



OFFICE OF THE CITY AUDITOR
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AUDIT OF MEASURE Q: LIBRARY SERVICES RETENTION ACT

THE AUDIT DETERMINED THAT MEASURE Q EXPENDITURES SUBSTANTIALLY MET THE MEASURE'S REQUIREMENTS,
WITH POSSIBLE EXCEPTIONS IN 2 YEARS.

OAKLAND, CA --- 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.”

To view the full report please visit: www.OaklandAuditor.com

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Our new website is coming soon! Expected launch date is mid-June!

Brenda Roberts has been Oakland’s City Auditor since 2015. As one of few elected City Auditors in California, she is truly independent, allowing her to investigate any area of our City government most vulnerable to fraud, waste, and abuse. Brenda brings two decades of professional auditing and management experience into the City of Oakland. She is a Certified Public Accountant, Certified Internal Auditor, and Certified Fraud Examiner and has performed audits for several 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 is an award-winning auditor, and most recently received the Knighton Award -Exemplary from the Association of Local Government Auditors. She is deeply invested in Oakland and its residents, and honored to serve as your City Auditor.

