



COUNCIL INFORMATION

Office of the City Auditor

October 30, 2001

To: Honorable Mayor and
Members of the City Council

From: Ann-Marie Hogan, City Auditor

Subject: DEPARTMENTAL BUDGET MONITORING AUDIT (FOLLOW-UP REVIEW)

STATUS:

On November 23, 1999, the City Auditor's Office presented our Departmental Budget Monitoring Audit Report to City Council. As part of the fiscal year 2001 audit plan, a follow-up review for this audit was performed to determine if:

1. Prior year audit recommendations 1.1 and 4.1 had been implemented.
2. The concern addressed in prior year finding 6 had been corrected.

Audit recommendation 1.1 stated that department directors should provide the Budget Office with budgeted versus projected year-end revenue and expenditure information quarterly. It further stated that the departments should explain the reason for significant variances between budgeted and projected revenues and expenditures. Our follow-up review found that this recommendation had not been implemented. The Budget Office representative stated that he had partially implemented this recommendation. Subsequent to our follow-up review, steps were taken to fully implement this recommendation.

Recommendation 4.1 stated that written policies and procedures for preparing adjusting journal entries should be revised to specify timeliness guidelines for recording these entries in FUNDS. The review found that this recommendation had not been implemented by the Finance Department. Finance representatives stated that this recommendation had been partially implemented. This recommendation was fully implemented as of September 10, 2001, soon after the follow-up review concluded.

Audit finding 6 found that the Budget Office too frequently did not timely update the budget modifications submitted by the departments. Our current review found that Public Works representatives still felt this was a concern. The Budget Office agreed to find out from the departments if this prior year finding was still a concern, and if it was, to implement prior year audit recommendation 6.1.

FINANCIAL IMPLICATIONS:

None.

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Approved by:

Ann-Marie Hogan, City Auditor
Office of the City Auditor