



Office of the City Auditor

INFORMATION CALENDAR
March 24, 2009

To: Honorable Mayor and Members of the City Council
From: Ann-Marie Hogan, City Auditor
Subject: Amendment to Fiscal Year 2009 Audit Plan

INTRODUCTION

The aim of the City's Performance Audit program is to improve the efficiency, effectiveness, and accountability of City service delivery, and to reduce risks. The Berkeley City Charter requires that the City Auditor provide the City Council with a planned audit schedule by the beginning of each fiscal year.

On June 24, 2008, the Audit Plan for the current fiscal year was presented to Council. As required by the City Charter, we are notifying Council of our modifications to the annual audit plan. We are now moving forward with our audits of Contract Oversight Improvements and Duplicate Payments.

SUMMARY

The selection of audits to be performed in fiscal year 2009 was based on a review of risks and opportunities. We considered over one hundred items for audit, consulting with Berkeley residents, the City Manager, Department Directors, and an Audit Advisory Committee of Council. Areas selected were those we considered had the most potential for identifying either new revenue or significant recommendations for improvements. As new information comes to the attention of the Auditor, modification to the Audit Plan may ensue to realign the identified risks and opportunities with available audit resources.

Three audits have already been presented to Council. Audit fieldwork has been completed for seven of the eight audits in progress; the eighth audit is in the survey phase. Four audits are being considered for possible deferral. The schedule below reports the status of planned audit activity during fiscal year 2009.

Item #	Title	New	Completed	In Progress	Possibly Deferred
1.	Contract Oversight Improvements	X			
2.	Duplicate Payments	X			
3.	Contract Oversight Improvements - Phase One: Leases			X	
4.	Billings and Collections			X	
5.	Permitting				X
6.	Public Works Staff Utilization and Costs			X	
7.	Workers Compensation			X	
8.	Business License Tax			X	
9.	Citizen-Centric Report on City Finances and Programs				X
10.	Ethics Survey				X
11.	Surprise Cash Counts–Transfer Station		X		
12.	Surprise Cash Counts- Mental Health			X	
13.	Study of Employee Whistle Blower Hotlines			X	
14.	Internal Controls and Fraud Prevention Awareness Training		X		
15.	Police Overtime and Lost Time		X		
16.	Property Taxes			X	
17.	Police Department Evidence Room				X
18.	Follow-up (ongoing)				

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Audit work can lead to new revenue, cost recovery, and increased efficiency, with economic impact well beyond the audit costs. Long-range financial benefits for the audits completed in fiscal year 2009 should result in significant improvements to internal controls and improved efficiency and effectiveness of Citywide services.

CONTACT PERSON

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