

OFFICE OF THE CITY AUDITOR
BRENDA D. ROBERTS



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**Audit of MEASURE Q: Library
Services Retention Act**

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The audit determined that Measure Q expenditures substantially met the Measure's requirements, with possible exceptions in 2 years.

OAKLAND, Calif. (May 29, 2018): The Office of the City Auditor released the audit of Measure Q – the Library Services Retention Act for fiscal years (FY) 2013-14 through FY 2016-17.

First approved in 1994 as Measure O, the Library Services Retention Act established an annual parcel tax to raise revenue to enhance Oakland's Library services. Measure O was renewed and amended as Measure Q in 2004, and approved through 2024.

Alameda County assesses and collects parcel taxes under Measure Q and remits the tax proceeds to the City for Library funding. To receive Measure Q taxes from the County, the City must appropriate annually at least \$9,059,989 from its General Fund to the Oakland Public Library. In FY 2016-17, the revenue from Measure Q totaled \$15,086,174.

The audit's objectives relate to the strict requirements of the Measure: (1) to verify the minimum appropriation from the City's General Fund to the Library, (2) to confirm the Reserve Fund requirements were met, (3) to assess the Library Commission's compliance with the ordinance that established it, and (4) to determine whether proceeds were properly disbursed as prescribed by Measure Q requirements.

The Audit confirmed the minimum appropriation from the General Fund was correct, reserve fund requirements were met and the Library Advisory Commission operates in compliance with the ordinance.

The Audit also determined certain expenditures allocated to the Library, in two fiscal years, may not have fully conformed with the Measure's requirements.

Auditor Roberts noted, “Overall we determined the Library and the City Administrator spends its monies in accordance with the Measure’s very strict requirements. The exceptions were in fiscal years 2013-14 and 2014-15 when internal service expenditures were allocated to the Library. Since the City Administrator did not identify actual or direct costs in the internal service expenditures, a practice that was in place in prior years, we could not determine these expenditures were permitted to be applied to Measure Q funds for these years. Roberts continued, “the City Attorney issued a legal opinion in 2008 specifically stating that expenditures may not be allocated to Measure Q funds that exceed the actual costs of the services.”

Prompted by this audit, the City Administrator conducted a review of the internal service expenditures for the 2 fiscal years noted above. Once this review is concluded, a plan should be developed to restore funds to the Library in accordance with Measure Q requirements, if any expenditures are determined to exceed actual costs.

Auditor Roberts noted, “we want to recognize the Library Commission as a highly regarded, very effective, oversight Board within the City of Oakland and Library management staff are very dedicated to the mission and vision of Oakland’s Libraries and the services they provide to our residents – they all take their jobs very seriously.”

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City Auditor, Brenda Roberts has served as Oakland’s elected citywide auditor since 2015. She has two decades of professional experience as a Certified Public Accountant, Certified Internal Auditor and Certified Fraud Examiner working with national firms KPMG and Deloitte. Auditor Roberts has performed audits for agencies including Fortune 500 companies, and has worked for the U.S. Office of Inspector General, U.S. Department of Labor, and City/County of San Francisco. She has received many accolades for her professional excellence including: Knighton Award – Gold from the National Local Government Association, Exceptional Achievement Award from the U.S. Department of Labor and a Significant Achievement Award from Deloitte & Touche, LLP. Oakland has been her home for over 25 years, it is where she built her life and raised her three daughters. She is committed to making Oakland run with efficiency and transparency and moving Oakland forward, pushing for greater cost savings and accountability on every level.