



CITY OF  
**OAKLAND**

OFFICE OF THE CITY AUDITOR  
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## **Oakland’s City Auditor Releases First Semiannual Audit Recommendation Follow-Up Report Providing the Statuses of All Audit Recommendations Over the Past Decade**

***Report reveals out of 265 audit recommendations made to the City, 117 or 44% have been implemented. More work is needed to implement the remaining 148 recommendations intended to improve government transparency, ensure compliance with state and federal laws, and make government work better for all Oaklanders.***

OAKLAND, Calif. (March 21, 2024): Today, the Office of the City Auditor released its first ever comprehensive [audit recommendation follow-up report](#). In reviewing all the recommendations issued over the past 10 years, staff found that of 265 unique audit recommendations, the City Administration has implemented 117 of them, or 44 percent. Another 62 recommendations (23 percent) are partially implemented, while 86 (33 percent) have not been implemented. The Office of the City Auditor independently assesses City programs and makes recommendations to improve them, but the City Administration must implement the recommendations towards fulfilling the common goal of an equitable, effective, and ethical City government.

The report represents a new process for the City, and was implemented in response to Measure X, the government reform amendment to the City Charter passed by voters in November 2022. Among other items, Measure X revised the City Charter to include, within the City Auditor’s authority and duties, “submitting, at a public meeting of the full City Council, a semiannual report to the Council and public on the extent of implementation of recommendations for corrective actions made in the City Auditor’s reports.” Prior to this semiannual reporting process, the Auditor’s Office followed up on recommendations within audits individually, its most recent being the [2022 Oakland Police Department \(OPD\) Overtime Recommendation Follow-Up Report](#).

The recommendations within this report span the breadth of City services. The City Auditor’s Office coordinated with staff throughout the City to understand the status of each audit recommendation issued over the past decade. The report calls out, for example, recommendations to encourage community awareness of the City’s Rent Adjustment Program, and to implement performance measures to track the Fire Department’s progress on state-mandated fire safety inspections. Even some recommendations from

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recent reports – like one from the [December 2023 audit of Measure Q parks](#) funding – have already been implemented.

The report also includes important recommendations that have not yet been implemented; for example, 26 recommendations relating to the [2021 Audit of Homeless Encampment Management](#) have not been implemented, nor have 30 recommendations from the 2022 [audit of homelessness services](#). In addition, several recommendations to reduce costs associated with police overtime have not been implemented. All current recommendations and their statuses as of December 31, 2023 are listed in an appendix.

Auditor Houston said that recommendations vary in how difficult they are to implement and their impact, “but all of them have been made for a reason – to make the City of Oakland more transparent, to ensure compliance with state and federal laws, and to make government work better for all Oaklanders.” The report shows the count of recommendations implemented by intended benefits. Overwhelmingly, the recommendations are intended to improve efficiency and effectiveness of City services, though others aim to improve transparency, legal compliance, or equity of outcomes; safeguard public resources; or provide economic benefits in the form of reduced costs or added revenue.

For years, it’s been difficult to show the impact of the Office’s audit reports. This report reveals the work of the City Auditor’s Office to recommend changes to improve Oakland’s government, as well as the work of the City Administration to implement the audit recommendations. Auditor Houston stated: “This new follow-up process will bring greater transparency and accountability. Now, residents and stakeholders will be able to see what’s become of these recommendations. We’ve even heard from new department heads that this report will be helpful to them in understanding their departments’ progress in implementing audit recommendations.”

The recommendation follow-up process is different from the audit process, but it does require auditors to review the departments’ status updates. Auditor Houston noted: “In some cases, it’s important to know just where they stand, what’s getting in the way of implementation, and we may note that. But where they’ve said they have implemented a recommendation, we ask for proof, and we check it, just like we would in an audit.” Auditor Houston emphasized that the goal is to have all recommendations implemented, which means, “if we were to repeat all of our past audits, we would not have the same findings.” The recommendation follow-up report serves as a reminder to the City Administration that open audit recommendations represent opportunities to make specific operational and policy changes that will result in more equitable, effective, and efficient City services to Oakland residents, businesses, and visitors.

The Office plans to issue its next follow-up report as of June 30, 2024. In future cycles, the Office plans to include target dates, so residents and staff know when to expect implementation. “Creating sustainable institutional change takes time – it’s a practice in patience. Since this is our first cycle, we’re setting a baseline. Now, we’ll be able to look back and see the changes over time more clearly.”

The City Auditor will present the report to the City Council on a future date.

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Questions should be directed to Dena Shupe at [dshupe@oaklandca.gov](mailto:dshupe@oaklandca.gov).

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### **ABOUT OAKLAND'S ACTING CITY AUDITOR MICHAEL C. HOUSTON**

Michael C. Houston became Acting City Auditor on October 14, 2023, upon the resignation of the former City Auditor, Courtney Ruby. To finish the remainder of Courtney Ruby's term, Michael ran unopposed for the open City Auditor's seat in March 2024. The election results will soon be certified.

A career public servant, Michael has worked as a government auditor and investigator for over 15 years, first as a performance auditor for the City of San Jose's independent City Auditor's Office between 2008 and 2017, and then as the Director of Compliance & Internal Control at Cal State East Bay, where he directed the audit and investigation functions between 2017 and 2019. Michael has worked in the Oakland City Auditor's Office since 2019, previously serving as the Whistleblower Manager and the Assistant City Auditor.

Michael has a Master of Public Policy degree from U.C. Berkeley, a Bachelor of Arts degree in History from Sonoma State University, and is a Certified Internal Auditor.

### **ABOUT THE OAKLAND CITY AUDITOR'S OFFICE**

The City Auditor's Office independently and objectively reviews City operations and services and reports on their performance to the public. The Office's audits include recommendations to management and those charged with governance and oversight, on how to improve services, reduce costs, and increase public accountability. The Office conducts performance audits in accordance with Government Auditing Standards set by the Government Accountability Office under the U.S. Comptroller General. The City Auditor's Office operates a Whistleblower Hotline to receive and investigate allegations of fraud, waste, and abuse affecting or involving City of Oakland resources, employees, officials, or contractors. The Office also prepares financial ballot analyses for proposed legislation in accordance with the City Charter, and conducts analyses and reviews requested from the City Council.

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