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PRESS RELEASE



**CITY OF
OAKLAND**

OFFICE OF THE CITY AUDITOR
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New Audit Finds Opportunities for the City of Oakland to Tighten Revenue Management and Increase Business Tax Revenue

OAKLAND, Calif. (April 2, 2026): Yesterday, the Oakland City Auditor's Office released an audit report about the Revenue Management Bureau (Revenue Bureau) of the City of Oakland's Finance Department.

During the 2024-25 midcycle budget process, the City Council requested and provided funding for the audit, amid concerns that the City was not collecting all the business tax revenue it was owed. The audit, contracted by the City Auditor's Office, assessed the Revenue Bureau's billing and collection of applicable City taxes and fees, and identified how the Revenue Bureau could increase collection of City taxes and revenues. The audit covered business tax collection activities from July 1, 2021 through June 30, 2024. During this time, annual business license revenue ranged from a low of \$101 million (Fiscal Year 2021-22) to \$123 million (Fiscal Year 2023-24).

The audit concluded that the Revenue Bureau did not collect all revenue owed to the City, did not have sufficient systems in place to ensure accurate and timely billing and collection of City taxes and fees, had not sufficiently collected taxes and revenues from identified businesses, and did not have sufficient processes for identifying businesses subject to business tax.

Among the key findings was that the Revenue Bureau reduced or ceased activities which led to reduced potential revenue. For example, the Revenue Bureau's Tax Compliance Division did not refer delinquent business tax accounts for collection timely or consistently, which endangered the City's ability to collect potential revenue. In a given year, the Bureau expected to refer between \$9 and \$12 million to collections. The audit also identified internal management issues like insufficient segregation of duties, and a lack of comprehensive performance management and monitoring. On the positive side, the audit found that the Revenue Bureau's tax registration and renewal processes were mostly consistent with best practices, and its tax audit and revenue verification processes were also consistent with best practices.

The audit report includes 10 recommendations to the Finance Department to address these findings. The City Administration accepted all the audit recommendations. The City Auditor's Office will follow up on

each of the audit recommendations to monitor progress, as part of its semiannual audit recommendation follow-up process, until the recommendations are implemented.

Oakland City Auditor Michael C. Houston commented on the audit results: “In order to deliver essential services our community needs and deserves, the City of Oakland must bring in revenue to keep up with its expenses. Given our ongoing budget constraints, the City needs to secure every dollar it can. I am glad this audit identified ways the City can bring in revenue that it is owed and desperately needs.”

Auditor Houston added: “I am grateful to the City Council for sponsoring this important audit. And I am grateful to the leadership of the Finance Department, including the new Revenue Bureau Manager, for their cooperation during the audit, as well as their consideration and acceptance of the audit recommendations. And I thank the team at Sjoberg Evashenk, Consulting for their thorough review of this essential City function.”

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You can read the full report [here](#). The City Auditor is available for in-person, virtual, or phone interviews. Please direct questions to Director of Communications, Dena Shupe at DShupe@oaklandca.gov.

ABOUT OAKLAND'S CITY AUDITOR MICHAEL C. HOUSTON

A career public servant, Michael C. Houston, has been a government auditor and investigator for 18 years. He worked as a performance auditor for the City of San Jose's independent City Auditor's Office from 2008 to 2017 and then as the Director of Compliance and Internal Control at California State University East Bay, where he directed the audit and investigation functions between 2017 and 2019. Michael joined the Oakland City Auditor's Office in 2019 as the Whistleblower Program Manager and was promoted to be the Assistant City Auditor in 2022. In a March 2024 Special Election, Michael was elected to complete the term of the previous City Auditor, who resigned mid-term. 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. Visit www.oaklandauditor.com to learn more about Oakland's Office of the City Auditor or view a complete list of our released audits, investigations, and annual reports.