



City Auditor's Office

## INFORMATION CALENDAR

May 29, 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 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, generally every six months. Implementing recommendations will improve fiscal sustainability, environmental sustainability, and progress toward other Council and community goals.

### CONTACT PERSON

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

### Attachment:

1: City Auditor's Snapshot: Progress Made and Challenges Ahead, Q3, FY 2018

# CITY AUDITOR'S SNAPSHOT: PROGRESS MADE AND CHALLENGES AHEAD

Quarter 3, Fiscal Year 2018 (January 2018 – March 2018)

## These Audits and 11 More Still Open<sup>1</sup>

Berkeley's Ethical Climate Rated Strong Overall and Management Working to Make it Better

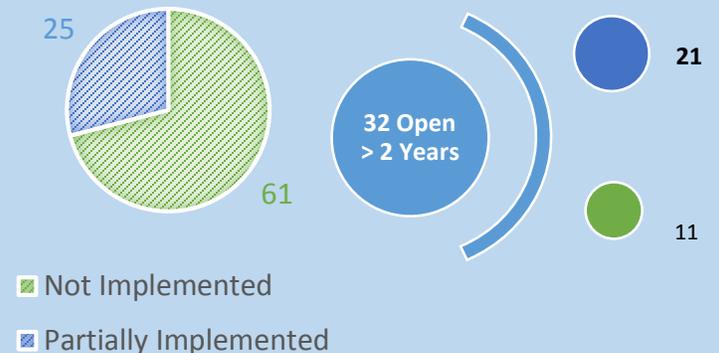
Underfunded Mandate: Resources, Strategic Plan, and Communication Needed to Continue Progress Toward the Year 2020 Zero Waste Goal

Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity

Construction Permits: Monitor Performance and Fee Assessments to Ensure Excellent and Equitable Customer Service

<sup>1</sup> Audit Reports: <https://bit.ly/2GYMI6Q>

## 86 Recommendations Not Implemented Issued June 2009 – November 2017



Full implementation is less likely for **21** partially implemented and **11** not implemented recommendations that are **over 2 years** old, resulting in lost opportunities for improvement and continued risk of fraud.

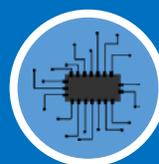
## CONSISTENT AREAS OF RISK

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.