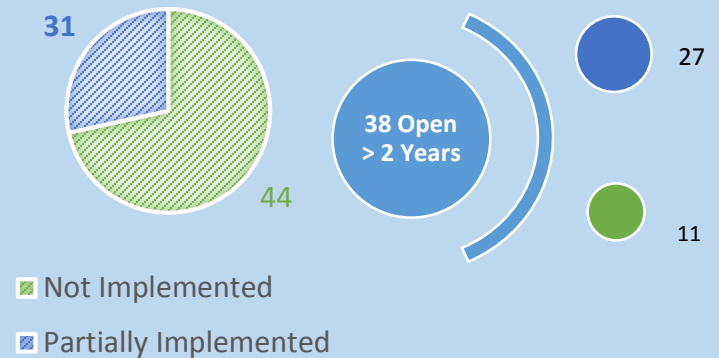
Quarter 2, Fiscal Year 2018 (October 2017 – December 2017)

18 New Recommendations November 2017



- 17 of the recommendations to improve City performance and safeguard assets were accepted by management
- Management will not implement 1 recommendation

75 Recommendations Not Implemented Issued June 2009 – March 2017



Full implementation is less likely for 27 partially implemented and 11 not implemented recommendations that are **over 2 years** old, resulting in lost opportunities for improvement and continued risk of fraud.

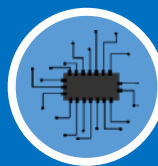
CONSISTENT AREAS OF RISK

OUR AUDITS INDICATE SYSTEMIC ISSUES THAT RESULT IN LOST OPPORTUNITIES AND RISK OF FRAUD.



Long-term planning, accountability, and funding decisions needed

Strategic planning is needed to make a reality of the City's goals, and to address current unfunded liabilities and future risks. Effective strategic plans include setting long term goals and publishing short term steps to get there, with frequent reporting of results.



Communication, documentation, and monitoring needed

Inconsistent communication and unreliable data due to poor documentation were common occurrences in areas we audited, resulting in insufficient monitoring. These conditions can easily lead to fraud.



Service delivery at risk from undocumented, unclear expectations

Clear direction in written procedures increases transparency, improving accountability for results. Solid policies and processes safeguard assets and improve service.