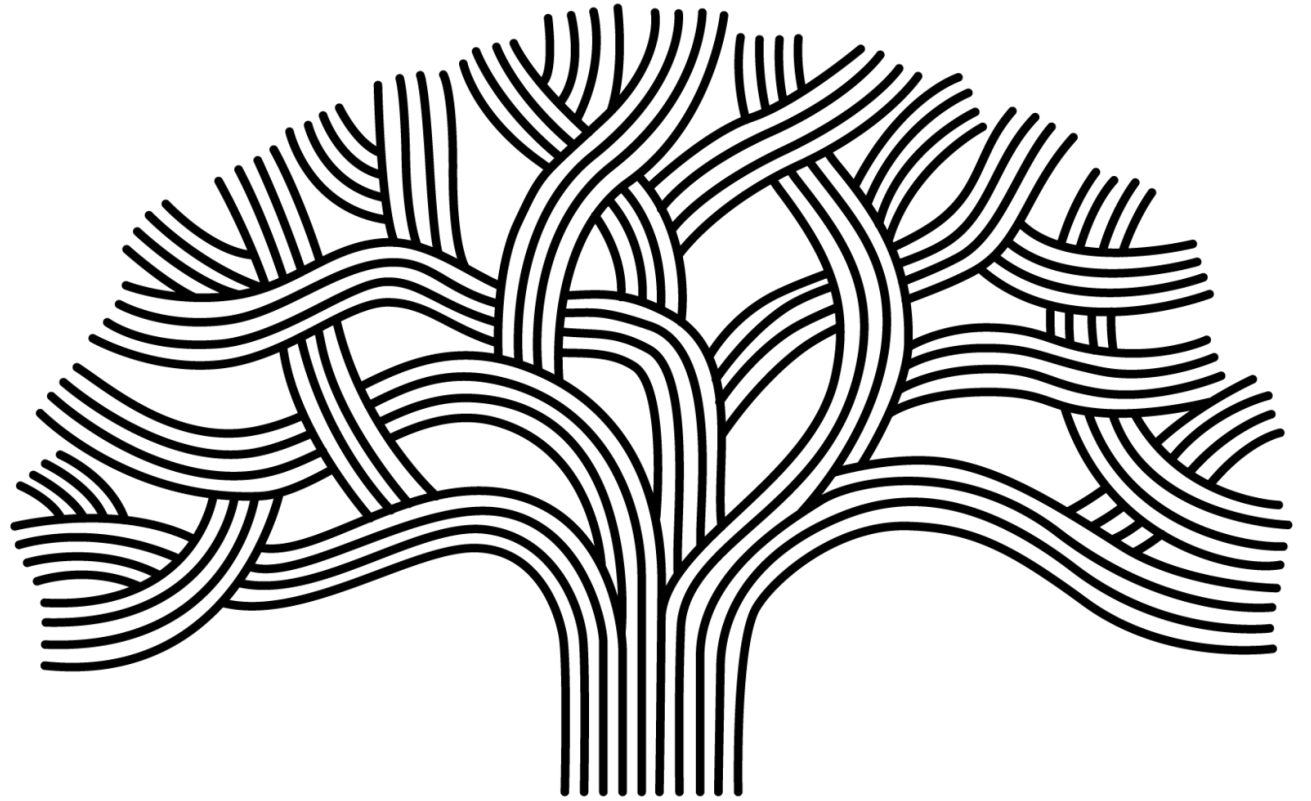


Office of the  
City Auditor

Presentation to  
SPUR, Oakland

Courtney Ruby, CPA, CFE  
City Auditor

August 22, 2019



CITY OF OAKLAND

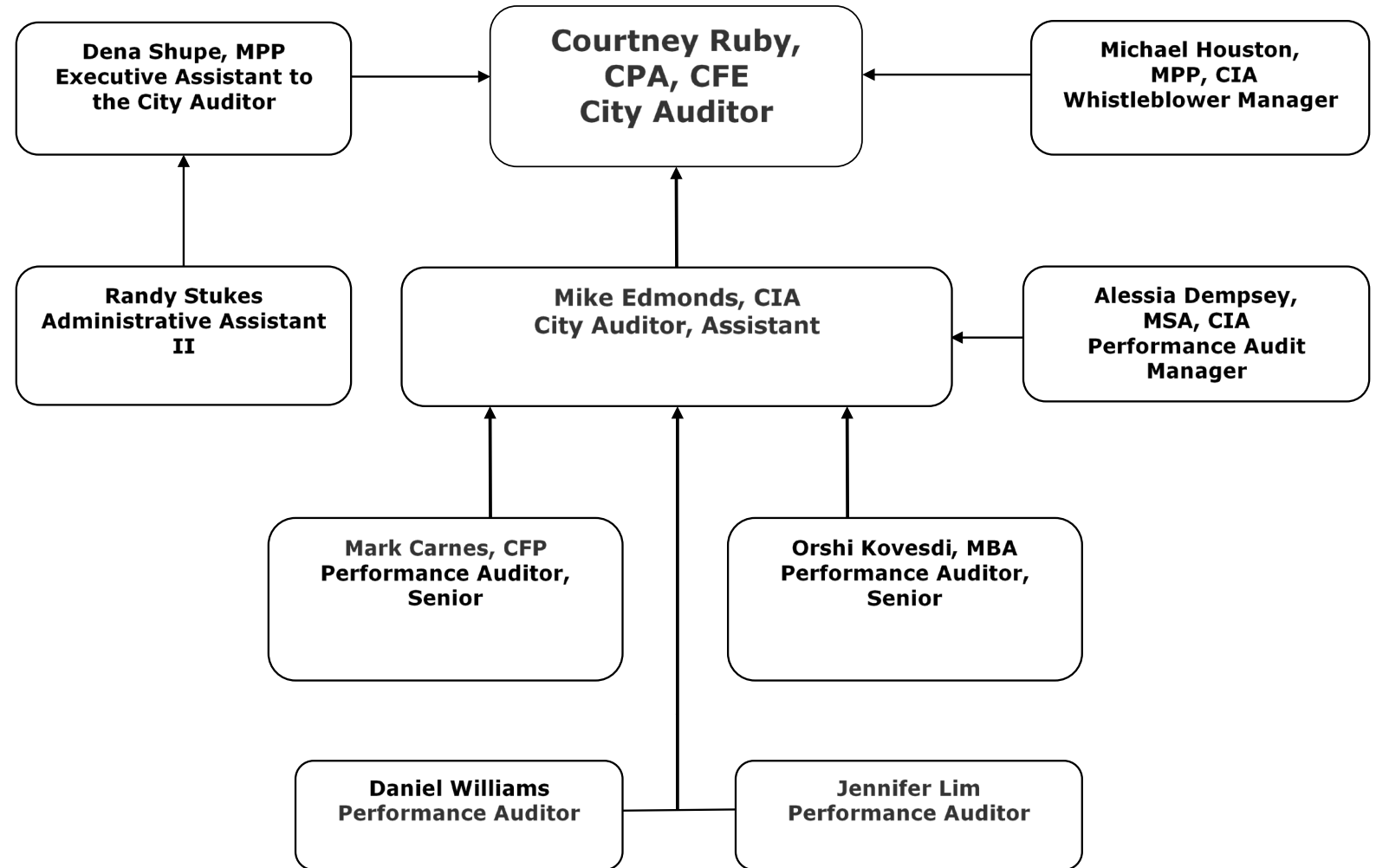
# Oakland's City Auditor (Again)

- City Auditor from 2007-2014
- City Auditor again in 2019



# Office Overview & Structure

- Assumed Office January 7, 2019
  - Term: 4 years
- Authority to audit anything and everything in the City
- Staffing: 10 FTE's
  - 8 Auditors
  - 2 Administrative staff
- Office budget of \$2.3 million
- City budget of \$1.6 billion



# My Team

## MIKE EDMONDS, CIA

### Assistant City Auditor

Former Deputy City Auditor for the award-winning San Jose Auditor's Office and previously former Asst. City Auditor for Oakland during my first term. Mike has over 28 years of performance and financial audit experience at the state and local level.

## GREAT TEAM!

On June 3rd we completed our team with our new *Whistleblower Manager, Michael Houston*.



# How Does the Office of the City Auditor Provide Value to Oakland Residents?

- Ensures transparency and accountability
- Ensures public funds are spent in the public interest
- Provides independent and objective analysis
- Increases revenue and decreases costs



# How Does the Office of the City Auditor Provide Value to Oakland Residents?

- Protects against fraud, waste, abuse, and mismanagement
- Verifies compliance with policies, procedures, laws, and regulations
- Identifies areas of greatest risk in government, and
- Serves as a resource on best practices and effective controls



# Mission Statement

To conduct performance audits that return in-depth and meaningful results to the residents of Oakland by identifying and auditing the areas of government most vulnerable to mismanagement, waste, fraud, and abuse.



# Personal Vision

- Highest standards of performance and professionalism
- Serve the public with the utmost integrity
- Dig Deeper – Greater Impact



# How Do We Fulfill Our Mission and Goals?

- Performance Audits
- Mandated Audits
- Whistleblower **Hotline**
- And more...



# Whistleblower Hotline Program

## NEW Program Manager

**Michael Houston** has over *10 years of local government auditing experience* and most recently served as the Director of Compliance & Internal Control at Cal State University East Bay.

- ✓ Purpose of the Whistleblower Program is to deter, detect and defend
- ✓ 40% of fraud is initially detected through hotline tips
- ✓ 50% of tips come from employees



# Audits in Progress

## Performance Audits

- Financial Condition
- Oakland Fire Department – Inspections

## Mandated Audits

- Police Commission
- Business Tax Refunds
- Measure D – Library Parcel Tax



# Audits Issued

## Mandated Audits

- Rent Adjustment Program Follow-up
- Limited Public Financing Act

## Performance Audits

- Police Overtime



# Police Overtime Audit

## Findings

- OPD's Overtime budget is not realistic
- OPD needs to improve management and operational controls
- OPD still needs to enforce overtime limits on overtime hours worked
- MOU issues were not addressed



# OPD's Overtime Budget Is Not Realistic

Overtime hours by categories for sworn-staff from FY 2014-15 through FY 2017-18

Overtime Categories	FY 2014-15	FY 2015-16		FY 2016-17		FY 2017-18	
	Hours	Hours	%Change (over prior FY)	Hours	%Change (over prior FY)	Hours	%Change (over prior FY)
Backfill	72,934	68,374	-6%	50,489	-26%	41,709	-17%
Special Events/Enforcement	155,290	104,702	-33%	122,372	17%	129,377	6%
Extension of Shift	70,653	60,279	-15%	64,699	7%	56,920	-12%
<b>Total</b>	<b>298,877</b>	<b>233,355</b>	<b>-22%</b>	<b>237,560</b>	<b>2%</b>	<b>228,006</b>	<b>-4%</b>

- Backfill, Special Events/Enforcement, and Extension of Shift, which account for nearly 75 percent of sworn overtime hours, decreased by 24 percent since FY 2014-15.

# OPD's & City Administration's Response

- The report included 21 recommendations to address the findings in the report.
- OPD and the City Administration have agreed to implement 17 of the 21 recommendations.
- OPD partially agrees with two recommendations in which OPD has provided alternatives that we believe address the recommendations.
- OPD disagrees with two recommendations, which we strongly encourage to implement, given the risk involved with officer fatigue and the inherent conflict regarding special event scheduling.

# Some Audits We Are Thinking About?

- Homeless Encampment Process
- Affordability
- IT Security
- Measure KK

What are YOU thinking about?



# Some Headlines From Past Audits..

## **San Francisco Chronicle**

***“Oakland payroll audit a welcome challenge”***

***“Auditor: Officials violated charter  
Oakland council members deny  
interfering with bids”***

***“Oakland auditor: Fox  
Theater costs poorly  
Screened”***

## **KQED Radio**

***“Oakland Auditor Questions Campaign Donations”***

## **ABC Local**

***“Corruption scandal plagues Oakland City Hall ”***

## **oakland LOCAL**

***““Bakery Loan for \$150,000 –  
what would you do?”***



***“Oakland cops collect \$30M in overtime  
pay last year; one officer logged 2,600  
OT hours”***

A large, gnarled tree trunk in the foreground, with a city skyline and a body of water in the background.

# Comments/Questions

Photo: Greg Linhares, City of Oakland

# Contact Us

Ph. (510) 238-3378

# Follow Us



OaklandAuditor

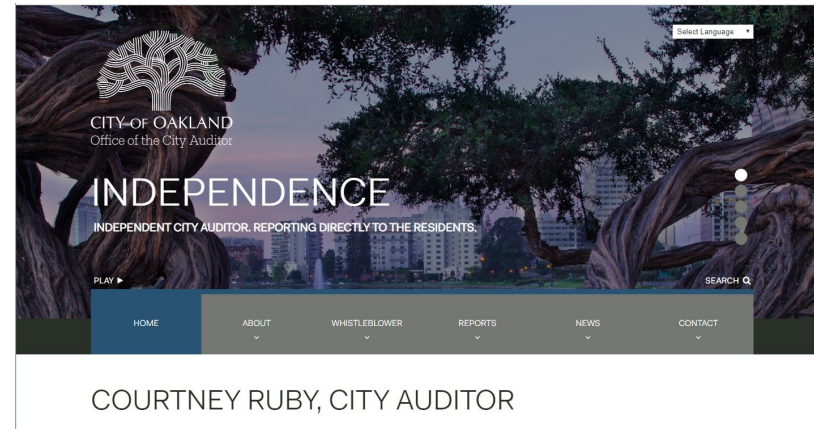


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Comments and questions  
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