



CITY OF OAKLAND
Office of the City Auditor

2024 Annual Report

April 9, 2025

About Us

Oakland's City Auditor is an elected official who works for and reports to the residents of Oakland. 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. As required by the City Charter, our audits are conducted in accordance with [Government Auditing Standards](#) set by the Government Accountability Office under the U.S. Comptroller General.

The City Auditor's Office also 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 impartial financial analyses for proposed ballot measures in accordance with the Municipal Code, and conducts analyses and reviews requested by the City Council.

To make sure all this work is done objectively and without bias, the City Auditor is not connected to any other City department and has no day-to-day financial or accounting duties for the City of Oakland. This autonomy allows for independent analyses, ensuring tax dollars and other resources serve the public interest. Upon completion of an audit project or investigation, results are published and posted on the City Auditor's [website](#).

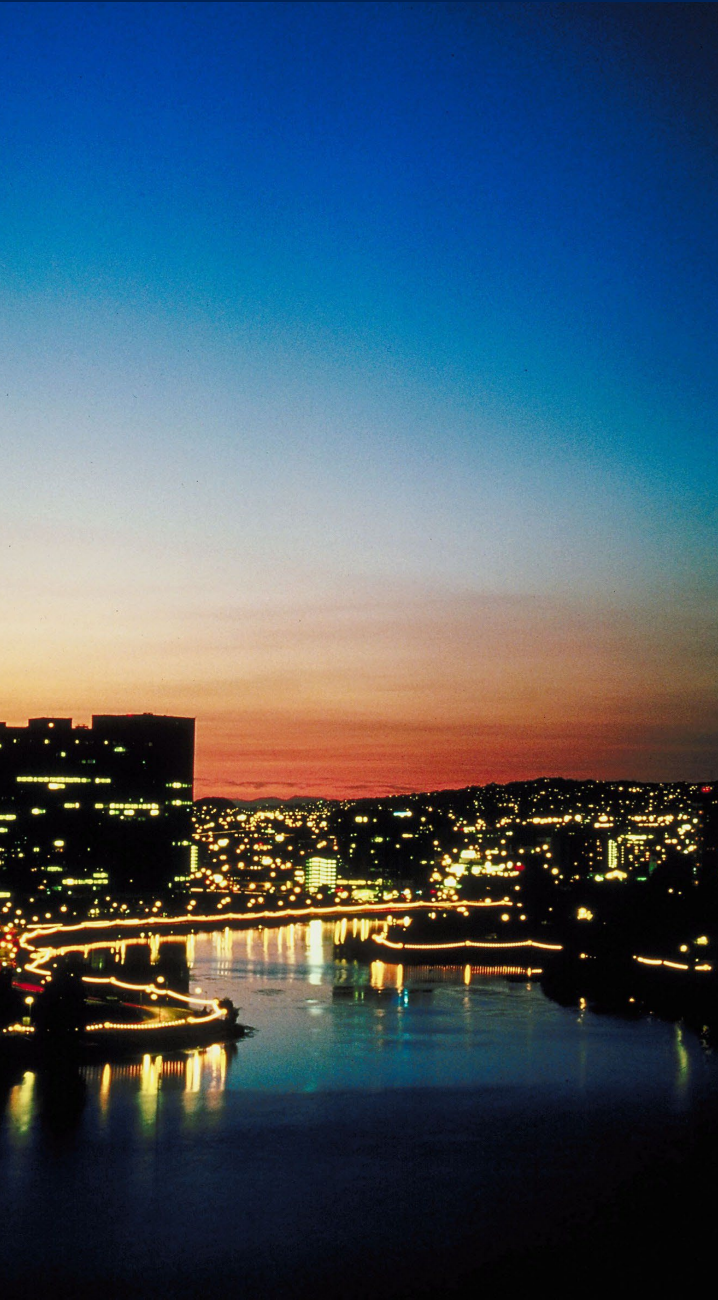


Our Mission

The Office of the City Auditor advocates good City government for all Oaklanders by independently and objectively assessing City programs and services, making recommendations to improve them, and publicly reporting the results.

Our Vision

To achieve an effective, efficient, equitable, ethical, and accountable City government that is data-driven, responsive to the most pressing needs of residents, and supportive of the collective well-being of all Oaklanders.



Our Values

We are driven by the positive difference our work makes in every Oaklander's life. The Office adheres to the following core values:

Accountability. We believe government officials and agencies—including our Office—are responsible to the public for their performance, use of resources, stewardship of assets, and ethical conduct.

Transparency. We believe free and open access to information is necessary for government officials and agencies to be accountable.

Integrity. We conduct our work and report results fairly, honestly, objectively, and independently. We are committed to evidence and accuracy and will publicly acknowledge and correct our errors.

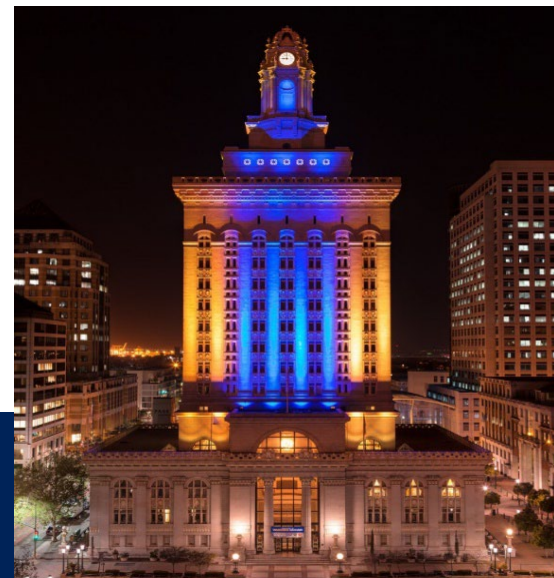
Respect. We recognize that government officials, agency executives, and City staff, including those within our Office, bring different strengths and perspectives to the table. Within City government and within our Office, we listen to others' points of view and share our knowledge, skills, and ideas to communicate honestly and constructively.

Responsiveness. We aim to add value to decision-makers by providing relevant, useful, and timely information to inform City governance and focusing our work on the most pressing issues faced by Oaklanders.

Excellence. We are committed to engendering credibility by producing high-quality, reliable work and continuously striving to improve our performance.

Collaboration. We aim to approach our work constructively, listening to the concerns of the community, City employees and officials, and coming together for the common goal of improving outcomes for Oaklanders.

Openness. We work best as a team when we communicate together freely, candidly, and with humor, and foster creativity by crediting and building on the contributions of others.



2024 in Review

PERFORMANCE AUDITS: *Performance audits evaluate whether the City is effectively and efficiently spending taxpayer dollars, complying with relevant rules and regulations, and programs provide the results promised. In 2024, our Office published five performance audits:*

1. [Performance Audit of Citywide Pay Equity](#)

- We found differences in pay among City employees across different demographic groups were largely due to the compensation of their job classifications. When adjusting for job classifications, there were no differences in base pay across different demographic groups, and when looking within select City job classifications, different genders were similarly represented above and below the median pays.
- Within public safety departments, women were underrepresented in sworn positions and women police officers made less money in overtime pay, but equivalent base pay.
- We made 7 recommendations to continue current approaches and adopt additional approaches to improving employee representation within job classifications and pay equity across the City through small improvements to hiring trainings, job postings, data access, and coordination with the Department of Race and Equity.

2. [Performance Audit of Grants from the City of Oakland to Saba Grocers Initiative and its Fiscal Sponsor](#)

- Between December 2021 and May 2023, the City Auditor's Whistleblower Hotline received multiple anonymous complaints alleging that officials of a City of Oakland (City) contractor, Saba Grocers Initiative (Saba), failed to distribute City-funded debit cards to community members as contracted by the City. The investigation did not substantiate the allegations but found significant weaknesses with the City's grant management and oversight of its agreements with Saba, necessitating a performance audit.
- We made recommendations to strengthen oversight and accountability regarding City grants and City-funded debit cards, and to determine whether Saba owes the City, and if so, to pursue the amounts owed.

3. [Performance Audit of the Development Services Fund: Centralized Fund Management Will Better Capture Citywide Costs](#)
 - Over the past seven years, the City had relatively high fund balances in the Development Services Fund. At the same time, revenues and workload have varied while expenditures have increased.
 - We found the City's development service fees most likely do not tie to the cost of providing service due to the age and limited coverage of fee studies to date. This creates potential for structural issues with the Fund.
 - We made two recommendations to ensure future development service fees meet cost recovery goals: create a policy to have periodic development fee studies to cover all departments that contribute to and draw from the Fund, and establish criteria for what types of staff may be funded with development service fees.

4. [Audit of Library Parcel Taxes for Fiscal Year \(FY\) 2019-20 through FY 2022-23](#)
 - We found the Library spent Measure Q, D, and C proceeds in accordance with their respective requirements and we found no significant issues with the Measure Q reserve fund requirement. However, the audit found the City did not meet Measure C requirements in two respects:
 - The City fell short of Measure C's General Fund appropriation and exemption requirements for FY 2022-23.
 - The City mistakenly collected approximately \$112,000 in Measure C taxes from exempt property owners.
 - We made two recommendations to address these findings and validated that the City refunded taxes collected from exempt property owners. To date, we have not received a response on this audit.

5. [Audit of Organized Retail Theft Prevention Grant Program](#)
 - We found the City's ability to successfully submit its grant application was derailed by a disjointed process. Specifically, we found the City's inability to submit a timely application resulted from multiple factors:
 - Lack of organizational leadership,
 - Lack of project management,
 - Poor inter-departmental communication and coordination about the grant, and
 - Lack of a grant management policy.
 - We made recommendations to develop and implement a citywide grants management policy.

SEMIANNUAL AUDIT RECOMMENDATION FOLLOW-UP REPORTS (ARFU): *In November 2022, Oakland voters passed Measure X, which 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. To this end, our Office has and will continue to review and report on all open audit recommendations semiannually for periods ending June 30th and December 31st.*

1. [Semiannual Audit Recommendation Follow-Up Report as of June 30, 2024](#)
 - This report summarized 275 unique audit recommendations stemming from 44 performance audits issued since 2014. We detailed the status of 154 recommendations that were either open or newly issued as of the last semiannual audit recommendation cycle (as of December 31, 2023).
 - As of June 30, 2024, the City Administration implemented 115, or 42 percent of all recommendations.

2. [Semiannual Audit Recommendation Follow-Up Report as of December 31, 2023](#)
 - Our first-ever semiannual audit recommendation follow-up report covered 265 unique audit recommendations stemming from 40 performance audits. As of December 31, 2023, the Administration implemented 117, or 44 percent of those recommendations.
 - In this report, we provided charts summarizing the implementation status by age, department, report, and intended benefit, and have included summaries and status updates for all recommendations as of this cycle.

BALLOT MEASURE ANALYSES: *Municipal Code Section 3.08.210 requires our Office to prepare an impartial financial analysis of each measure qualifying for ballot placement. In 2024, we published three Ballot measure analyses, all of which can be found on our website at the links below.*

1. [Measure \(November 2024 Ballot\) – Wildfire Prevention Financing Act of 2024](#)
2. [Measure \(November 2024 Ballot\) – Oakland Community Violence Reduction and Emergency Response Act of 2024](#)
3. [Measure \(November 2024 Ballot\) – Modernize and Strengthen the Public Ethics Commission Sacramento City Auditor Financial Analysis](#)

ANNUAL WHISTLEBLOWER REPORTS: *These reports give a high-level overview of program achievements and investigations, including the number of complaints received and resolution of reported allegations. The bulk of the Program's activities are rooted in the following objectives: promoting an ethical culture and awareness of fraud, waste, and abuse; providing responsive customer service to the public and City employees; and conducting and managing investigations into allegations of fraud, waste, and abuse.*

[2023-24 Whistleblower Program Annual Report](#)

- 131 complaints were filed in FY 2023-24, a decrease from 153 in FY 2022-23.
- The majority of the complaints submitted included allegations of misconduct or inappropriate behavior, time abuse, theft, and hiring irregularities.
- 104 cases were closed in FY2023-24 with 12% of those cases being closed after an investigation.
- 2 complaints were substantiated, meaning after an investigation, allegations were confirmed, and recommendations were made to the City Administrator and/or appropriate City departments for corrective action.
- 3 complaints were refuted, which means after an investigation, allegations were determined to be false.
- 7 complaints were not substantiated, meaning after an investigation there was inconclusive information to substantiate or refute the allegations.
- 9 complaints were forwarded and closed after a preliminary review determined the cases did not qualify as fraud, waste, or abuse but other City departments or outside agencies should review further.
- 27 complaints were closed after a preliminary review determined the cases were outside of the City's jurisdiction.



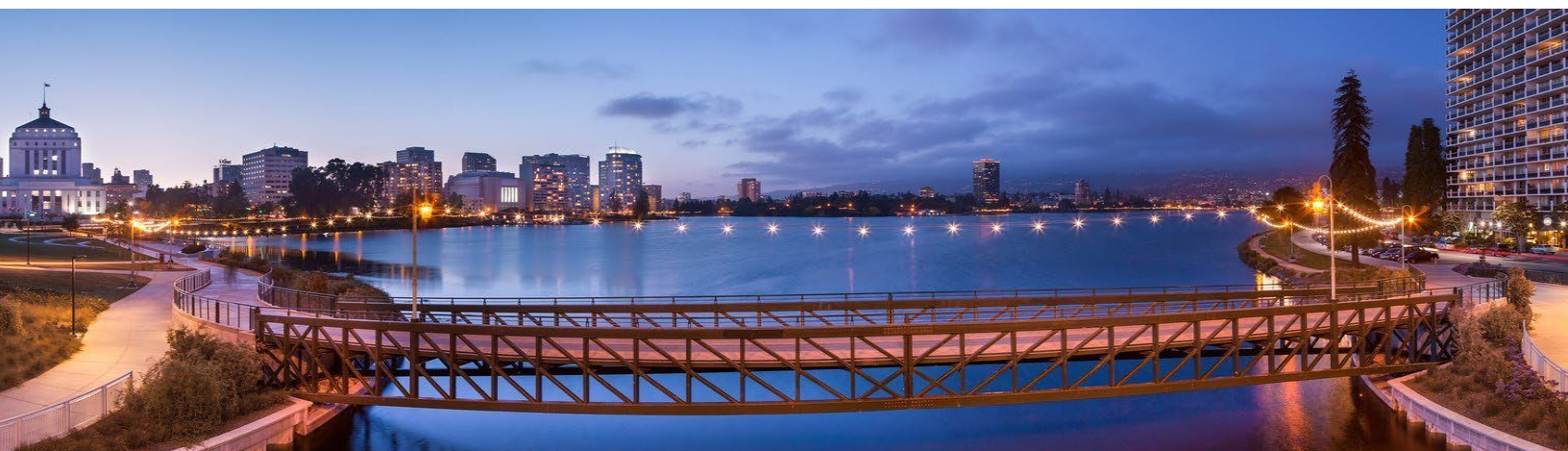
THE ANNUAL AUDIT WORK PLAN: *The City Charter states that the Auditor shall conduct reviews and audits “the Auditor deems to be in the best public interest.” Accordingly, in developing its Annual Audit Work Plan of performance audits, the Office considers concerns of Oakland residents, businesses, and community organizations; concerns of City leadership and employees; requests from the Mayor and City Council; requirements of the City Charter and Municipal Code; the public interest; and emerging risks, and Whistleblower complaints. The work plan outlines the Office’s planning process to determine what audits to prioritize, and how to maximize the Office’s limited resources. It also reflects the Office’s ongoing efforts to audit areas that matter most to Oaklanders.*

The City Charter stipulates that our Office must publish its Annual Audit Work Plan every year, in August. Our first [Annual Audit Work Plan](#) was published in August 2023. The following summarizes the work plan that is currently in progress.

[Annual Audit Work Plan Fiscal Year 2024-25](#)

- Audits Currently in Progress:
 - Kids First! Oakland Fund for Children and Youth Act (Measure D)
 - The Oakland Police Commission and the Community Police Review Agency
 - Vacant Parcel Tax (Measure W)
 - Emergency Response Times
 - Illegal Dumping

- Priority Reports and Audits to Launch in 2025:
 - Information Technology Cybersecurity
 - Citywide Personnel Investigations (pending staffing resources)
 - Finance Department’s Revenue Bureau
 - Budget Sustainability Informational Report
 - Financial Management of Capital Improvement Projects



Community & City Employee Outreach

Sharing our work with Oakland residents and employees is of the utmost importance to our Office, as it helps to increase government transparency and promote trust. Our Office sends out newsletters and presents our work to the City Council and various organizations throughout the city. The community provides the City Auditor's Office valuable input into local needs through surveys and outreach events. The purpose of such outreach is to not only provide information and assistance, but also to identify new areas upon which to direct future attention.

NEWSLETTERS: *Our Office sends out newsletters to the community and City employees when we publish a new report, release statements to the press, or need to make important announcements.*

Date Issued	Newsletter Title
12/13	Newsletter 46 – Thank You For A Successful Open House & Listening Session: Here’s what we heard you say...
11/26	Newsletter 45 – You’re Invited: Meet the Moment and Join Us for a Community Listening Session!
11/4	Newsletter 44 – New Audit Report Issued: Citywide Pay Equity
10/16	Newsletter 43 – Report Released, Our Team is Growing, and We Need Your Help!
8/29	Newsletter 42 – Annual Audit Work Plan Released! + November Ballot Measure Analyses, & More
7/1	Newsletter 41 – Report Released! Whistleblower Complaints Initiate Audit of City Grants to Saba Grocers & Its Fiscal Sponsor
6/28	Newsletter 40 – Development Services Fund Report Release
6/13	Newsletter 39 – It’s Official! New Report Released, Audits in Progress, Critical Appointment & More
4/30	Newsletter 38 – Report Released! Audit Uncovers Why the City Missed the State Retail Theft Prevention Grant Application Deadline
3/21	Newsletter 37 – Two Inaugural Reports Released!

Sign up to receive our newsletters [here](#).

PRESENTATIONS TO CITY COUNCIL: *We make a point of publicly reporting on our work. Our presentations to the City Council and City Council committee meetings are archived on the City’s public meeting website. In 2024, we made seven presentations to the City Council and City Council committees.*

Date	Report Title – City Council /City Council Committee
3/12	Measure Q Performance Audit (Finance & Management)
3/19	Measure Q Performance Audit (full City Council)
5/21	Semi-Annual Audit Recommendation Follow-Up Report, as of December 31, 2023 (full City Council)
10/8	Performance Audit Of The Development Services Fund (Finance & Management)
10/8	Performance Audit of Library Parcel Taxes For Fiscal Year 2019-20 Through 2022-23 (Life Enrichment)
12/3	Semi-Annual Audit Recommendation Follow-Up Report, as of June 30, 2024 (full City Council)
12/16	Performance Audit of Citywide Pay Equity (full City Council)

View all KTOP presentations [here](#).

COMMUNITY PRESENTATIONS & EVENTS: *The City Auditor and staff are asked to present at neighborhood meetings and attend events to connect with the community and share our work.*

Date	Event
1/17	Montclair Neighborhood Crime Prevention Council Meeting (NCPC)
1/17	OMCA’s 23 rd Annual Lunar New Year Celebration
6/19	Juneteenth Event
6/26	Oakland Chamber Event at Fairyland
7/28	Presentation to the Oakland Library Commission re: Audit of Library Parcel Taxes for Fiscal Year (FY) 2019-20 through FY 2022-23
8/6	National Night Out
8/8	Eagle Scout Celebration
8/14	Oakland Museum of California – Chamber of Commerce Mixer
8/24	Rockridge Rock-N-Stroll
8/24	Oakland Chinatown Street Festival
9/5	Prescott Night Market
9/20	NAACP Oakland Branch – Freedom Fund Gala
9/24	Oakland Latino Chamber of Commerce – Hispanic Heritage Month Celebration and Mixer
9/28	Sobrante Park Resident Action Council – Community Fun Day
10/3	Prescott Night Market
10/5	Oakland Black Cowboy 50 th Annual Parade and Celebration
10/24	SPUR 62 nd Annual Sliver SPUR Awards

12/9	1 st Annual City Auditor's Office Open House & Community Listening Session
12/11	East Bay Rental Housing Association – Holiday Mixer
12/17	Oakland Latino Chamber of Commerce Mixer

*Ask us to table at your upcoming event or speak at your next meeting!

IN THE PRESS: View our website to read our Office's [press releases](#) and [news articles](#) about our published reports.

Accolades & Accomplishments

- We won a Distinguished Knighton Award for our [Performance Audit of Citywide Pay Equity!](#)
 - The Association of Local Government Auditors issues the [Knighton Award](#) annually, recognizing the best performance audit reports of the year using the **Exemplary** and **Distinguished** categories. Our team is honored to have been recognized nationally for the quality of our work!
- We finalized two Citywide Administrative Instructions providing authoritative guidance that City employees can use as a reference for understanding the audit process and responsibilities they have as audited departments and the process for implementing audit recommendations, including the expectations of auditees to whom the recommendations are addressed.
- We made 14 audit recommendations to provide economic benefits and improve the equity, efficiency, effectiveness, transparency, accountability, and compliance of the City.
- Audit staff attained 220 continuing professional education training hours to comply with Government Auditing Standards and improve their audit skills.
- We presented to our peers on the topic of “Finding Meaning in Data” twice! Once at the Association of Local Government Auditors' national webinar on April 9, 2024 and again to their regional audience in Atlanta, GA – October 21, 2024.
- We co-presented “Homelessness – the Ongoing Crisis in California and Beyond” at the Western Intergovernmental Audit Forum (WIAF) on September 11, 2024.

Our Team



Michael C. Houston
City Auditor



Eduardo Luna
Assistant City Auditor



Orsolya Kovessi
Whistleblower Program Manager



Stephanie Noble
Performance Audit Manager



Mark Carnes
Senior Performance Auditor



Marisa Lin
Senior Performance Auditor



Brianna Horton
Community Outreach & Engagement
Advisor and Executive Assistant to the City
Auditor



Dena Shupe
Communications Director &
Assistant to the City Auditor

Read our team members' biographies [here](#).

Contact & Connect

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