

Office of the City  
Auditor

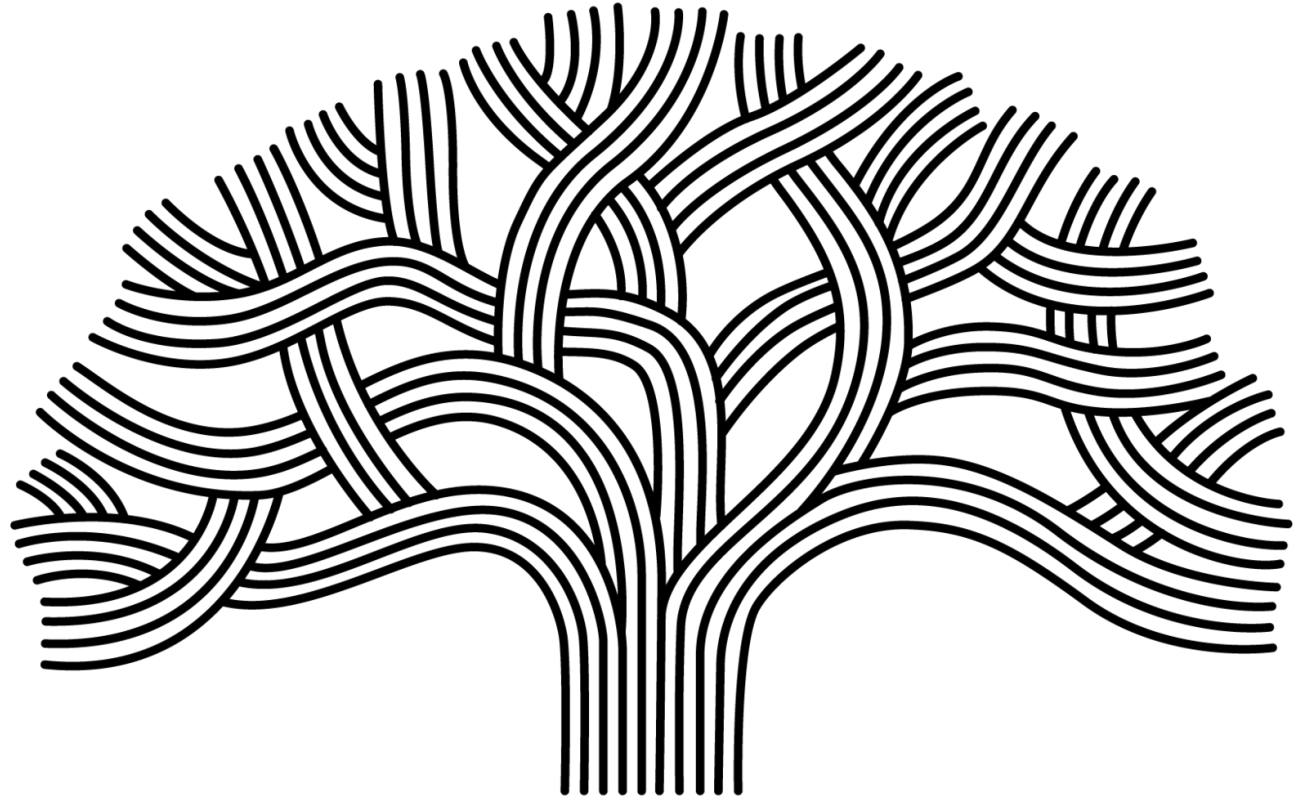
Presentation to  
**Redwood Heights  
Association**

October 26, 2021

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**CITY OF OAKLAND**

# Partnering With Community Matters!

## Auditor City-Wide Listening Tour

Residents' concerns often help shape audits and expand the Office's impact.

I want to know:

- How can my Office provide better services to residents?
- What problems or concerns do residents have about the quality of life in Oakland?
- What are your top 5 priorities for Oakland?



# The City Auditor's Authority

## Section 403 of the City Charter

I have the power and duty to:

- Audit all departments and agencies of the City and other matters the Council and Mayor may request.
- Audit areas deemed to be in the best interest of the public.
- Report to Council the results of such audits.
- Advise and make recommendations to the City Administrator.
- Access all City records needed to conduct our work.

# The Role of Public Sector Auditing

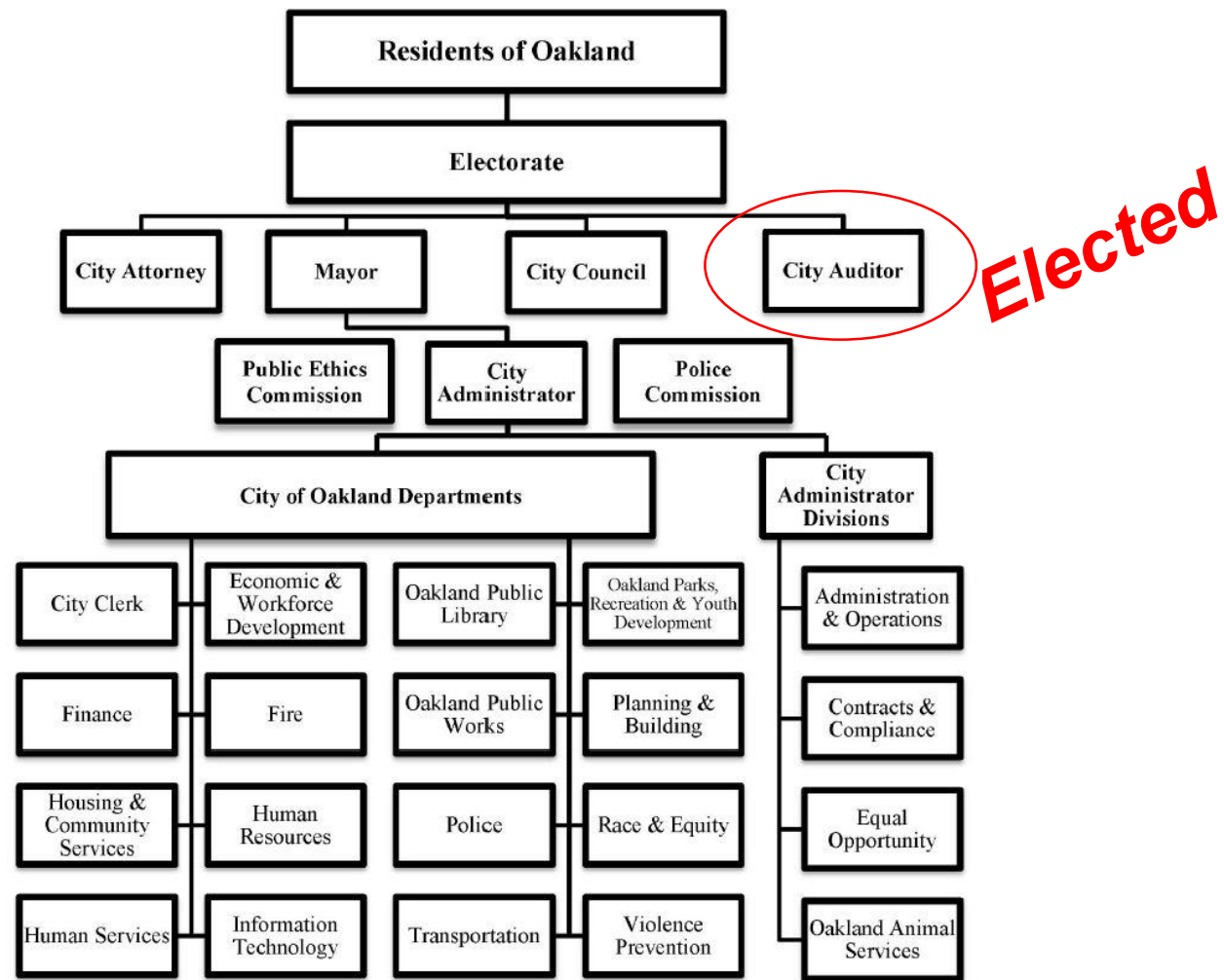
A cornerstone of good public sector governance

Auditors provide *unbiased, objective assessments* of whether public resources are *managed responsibly and effectively* to achieve intended results.

Auditors help public sector organizations

- attain accountability and integrity,
- improve operations, and
- instill confidence among residents and stakeholders.

# City Organization Chart – Independence Matters



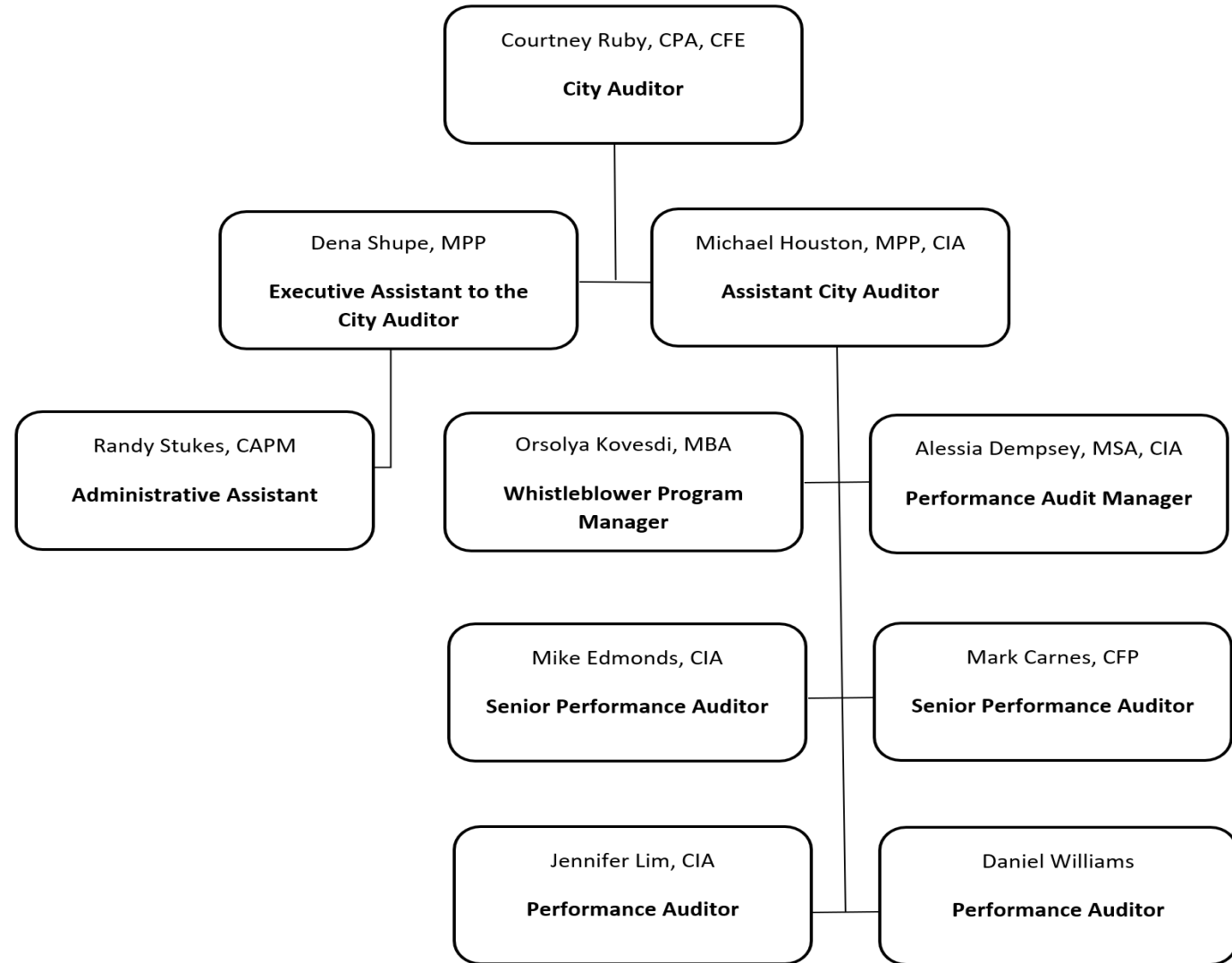
# Office Overview & Structure

Staffing: 10 FTEs

- 8 Auditors
- 2 Administrative staff

Office budget is \$2.4M

- City budget of \$1.6B



# 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.





# How Does My Office Fulfill Its Mission And Goals?

- Risk-based Audits
- Mandated Audits
- Whistleblower Investigations
- Ballot Analyses
- And more...





# Whistleblower Program Purpose

- Deter, detect and defend against **fraud, waste, and abuse**.
- 46% of substantiated fraud is initially detected through hotline tips.
- 24% of tips come from employees.

A graphic for the Whistleblower Program. The top half has a dark blue background with a subtle pattern of concentric circles. In the center is a large red circle with a diagonal slash through it. Inside the circle, the words "Fraud", "Waste", and "Abuse" are stacked vertically in white, with the first letter of each word in red. Below this is a dark grey rectangular box with the text "The Whistleblower Program" in white. The bottom half of the graphic has a light grey background. It contains the text "See it. If you see something, say something", "Report it. Securely, confidentially, anonymously", and "Own it. Serve Oakland with integrity". At the bottom, it provides contact information: "Online: OAKwhistleblower.com", "24/7 365 Hotline:", and the phone number "(888) 329-6390". On the left side of the bottom section are the logos for the City of Oakland and the Office of the City Auditor.

**Fraud  
Waste  
Abuse**

**The Whistleblower Program**

**See it.** If you see something, say something  
**Report it.** Securely, confidentially, anonymously  
**Own it.** Serve Oakland with integrity

Online: [OAKwhistleblower.com](https://oakwhistleblower.com) 24/7 365 Hotline: (888) 329-6390

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# Whistleblower Investigations Issued

✓	Bio Hazard Clean Up Services	Flawed contracting process
✓	OFD Controlled Substances	Inadequate oversight and management of drugs
✓	Oakland Promise	Misuse of City property and funds
✓	Cannabis Dispensary Application Process	Flawed applications process

# Performance Audits Issued

## Risk-based Audits

1. Police Overtime
2. City of Oakland Financial Condition (2012-13 – 2018-19)
3. City of Oakland Financial Condition (2012-13 - 2019-20)
4. Workforce Development Board Follow-Up Audit
5. Oakland Fire Department – Fire Prevention Bureau
6. Rent Adjustment Program Follow-up Audit
7. Homeless Encampment Activities

## Mandated Audits

1. Library Services (Measures Q and D)
2. Kids First! Fund for Children and Youth Act (Measure D)
3. Police Commission & Community Policing Review Agency (CPRA) (Measure LL)
4. Business Tax Refunds FY 2017-18
5. Limited Public Financing Act



# **Audit Findings**

## **Reveals What's Not Working in the City**

### **Homeless Services – Encampment Management Audit**

- Audit revealed City Incurred \$12.6M in last two fiscal years, mostly unbudgeted, to manage the City explosive growth in homelessness
- City lacked a comprehensive strategy, and needed policy direction and dedicated funding early in the crisis

### **OPD Overtime Audit**

- Audit reveals OPD's overtime budgetary practices in dire need of an overhaul
- Over last four years OPD averaged nearly \$30 Million in overtime costs
- Issues raised In 2015 audit remain unresolved

### **Fire Prevention Bureau Audit**

- Audit revealed 3 years after Ghost Ship, Fire Prevention reforms still not implemented
- Even after identifying specific needed reforms and adding inspection staff, 51% of all known properties requiring an annual inspection have not been inspected in the last 3 years

# **Audit Findings Reveals What's Not Working in the City**

## **Police Commission Audit**

- Audit Reveals Oakland's Police Commission and Community Police Review Agency, With High Expectations from The Community, Has Rocky Start
- Lack of planning, administrative obstacles, and a need for the Commission to better understand its role and responsibilities as a public oversight body has impeded the Commission and the Community Police Review Agency's progress. They are not fulfilling their chartered duties.

## **Library Services Audit**

- Community asks audit to response why second measure was needed.

## **Financial Condition Audit**

- 2020 Report demonstrated financial challenged based on huge pension and OPEB liabilities.
- 2021 report demonstrates impacts of pandemic – compounding City's financial challenges. Report highlights serious near- and long-term financial challenges facing the City of Oakland

# Performance Audits In Progress

## Risk-based Audits

- Homeless Services (second of a series)
- Police Overtime Follow-up
- Building Permits
- Recommendation Status Report

## Mandated Audits

- Limited Public Financing Act
- Measure M & N – Emergency Services and Paramedics Acts




# Areas Demanding Oversight

- Emergency Response times
- Illegal Dumping
- Affordable Housing
- Oak 311
- Abandoned Vehicles
- Fees
- Fleet Management/Maintenance
- Public Record Requests
- Infrastructure/Sidewalks
- Code Enforcement
- Disaster Recovery/Business continuity
- Cannabis
- Contracting/Purchasing/Accounts Payable
- Hiring Practices
- Form 700 – Ethics
- OPD Crime Response



# How Can YOU Impact Change in Oakland?

- Stay informed: **Sign up for our Newsletter!**

 SUBSCRIBE TO OUR NEWSLETTER

YOUR EMAIL ADDRESS

SUBMIT

- Help spread the word about our Office and the work we do
  - **Share our Newsletters with your networks.**
  - **Invite us to speak at your next community gathering.**
  - **Organize a Listening Circle.**
- Help make meaningful changes in the City
  - **Appeal to City Leaders and Officials to implement our audit recommendations.**
  - **Submit whistleblower complaints about possible fraud, waste & abuse occurring in our City.**



# How to Submit a Confidential Complaint

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).

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



**The Whistleblower Program**

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Design: Sherry G. Co.

# Contact Us

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Ph. (510) 238-3378

Comments and questions  
[cityauditor@oaklandca.gov](mailto:cityauditor@oaklandca.gov)



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[www.oaklandauditor.com/Reports](http://www.oaklandauditor.com/Reports)

