



Office of the City Auditor

CONSENT CALENDAR

November 28, 2017

To: Honorable Mayor and Members of the City Council  
From: Ann-Marie Hogan, City Auditor  
Subject: Audit Report – Measure GG: Fiscal Year 2016 Non-Personnel Expenditure Aligned with Taxpayer Intent

RECOMMENDATION

Request that the City Manager report back by May 29, 2018, and every six months thereafter, regarding the status of recommendations until reported fully implemented.

FISCAL IMPACTS OF RECOMMENDATION

Measure GG is an important resource that maintains staffing at Fire stations and builds disaster preparedness and emergency response capabilities across the Berkeley community. Measure GG taxes provided \$4.5 million in revenue to sustain these activities in fiscal year 2016. As with all special tax funds, inappropriate or non-transparent use of Measure GG revenue could result in the loss of taxpayer confidence, which in turn could compromise future tax funding

CURRENT SITUATION AND ITS EFFECTS

Berkeley Fire, Public Health (HHCS), and Public Works used Measure GG funds in accordance with taxpayer intentions: To bolster emergency response services and enhance community disaster preparedness. The Departments have a clear understanding of taxpayer intent and have practices in place to prevent unallowable expenditures. Fire and Public Health can take further action to improve transparency, reduce risks of unallowable expenditures, and create consistency in spending across Measure GG programs.

BACKGROUND

Berkeley voters approved the Measure GG Fire and Disaster Tax in November 2008. The intent was to stop rotating fire station closures and to fund advanced life support personnel, equipment, and training. Voters also aimed to bolster community emergency response and disaster preparedness by providing training, equipment, and education to Berkeley community members. Chapter 7.81 of the Berkeley Municipal Code (BMC) authorizes the special tax, which went into effect January 1, 2009.

### ENVIRONMENTAL SUSTAINABILITY

Our office manages and stores audit workpapers and other documents electronically to significantly reduce our use of paper and ink. Although many of the audits we issue do include information about specific environmental impacts, this particular report has no identifiable environmental effects or opportunities associated with it.

### RATIONALE FOR RECOMMENDATION

Implementing our recommendations will assist Fire and Public Health in ensuring transparent, consistent, and appropriate use of Measure GG funds for non-personnel expenditures. This will put the City in a better position to safeguard taxpayer's money and ensure that the City continues to use the Fire and Disaster Preparedness Tax as intended.

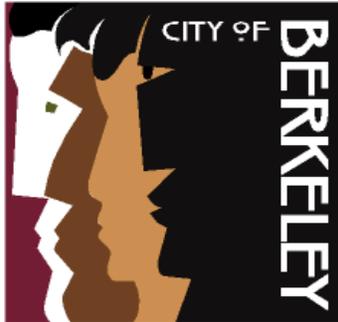
### CONTACT PERSON

Ann-Marie Hogan, City Auditor, City Auditor's Office, 510-981-6750

### Attachments:

1: Audit Report – Measure GG: Fiscal Year 2016 Non-Personnel Expenditures Aligned with Taxpayer Intentions

# City of Berkeley Office of the City Auditor



## Measure GG: Fiscal Year 2016 Non-Personnel Expenditures Aligned with Taxpayer Intent

Prepared by:

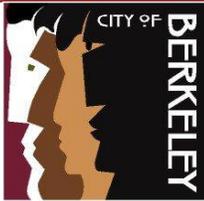
Ann-Marie Hogan, City Auditor, CIA, CGAP  
Claudette Biemeret, Audit Manager, CGAP  
Shalyn Pugh-Davis, Auditor I

Presented to Council November 28, 2017

# TABLE OF CONTENTS

---

Executive Summary.....	1
Audit Objective .....	2
Background .....	2
Finding and Recommendations .....	5
Finding 1: Funds spent as voters intended; steps needed to ensure transparency and consistency.....	5
Recommendations:.....	8
Fiscal Impact.....	9
Conclusion.....	9
Appendix A:	
Scope and Methodology .....	11
Appendix B:	
Audit Finding, Recommendations, and Management Response Summary .....	13
Appendix C:	
Fiscal Year 2016 Measure GG Non-Personnel Expenditure Detail .....	16



# City Of Berkeley - Office Of the City Auditor

## Measure GG: Fiscal Year 2016 Non-Personnel Expenditures

### Aligned with Taxpayer Intent

November 28, 2017

## Purpose of the Audit

Our audit answers the question: How is the City using the Measure GG tax fund?

## Executive Summary

### Tax dollars used as voters intended

Berkeley Fire, Public Health (HHCS), and Public Works used Measure GG funds in accordance with taxpayer intentions: To bolster emergency response services and enhance community disaster preparedness. There are, however, opportunities for Fire and Public Health to improve transparency, reduce risks of unallowable expenditures, and create consistency in spending across Measure GG programs.

### Improvements needed to ensure transparency and consistency in programming

All the expenditures we reviewed were allowable, but some indirect purchases lacked sufficient documentation tying the work to emergency preparedness or disaster response. The total cost of these expenditures was immaterial at \$986, or only 0.15% of all fiscal year 2016 non-personnel Measure GG expenditures. Additionally, inconsistent communication between Fire and Public Health created confusion between the two departments regarding allowable Measure GG expenditures and program coordination.

### Good practices are in place to prevent fund misuse

Berkeley Fire, Public Health, and Public Works have a clear understanding of taxpayer intent and have practices in place to prevent unallowable expenditures. These practices include segregated duties, restricted financial system access, and requisition review and approval by knowledgeable staff who confirm purchases are aligned with the intent of Measure GG. Public Health, however, has not yet developed written procedures supporting its practices: Staff have been working to catch up with new City Council directives while also managing staff turnover.

## Recommendations

City management can increase transparency and improve consistency by:

- Maintaining sufficient documentation for costs indirectly associated with Measure GG so that it is clear how the purchases support the tax measure's intent.
- Developing written procedures for the Public Health Emergency Preparedness unit and ensuring written guidance is aligned across departments, where appropriate.
- Conducting regular meetings between management-level Fire and Public Health personnel to share information about Measure GG programs, services, and staffing.

We provided our recommendations to the Berkeley Fire Department and the Health, Housing, and Community Services Department prior to publishing this report to allow management to begin implementing changes.

## AUDIT OBJECTIVE

Are Measure GG funds being spent as voters intended?

Our audit asks the question: How is the City using the Measure GG fund? Specifically, we wanted to understand whether the Berkeley Fire Department, the Public Health Emergency Preparedness Unit, and Public Works use Measure GG funds on non-personnel costs in ways consistent with taxpayer intentions. We did not examine personnel costs; Appendix A: Scope and Methodology explains our rationale for focusing on non-personnel costs.

## BACKGROUND

**Berkeley voters approved Measure GG to stop rotating fire station closures and enhance emergency services**

Berkeley voters approved the Measure GG Fire and Disaster Tax in November 2008. The intent was to stop rotating fire station closures and to fund advanced life support personnel, equipment, and training. Voters also aimed to bolster community emergency response and disaster preparedness by providing training, equipment, and education to Berkeley community members. Chapter 7.81 of the Berkeley Municipal Code (BMC) authorizes the special tax, which went into effect January 1, 2009.

Measure GG is a parcel tax. The City assesses the rate based on the square footage of taxable improvements on a property. The Measure allows Council to adjust the tax rate according to the Consumer Price Index in the San Francisco Bay Area or Per Capita Income Growth in the State of California, whichever is higher.

**Measure GG Tax Rates Fiscal Years 2015-2017  
(per square foot of improvements)**

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Dwellings	\$0.04752	\$0.04934	\$0.05199
All other properties	\$0.07192	\$0.07466	\$0.07867

*Source: City Ordinances 7,353-N.S.; 7,422-N.S.; and 7,490-N.S.*

The BMC places Measure GG oversight responsibility with the Disaster and Fire Safety Commission (DFSC). DFSC reviews expenditure and program reports, and provides City Council feedback on, and recommendations for, the use of Measure GG funds for emergency response and preparedness services.

Measure GG maintains fire station staffing, provides advanced life support services, and makes community disaster preparedness programs possible

The Measure GG tax prevents rotating fire station closures by absorbing some overtime costs associated with Fire personnel. It also supports an array of Berkeley emergency medical response costs and [Berkeley Ready](#) programs:

- **First Responder Advanced Life Support (FRALS):** Equips and staffs emergency unit(s) to provide on-scene medical care.
- **Community Emergency Response Team (CERT) Training:** Provides disaster preparedness and emergency response training to community members.
- **Dumpster Roll-Off and Emergency Gas Shut-Off Valve Programs:** Provides incentives for participation in CERT or other emergency response trainings.
- **Neighborhood Emergency Cache Program:** Provides emergency medical supplies to qualifying neighborhood groups.
- **Community Resilience Center Program:** Gives community organizations the tools, resources, and training needed to serve as hubs for assistance and information during and after disasters.
- **Annual Disaster Preparedness Fair:** Provides emergency and disaster preparedness resources and information.
- **Emergency Public Information and Warning Services:** Includes the Berkeley Emergency Notification System (to be replaced by AC Alert), and information shared via radio, television, and social media.
- **Government Emergency Planning, Training, and Exercises:** Includes the local hazard mitigation, emergency operations, and disaster cost recovery plans; and wildfire, emergency operations, and Public Health training and exercises.

**Berkeley Ready:**

Supports personal preparedness, community connections, and government response and recovery efforts



<https://www.cityofberkeley.info/Ready/>

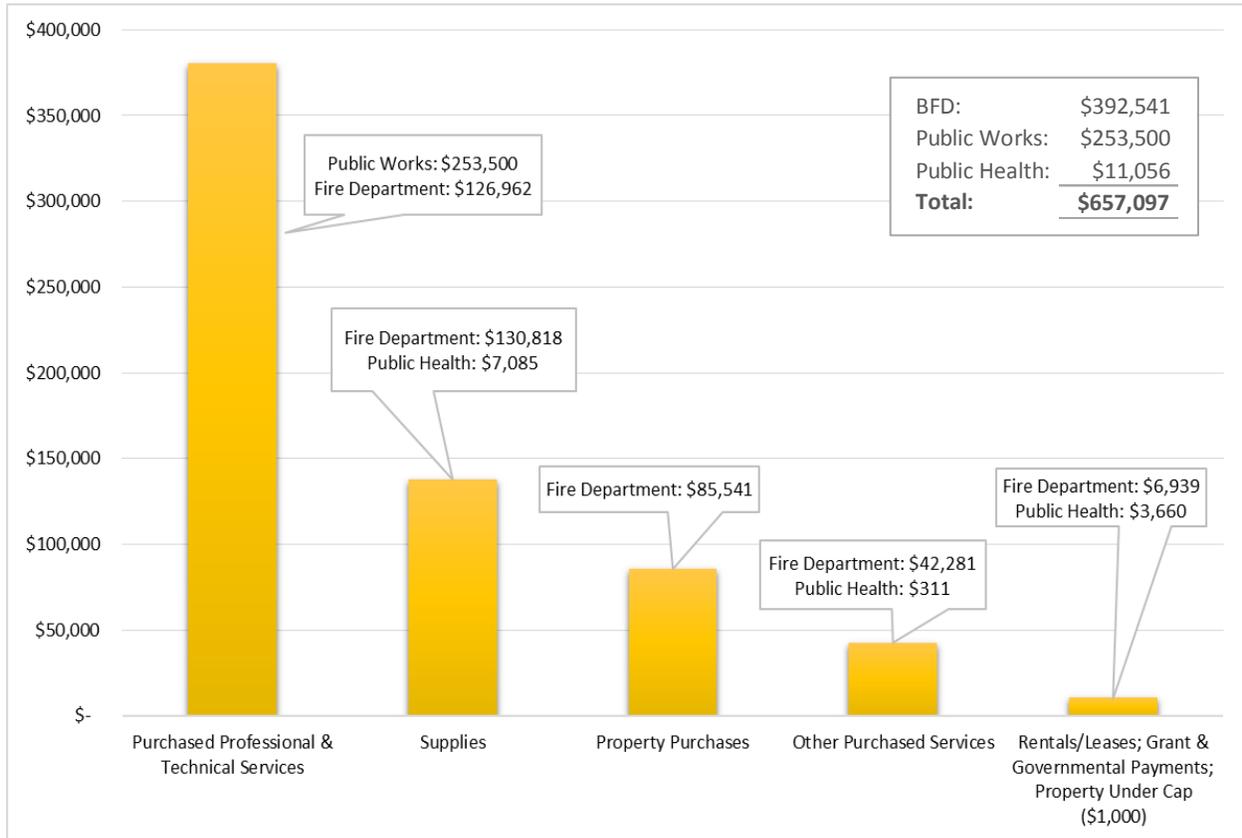
Fire and Public Health primary stewards of Measure GG programs

The Berkeley Fire Department administers the majority of Measure GG funds. The Public Health Emergency Preparedness Unit, a division of the Health, Housing, and Community Services Department, also receives Measure GG funding to support community preparedness efforts. Public Works supports Measure GG by facilitating a service agreement with the East Bay Regional Communications System Authority (EBRCSA), allowing Berkeley emergency personnel to operate radios on a regional system.

Audit focuses on non-personnel expenditures: \$657,097 FY16

The City received \$4.5 million and spent \$4.6 million in Measure GG funds in fiscal year 2016. The majority of the expenditures went to Fire personnel costs to prevent rotating fire station closures, which agrees with the Measure’s primary intent. The remainder, \$657,097 or 14.28% of all 2016 expenditures, went to the non-personnel costs, which are the focus of this audit. We discuss our rationale for limiting our review to non-personnel costs in Appendix A.

**Measure GG Fiscal Year 2016 Non-Personnel Costs by Expenditure Type**



Source: City’s Financial System, FUND\$. See Appendix C for additional expenditure detail.

## FINDING AND RECOMMENDATIONS

### **Finding 1: Funds spent as voters intended; steps needed to ensure transparency and consistency**

Berkeley Fire, Public Health, and Public Works used the Measure GG tax fund for non-personnel costs in accordance with voter intentions. The three work units have a clear understanding of the Measure's purpose and sufficient practices or procedures in place to help ensure compliance. However, some opportunities exist to improve transparency, reduce risks of unallowable expenditures, and create consistency across Measure GG programs. The work units generally maintain sufficient documentation supporting the use of the funds, but there were some allowable expenditures that lacked sufficient supporting documentation tying the purchases to emergency services or disaster preparedness work. As the primary stewards of Measure GG preparedness and response programs, Fire and Public Health have developed a working relationship to coordinate their efforts. However, the two units have more to do to maintain clear and consistent cross-departmental communication.

Overall, personnel demonstrated competency in administering Measure GG funds as voters intended: All the expenditures we reviewed were allowable, per Measure GG. Expenditures included:

#### **Fire Department**

- First aid and safety equipment; emergency equipment cache storage sheds; emergency preparedness supplies
- Registration and travel costs related to training and emergency preparedness programs and systems review
- Satellite phone service fees to enable continued communication during and after a catastrophic event

#### **Public Health (Health, Housing and Community Services)**

- Registration and travel costs related to training and community-based emergency preparedness programs
- Community emergency preparedness workshop supplies and storage

#### **Public Works**

- East Bay Regional Communications System Authority services fees: enabling 550 emergency responder radios

Separation of duties and restricted financial system access mitigate misuse risks

Fire and Public Health have practices in place to minimize fraud risk and ensure Measure GG funds are spent appropriately. Duties related to expenditure processing are separated across staff functions: Program staff use standardized expenditure request forms; administrative staff confirm the funding source and enter requisition information into the City’s financial system; and supervisors approve requests and requisitions. Staff’s access to the financial system is restricted to align with the division of responsibilities. In other words, staff who enter requisitions in the system are unable to approve requisitions, and vice versa.

Maintaining documentation for purchases ensures transparency

While all the expenditures we reviewed supported emergency preparedness and response needs, there were some instances in which Public Health and Fire had not maintained sufficient documentation for their Measure GG purchases:

- Public Health reportedly purchased food for emergency preparedness community workshops to entice participation. This is an accepted HHCS practice. Public Health staff also incurred travel costs to attend a community event. Public Health had receipts for the purchases, but did not include with those receipts evidence of the community workshops. Including documentation, such as event signup sheets, would help support the connection to Measure GG emergency preparedness programs. The total amount was immaterial at \$578: Only 0.09% of all 2016 non-personnel expenditures.

Public Health staff demonstrated competency in supporting Measure GG programs, and have sufficient practices in place ensuring Measure GG money is spent in accordance with the tax criteria and City Council’s directive. However, they have not yet developed written guidance documenting their practices. The unit took action to respond to Council’s new directive, but staff turnover and unit reorganization slowed their progress toward developing written procedures. Written policies would help retain historical knowledge within the work unit and serve as a resource for new staff.

- Fire personnel traveled to various locations to review EMS systems used by other jurisdictions as a means of identifying improvements for Berkeley’s emergency preparedness and response service models. In one instance, the travel

reimbursement request lacked documentation, such as an email from the visited organization, confirming the purpose of the travel. Fire has written policies and procedures and a clear understanding of Measure GG's intent, and staff generally maintain sufficient documentation supporting travel reimbursements. This omission was inadvertent. The amount charged to Measure GG was immaterial at \$408: Only 0.06% of all non-personnel expenditures in 2016.

Voter support is invaluable

To maintain voter confidence, it is important to keep sufficient documentation supporting purchases with Measure GG money. This is especially true for indirect costs such as those discussed above that otherwise lack transparency and could be perceived as a misuse of tax dollars. The purchases without sufficient documentation were immaterial, but voter support is invaluable.

Communication issues between Fire and Public Health increase risk of inconsistent service delivery

Although Fire and Public Health coordinate their efforts, a lack of open communication created confusion and misunderstandings between the work units. This traces back to Council's 2013 directive that Fire and Public Health initiate new, unplanned Measure GG programming.

In June 2013, City Council accepted the Disaster and Fire Safety Commission's recommendations to expand community-based disaster preparedness programs to make the most of a growing unallocated fund balance. This included establishing a new full-time equivalent position in Public Health; the department was not previously involved with delivering Measure GG services. Staff were unsure how closely practices should align between the work units. Additionally, they had to quickly develop and provide new Measure GG services without diminishing existing services. Significant staff turnover in Public Health and Fire further complicated efforts for open and clear cross-departmental communication.

Public Health and Fire staff reported improved collaboration but unclear and inconsistent communication persists in some cases. Both work units recognize the need to meet regularly and discuss programs and services and align practices when feasible.

---

**Recommendations**

Maintain sufficient documentation for reimbursements

**The Berkeley Fire Department should:**

1.1 Ensure documentation submitted and maintained with travel reimbursement requests:

- Clearly connects the purpose of travel to emergency response or disaster preparedness work.
- Provides evidence for the stated purpose of travel (e.g., conference registration or third-party correspondence).

**The Health, Housing, and Community Services Department (Public Health Unit) should:**

Develop written guidelines to ensure allowable expenditures

1.2 Develop written procedures guiding the use of Measure GG funds:

- Use BMC 7.81 for expenditure criteria.
- Identify the types of indirect expenditures that are allowable, e.g., food for community events.
- Identify the documentation required to support the purchase and its connection to Measure GG.
- Align the procedures with the Berkeley Fire Department's Measure GG expenditure guidelines as much as feasible.
- Identify areas that differ from the Berkeley Fire Department's expenditure guidelines and why to provide context for the variance.

**The Berkeley Fire Department and Health, Housing, and Community Services Department (Public Health Unit) should:**

Conduct regular meetings to improve communication between departments

1.3 Conduct regular management-level meetings to share information about Measure GG programs, services, and staffing. Use these meetings to:

- Improve understanding of what is allowable under Measure GG, including both direct and indirect costs.
- Identify areas that may differ based on department specific policies and practices.
- Discuss known or expected changes and events that may impact individual unit, as well as cross-functional, efforts.

These meetings may need to be more frequent at first, e.g., monthly, and less frequent over time, depending on the needs, knowledge, and experience of those responsible for Measure GG programs.

***City Manager's  
Response***

The City Manager agreed with the finding and recommendations. The full response is at Appendix B

---

**FISCAL IMPACT**

Measure GG is a vital revenue stream: FY16 \$4.5M

Measure GG is an important resource that maintains staffing at Fire stations and builds disaster preparedness and emergency response capabilities across the Berkeley community. Measure GG taxes provided \$4.5 million in revenue to sustain these activities in fiscal year 2016.

Transparency helps maintain voter support for tax funding

In all, only three expenditures lacked sufficient supporting documentation. The amount was immaterial at \$986 or 0.15% of all non-personnel expenditures in 2016. Ensuring all Measure GG expenditures are supported with proper documentation maintains transparency in the City's use of the special tax fund. As with all special tax funds, inappropriate or non-transparent use of Measure GG revenue could result in the loss of taxpayer confidence, which in turn could compromise future tax funding.

---

**CONCLUSION**

Current practices ensure proper use of Measure GG tax fund

The Berkeley Fire Department, Public Health, and Public Works used the Measure GG special tax fund in accordance with voter intent and the Berkeley Municipal Code. Their practices and clear understanding of Measure GG's purpose ensured appropriate use of the tax revenue and guarded against fraud and misuse.

Written guidance, better communication, and consistent documentation will further guard against taxpayer mistrust

Berkeley Fire Department, Public Health, and Public Works personnel demonstrated competency in using Measure GG funds as voters intended: All expenditures reviewed were allowable. Additionally, staff spoke knowledgably about the purpose of the expenditures and their departmental practices that help provide for alignment with Measure GG criteria. There were, however, some gaps in procedures: Documenting indirect costs, such as travel; developing written guidance; and communicating more effectively across departments.

Inappropriate use of any special tax fund, including the Measure GG fund, could erode taxpayer confidence and jeopardize special tax revenue streams. We saw nothing to indicate inappropriate use of the Measure GG fund, but the gaps in procedures need to be addressed to sustain current practices and provide for transparency. This will help maintain taxpayer support and the vital programs funded by Measure GG.

---

**We appreciate and  
thank staff and  
management for  
their assistance**

We thank the Berkeley Fire Department, Public Health, and Public Works personnel for their cooperation and assistance during this audit. We appreciate the responsiveness of staff and management to our questions, and the time they dedicated to sharing their knowledge and insights. We hope this audit provided tools for protecting taxpayer money and supporting voter goals.

## APPENDIX A:

### **Scope and Methodology**

We audited the non-personnel Measure GG tax fund expenditures for fiscal year 2016 (July 1, 2015 to June 30, 2016). Specifically, we examined accounts payable and adjusting journal transactions and supporting documentation. We assessed the appropriateness of the transactions by comparing them to the Berkeley Municipal Code defining the use of Measure GG revenue. We also examined the documentation for evidence of fraud (e.g., alterations). We communicated with Berkeley Fire Department, Public Health, and Public Works management and staff to gain an understanding of the departments' practices for processing, approving, and monitoring Measure GG expenditures. We performed a risk assessment of internal controls to identify potential weaknesses, including fraud risks, in the expenditure of non-personnel Measure GG funds. We reviewed:

- Berkeley Municipal Code Chapter 7.81: Special Tax to Fund Fire Protection and Emergency Response and Preparedness.
- Ordinances 7,490-N.S., 7,422-N.S., and 7,353-N.S which set the Measure GG tax rates for Fiscal Years 2015, 2016, and 2017, respectively.
- Reports to the Berkeley City Council from the Disaster and Fire Safety Commission and the Berkeley Fire Department discussing the use and allocation of Measure GG funds.
- Measure GG: Fire and Disaster Tax ballot language and the City Attorney's impartial analysis of the tax, and the arguments for and against the tax.
- Scope of services for nine City expenditure contracts using Measure GG funding.
- City of Berkeley Adopted Biennial Budget for Fiscal Years 2016 and 2017.
- Departmental policies and procedures; program materials, such as performance measure records; and reports related to the use of Measure GG funds.

#### *Data Population and Sample Selection*

We extracted expenditure data from the City's financial system, FUND\$. We separated accounts payable transactions from adjusting journal transactions for separate analysis. We used pivot tables to examine the expenditure data and identify high-risk, high-transaction amounts, and high-volume expenditure types, then separated those from our original data population. This created multiple subsets of expenditure data. Depending on the data subset, we used either judgmental or random sampling to test transactions. This allowed us to focus our analysis on transactions at higher risk of material impacts related to our audit objective. Our statistical samples were calculated<sup>1</sup> with a confidence level of 95 percent and a confidence interval of 10 percent. When random sampling, we used a random number generator<sup>2</sup> to select transactions for review. We examined a total of 142 transactions.

---

<sup>1</sup> MaCorr Research Solutions: <http://www.macorr.com>

<sup>2</sup> Random.org: <http://www.random.org/>

### *Data Entry Errors*

Berkeley Fire Department personnel made a few data entry errors when inputting expenditures into the City's financial system. We informed management of these inconsistencies. These errors were limited to invoices connected to the City's contract with Hubb System, LLC to install mobile data systems in first response vehicles. These errors did not result in misuse of Measure GG funding: total amount charged to Measure GG was consistent with City Council's approval of fund allocation, and the total charged to the contract was consistent with the agreement's payment terms.

### *Omission of Personnel Costs from Examination*

By City mandate, our office is charged with the oversight of the Payroll Audit Division. Due to the auditing standards we follow, this creates an independence barrier to our ability to audit some payroll operations. We are generally able to put safeguards in place when our audits touch upon payroll activities. However, given our audit objective, we determined that an examination of Measure GG personnel costs would require us to rely too heavily on payroll module data and payroll activities that involve Payroll Audit personnel. The City is currently in the process of replacing the payroll module with a system that we believe will help provide a clearer delineation of Payroll Audit and departmental payroll activities. This should help alleviate the independence concerns enough for us to put safeguards in place so that we may independently examine Measure GG personnel costs in the future.

### *Data Reliability*

We assessed the reliability of FUND\$ data by tracing to source documents; interviewing Fire, Public Health, and Public Works personnel; and gaining an understanding of Finance's regular FUND\$ access review process. We determined that the data were sufficiently reliable for the purposes of this report.

### *Standards Compliance Statement*

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## APPENDIX B

### Audit Finding, Recommendations, and Management Response Summary

Audit Title: Measure GG: Fiscal Year 2016 Non-Personnel Expenditures Aligned with Taxpayer Intent					
Finding and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary	
<b>Finding 1: Funds spent as voters intended; steps needed to ensure transparency and consistency</b>					
1.1	Ensure documentation submitted and maintained with travel reimbursement requests: <ul style="list-style-type: none"> <li>Clearly connects the purpose of travel to emergency response or disaster preparedness work.</li> <li>Provides evidence for the stated purpose of travel (e.g., conference registration or third-party correspondence).</li> </ul>	BFD	Agree	November 2017	<ul style="list-style-type: none"> <li>Creating an Addendum Form to be included in travel request.</li> <li>Create a form that will capture documentation for costs directly associated with Measure GG with regards to classes, meetings, or any function where money will be spent to accommodate such events.</li> </ul>
1.2	Develop written procedures guiding the use of Measure GG Funds: <ul style="list-style-type: none"> <li>Use BMC 7.81 for expenditure criteria.</li> <li>Identify the types of indirect expenditures that are allowable, e.g., food for community events.</li> </ul>	HHCS Public Health Unit	Agree	November 2017	Review BMC 7.81 for expenditure criteria: <ul style="list-style-type: none"> <li>Create a matrix that outlines allowable expenditures with required supporting documentation.</li> <li>Compare expenditures procedures with Fire Dept.'s Measure GG guidelines and align as much as possible.</li> </ul>

<b>Audit Title: Measure GG: Fiscal Year 2016 Non-Personnel Expenditures Aligned with Taxpayer Intent</b>					
<b>Finding and Recommendations</b>		<b>Lead Dept.</b>	<b>Agree, Partially Agree, or Do Not Agree</b>	<b>Expected or Actual Implementation Date</b>	<b>Status of Audit Recommendations, Corrective Action Plan, and Progress Summary</b>
	<ul style="list-style-type: none"> <li>Identify documentation required to support the purchase and its connection to Measure GG.</li> <li>Align the procedures with Berkeley Fire’s Measure GG expenditures guidelines as much as feasible.</li> <li>Identify areas that differ from Berkeley Fire’s expenditure guidelines and why, to provide context for variance.</li> </ul>				<ul style="list-style-type: none"> <li>Provide Division or Dept.-specific rationale for any areas that differ from Fire Dept.’s expenditure guidelines.</li> </ul>
1.3	<p>Conduct regular management-level meetings to share information about Measure GG programs, services, and staffing. Use these meetings to:</p> <ul style="list-style-type: none"> <li>Improve Understanding of what is allowable under Measure GG, including both direct and indirect costs.</li> <li>Identify areas that may differ based on department specific policies and practices.</li> </ul>	BFD and HHCS Public Health Unit	Agree	November 2017	<ul style="list-style-type: none"> <li>Fire and PH staff already meet monthly and as needed when extra collaboration projects are implemented</li> <li>Supervisors from both Fire and HHCS Dept.’s have re-committed to regular monthly meetings, something that was lost due to all the staffing transitions within the last 2 years in both Fire and HHCS. Purpose of these monthly meetings will be to align protocols and procedures (when feasible) and to provide overall collaborative strategic planning efforts for Measure GG programs citywide. November 2017 will begin the monthly Measure GG Program Supervisor Meetings.</li> </ul>

<b>Audit Title: Measure GG: Fiscal Year 2016 Non-Personnel Expenditures Aligned with Taxpayer Intent</b>				
<b>Finding and Recommendations</b>	<b>Lead Dept.</b>	<b>Agree, Partially Agree, or Do Not Agree</b>	<b>Expected or Actual Implementation Date</b>	<b>Status of Audit Recommendations, Corrective Action Plan, and Progress Summary</b>
<ul style="list-style-type: none"> <li>Discuss known or expected changes and events that may impact individual unit, as well as cross-functional, efforts.</li> </ul> <p>These meetings may need to be more frequent at first, e.g., monthly, and less frequent over time, depending on the needs, knowledge, and experience of those responsible for Measure GG programs.</p>				<ul style="list-style-type: none"> <li>Work on agenda items from each department that will move the two departments in a more uniform direction with Measure GG requirements (policies, practices, forms, and training).</li> </ul>

**APPENDIX C:****Fiscal Year 2016 Measure GG Non-Personnel Expenditure Detail**

The City uses account segments to record financial transactions: Fund, Department, Division, Activity, Element, and Object. The element identifies the transaction's specific *classification* and the object identifies the specific *detail*. We used this information to assess the data for review selection and present it here for informational purposes regarding the use of Measure GG for non-personnel expenditures in fiscal year 2016.

Element Type	Object Type	Public Works Department	Public Health Unit (HHCS Department*)	Berkeley Fire Department	Totals
Grant and Governmental Payments	Permit Fees	-	-	\$3,817	\$3,817
Other Purchased Services	Cellular Service	-	-	\$18,164	\$18,164
Other Purchased Services	Printing and Binding	-	-	\$8,130	\$8,130
Other Purchased Services	Refuse Collection/Disposal	-	-	\$9,960	\$9,960
Other Purchased Services	Travel and Registration	-	\$311	\$6,027	\$6,338
Property Purchases	Computers and Printers	-	-	\$82,161	\$82,161
Property Purchases; Property Under Cap (\$1,000)	Machinery and Equipment	-	-	\$4,378	\$4,378
Property Under Cap (\$1,000)	Furniture and Fixtures	-	-	\$524	\$524
Purchased Professional and Technical Services	Field Equipment Maintenance Services	-	-	\$8,953	\$8,953
Purchased Professional and Technical Services	Medical	-	-	\$37,500	\$37,500
Purchased Professional and Technical Services	Miscellaneous Professional Services (Contracts)	\$253,500	-	\$80,509	\$334,009
Rentals and Leases	Land and Building Rentals	-	\$3,660	\$1,600	\$5,260
Supplies	Field and Office Supplies	-	\$6,658	\$108,181	\$114,839
Supplies	Food	-	\$427	-	\$427
Supplies	Miscellaneous	-	-	\$22,636	\$22,636
<b>Totals:</b>		<b>\$253,500</b>	<b>\$11,056</b>	<b>\$392,540</b>	<b>\$657,097</b>

**Source:** City of Berkeley Financial System, FUNDS.