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**PRESS RELEASE**



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## **Audit of Measure D, the Kids First! Oakland Fund for Children and Youth Act, Finds Funding and Spending Issues**

**\$2 MILLION OF REQUIRED ADJUSTMENTS WERE NOT COMPLETED ON TIME**

OAKLAND, CA: Oakland City Auditor Brenda Roberts recently released an audit of Measure D (Kids First! Fund) for fiscal year (FY) 2012-13 through FY 2015-16 and has several recommendations to improve City operations.

In 2009, Oakland voters passed Measure D directing the City to allocate a portion of its annual budget to programs benefitting children and youth with the greatest need, at no- or low-cost. The funding for these programs is provided through the City's unrestricted General Purpose Fund.

Given the importance of children and youth programs to the City of Oakland, the audit intended to assure the public that the City is following Measure D's requirements. Therefore, the audit objectives were to 1) verify the correct funding amount was allocated to the Kids First! Fund each year, 2) confirm City spending on programs benefitting children and youth was accurate, and 3) verify financial internal controls were in place.

The audit found

- required adjustments to the Kids First! Fund of \$2 million were not completed on time for fiscal years 2013-14 and 2014-15,
- the spending requirements on children and youth programs were met and exceeded the baseline requirement by \$41 million during the four fiscal years examined, and
- the Finance Department's financial internal controls need strengthening.

In addition, Robert's staff discovered an error in the 2014 Measure D report released by former auditor, Courtney Ruby. The error relates to a miscalculation, recommending the City further increase its spending for youth and children by \$1 million. Due to this error, Auditor Roberts has rescinded the former auditor's recommendation from the list of unresolved management action plans.

To resolve the findings of the current audit, the Office of the City Auditor's recommendations include the following:

- the required adjustments (now in arrears) should be added to the City's mid-cycle budget for FY 2018-19;
- department oversight should confirm adjustments to the Kids First! Fund are made on time each year, which is within two years of confirmed final revenue amounts; and

--more--

- the Finance Department should update its policies and procedures for the Kid's First! Fund.

City management responded quickly to implement Robert's recommendations.

To read the full report, please visit: [www.OaklandAuditor.com/reports](http://www.OaklandAuditor.com/reports)

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***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.***