

Office of the City Auditor

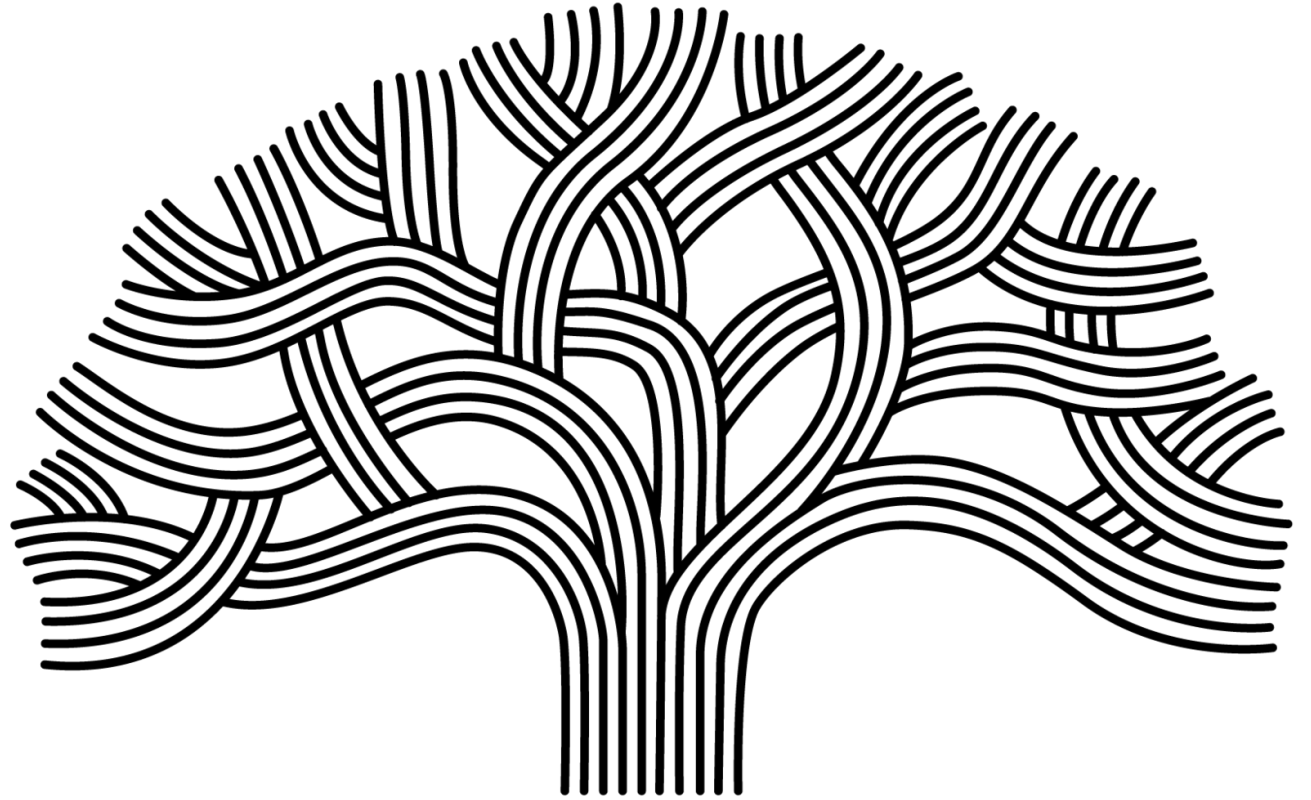
Presentation to EBRHA

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September 19, 2020



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

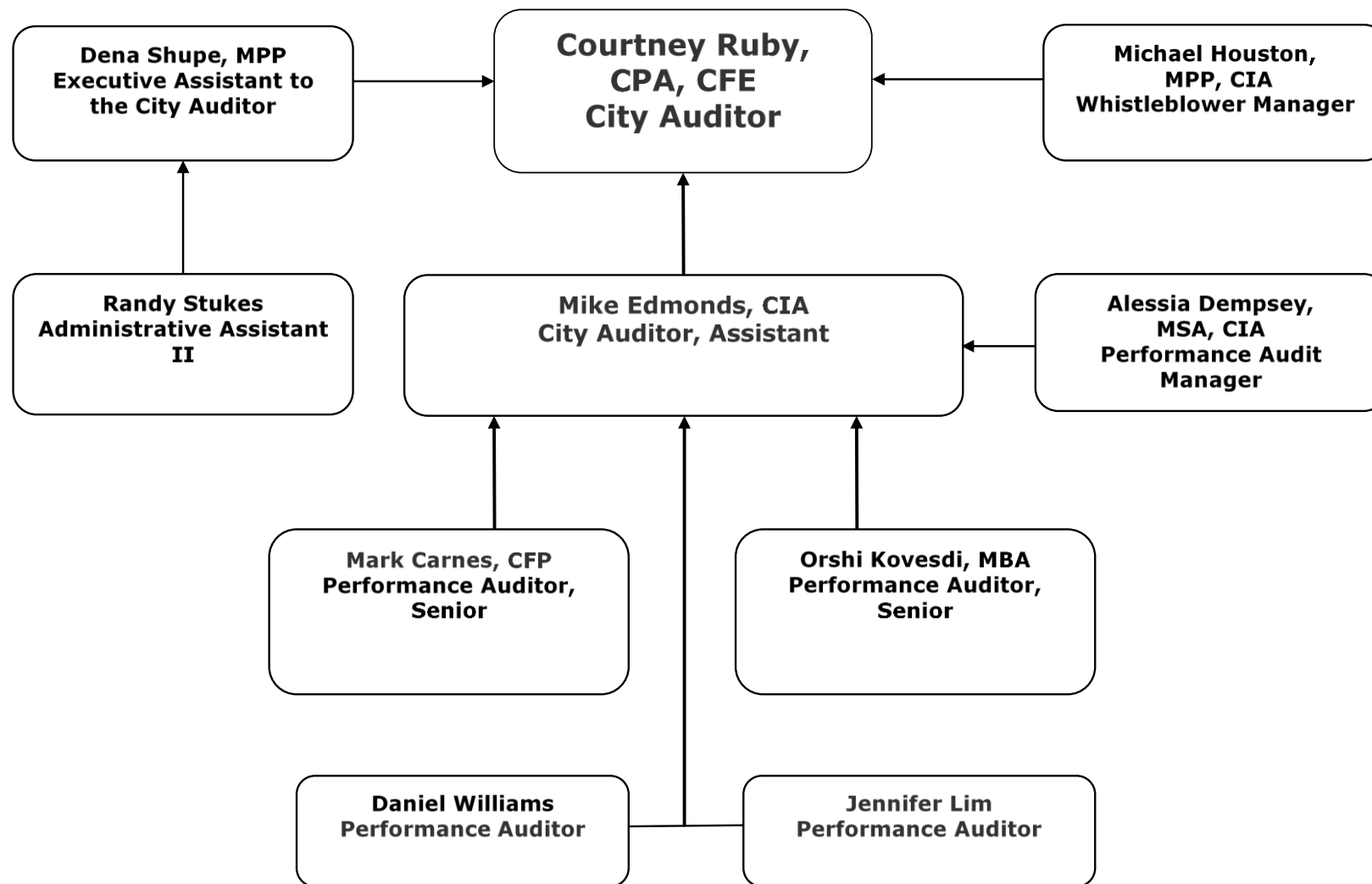
- Staffing: 10 FTE's

- 8 Auditors

- 2 Administrative staff

- Office budget of \$2.4 million

- City budget of \$1.6 billion



How Does the City Auditor Provide Value to Oakland residents?

- Ensures transparency and accountability.
- Protects against fraud, waste, abuse, and mismanagement.
- Ensures public funds are spent in the public interest.
- Identifies areas of greatest risk in government.
- Increases revenue and decrease costs.



Mission Statement

To conduct performance audits and investigations that return in-depth and meaningful results to the residents of Oakland by identifying, auditing and investigating areas of government most vulnerable to mismanagement, fraud, waste, 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
- Ballot Measure Analyses
- Whistleblower Program
- And more...



Audits in Progress

Performance Audits

- Oakland Fire Department – Fire Prevention
- Homeless Services
- IT Risk (*commencing soon*)

Mandated Audits

- Measure D – Kids First! Fund for Children & Youth
- Measure Q & D – Library Services
- Measures M - Emergency Services Act
- Measure N – Paramedic Services Act



Audits Issued

Performance Audits

- Police Overtime
- City of Oakland Financial Condition
- Workforce Development Board Follow-Up Audit
- Police Commission & Community Policing Review Agency (CPRA)

Mandated Audits

- Business Tax Refunds FY 2017-18
- Rent Adjustment Program Follow-up
- Limited Public Financing Act



City of Oakland Financial Condition Audit

Report Sections:

- Revenues
- Expenses
- Long-Term Debt & Liabilities
- Pensions & Other Post Employment Benefits Liabilities
- Financial & Operating Position
- Condition of Capital Assets
- Demographic & Economic Indicators



Police Commission & Community Police Review Agency (CPRA) Audit

Findings

1. The Commission's actions have resulted in two changes to OPD's policies through December 2019 and it has not fully implemented requirements of the City Charter and the Municipal Code
2. The Commission's powers and duties should be clarified
3. The Agency has not fully implemented City Charter and Municipal Code requirements
4. The Agency's investigative processes are not formalized, and the Agency and the Commission have not adequately defined the type of oversight role it should provide
5. The City Council should consider amending several of the Commission's City Charter and Municipal Code requirements



Finding #1 - To fully implement the requirements of the City Charter or Municipal Code the Commission should:

- Add a senior level staff
- Develop formal goals and objectives, strategic plan, annual workplans, policies and procedures for its agenda management process
- Develop policies and procedures for all aspects of the Commission's oversight function
- Prepare an annual report
- Develop a budget proposal to assist the Commission and Agency in carrying out duties.

Finding #1 - Recommendations Continued: The City Administration, with the assistance of the Commission, should:

- Establish a formal orientation program
- Convene working sessions to discuss their differences, clarify their respective roles, understand respective boundaries, and develop some solutions to improve their working relationship.

Finding #2 –The Commission’s powers and duties should be clarified

Recommendations:

- Use a more systematic approach for addressing racial profiling
- Obtain training on conducting and managing public meetings
- Ensure agenda items are consistent with the Commission’s mission and enforce limits on public comments.
- Develop a written code of conduct policy and comprehensive social media policy.

Finding #2 - Recommendations for City Administration

To address situations when Commissioners contact City staff directly, the City Administration should:

- Develop the following protocols:
 - Guidance for reminding staff to not respond to Commissioners without authorization and for notifying department officials of when Commissioners contact staff directly
 - Guidance for addressing situations when Commissioners contact staff directly
 - Guidance for elevating the matter to the Commission, the City Council, or to the City Attorney

Finding #3 - The CPRA has not fully implemented City Charter and Municipal Code requirements

Recommendations:

The Agency should work with:

- The City Administration to obtain space for the Agency, and
- Human Resources to ensure hiring lists are kept up-to-date.

The Agency should:

- Establish written goals and objectives regarding the timeliness of investigations and tracking.
- Develop written policies and procedures relating to investigation timeliness, requirements for videotaping interviews, information to be tracked, and criteria for administrative closures.
- Develop and implement a formal training program for all Agency staff.
- Develop an outreach plan that includes written goals and objectives, outreach activities, and monitoring reports to assess its progress in reaching its outreach goals.

Finding #4 – CPRA’s investigative processes are not formalized, and neither CPRA or the Commission have not adequately defined the type of oversight role it should provide

Recommendations:

The Agency should:

- Define and document the overall investigation process.
- Standardize their investigation reports to ensure consistency in how they are conducted and reported.
- Acquire a case management system.
- Work with HR to ensure all job qualifications are met before hiring an investigator.
- Work with the Commission to establish the preferred investigative agency oversight model.

Finding #5 – The City Council should consider amending several of the Commission’s City Charter and Municipal Code requirements

Recommendations

City Council should:

- Question who should be vested with the authority to fire the Chief of Police for cause or without cause?
- Question what processes and controls should be put in place to ensure the actions taken to remove the Chief of Police do not pose significant liability issues for the City?
- Debate the pros and cons of the various methods used to select Commissioners.
- Consider revising the City Charter to allow the City Council to review and approve Commissioners individually, instead of a slate of candidates.

Finding #5 – Recommendations Continued

City Council Should:

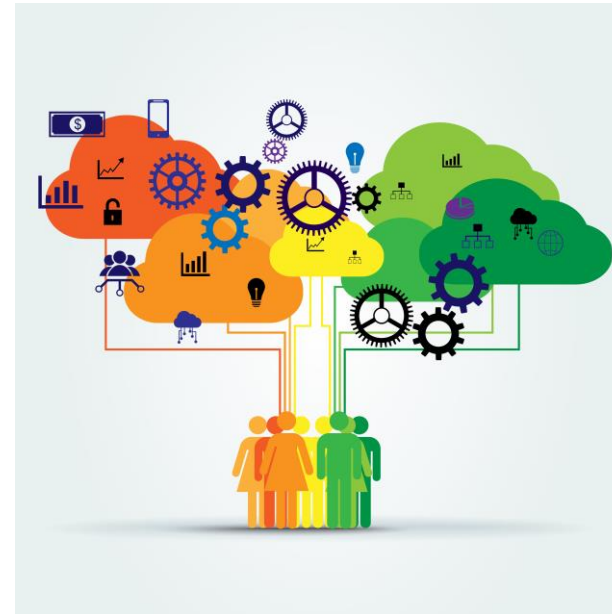
- Consider amending the requirements for selection panel members
- Develop language in the proposed ballot measure to prohibit the Commission from participating in administrative activities and directing staff.
- Develop clarifying language, if needed, in the proposed ballot measure to clearly identify the Commission's authority and responsibilities.
- Reassess the Commission's requirements from the City Charter and the Municipal Code to determine whether a Commission comprised of part-time volunteers can effectively address those requirements.

Why Audit Recommendations Matter

My team and I may audit ***every critical area of government***, but if audit recommendations are not implemented, the problems identified in the audit persist and your city government ***fails to be effective, efficient and responsive to your needs.***

Some Audits We Are Beginning to Scope or Think About

- Permitting
- Affordability
- Measure KK



What are **YOU** thinking about?

Whistleblower Program Purpose

- Deter, detect and defend against **fraud, waste, and abuse**.
- 46% of fraud is initially detected through hotline tips; drops to 30% without hotline and
- 50% of tips come from employees



The City of Oakland Has Complaint Channels



Waste

- Extravagant expenditures of City funds or misuse of resources
- Outdated practices, systems that are ineffective or wasteful
- Ex: Leaving City vehicle unsecure and vulnerable to theft

Fraud

- Lying and cheating to get money or assets
- Committed by contractors, vendors or employees
- Ex: theft of City property, payroll & timekeeping fraud, information theft

Abuse

- Obtain personal gain to which one is not entitled to
- Abuse of position and public trust
- Ex: Using City vehicle outside of City purposes

Why Should You Report?

- The City Auditor protects **confidentiality**
- Whistleblowers can remain **anonymous**
- Employees are protected from **retaliation**
- We will take **appropriate action** based on the investigation results.
- The City **benefits!**

Integrity

We adhere to our moral and ethical principles and we work honestly and fairly with the public and each other.

How to Submit a Confidential Report

To file a complaint, you may call the **WHISTLEBLOWER
HOTLINE** at **1-888-329-6390** (interpreter available) or
SUBMIT A REPORT ONLINE
(Español or 汉语)



All reports go through an independent company

All reports are then reviewed by the Office of the City Auditor

Contact Us

1 Frank H. Ogawa Plaza
4th Floor, City Hall
Oakland, CA 94612

Ph. (510) 238-3378

Comments and questions
cityauditor@oaklandca.gov



View Reports at:
www.oaklandauditor.com/Reports

A large, gnarled tree trunk in the foreground, with a city skyline and a lake in the background. The tree's roots are thick and twisted, extending across the frame. In the background, a calm lake reflects the city skyline, which includes several tall buildings and a fountain. The sky is a soft mix of purple and blue, suggesting dusk or dawn.

Comments/Questions

Photo: Greg Linhares, City of Oakland