



Office of the City Auditor

COUNCIL INFORMATION

June 27, 2000

To: Honorable Mayor and
Members of the City Council

From: Ann-Marie Hogan, City Auditor

Subject: FISCAL YEAR 2001 GENERAL AUDIT WORK PLAN

Next year's work plan for the General Audit division of the City Auditor's Office will include:

1. One or more construction contract audits of projects representing major capital expenditures (Public Works)
2. A review of contract change orders
3. Follow up on major audit recommendations, including Grants Billing and Departmental Budget Monitoring
4. Audits of community agency oversight and performance, including issuance of a survey of City practices and procedures for monitoring these contracts; follow up audits with some of the larger agencies identified in the survey and recommended for audit
5. Revolving Loan Funds
6. The (required) annual Safety Members Pension Fund Audit
7. Ongoing Business License Tax audits
8. Peer Review (the Auditor's Office is required, by charter, to undergo peer review every three years)

Items from the current fiscal year plan which will be delivered to Council in the first quarter include the survey of City staff who administer and monitor community agencies. The first of the Public Works construction contract audits was presented on June 20, and the most recent Audit Follow Up report should be on tonight's agenda.

BACKGROUND:

Article X, section 61 of 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. The Charter also states that the Auditor shall consult with the Mayor, City Council, and City Manager regarding the selection of audit entities, but that the final decision of what to audit shall remain with the Auditor.

Information on how to request audits was sent to City staff, Council Members, and Commissioners. The City Auditor convened an ad hoc advisory group of four Council members and their staff to enable in-depth discussion about possible audit areas. This group consisted of the Mayor's chief of staff, and Council Members Breland, Armstrong and Maio. Audit suggestions were also made by Department Directors, the City Manager, the two Deputy City Managers, and by several Commissions.

Other than the required audits, all planned audits for the current year were included as priorities by either the Council group or the managers, and, in some cases, both. Community agency audits under consideration were requested by a combination of one or more commissions, City staff, and Council Members.

FINANCIAL IMPLICATIONS:

Not quantifiable until audits are completed.

Business license revenue from compliance audits is projected to be \$250,000 annually. To the extent that the other audits, which are primarily performance audits, focus on the quality of work delivered, results may be difficult to quantify objectively.

CONTACT PERSON:

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Approved by:

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