

# Office of the City Auditor

Preliminary Fiscal Year 2021-2022  
Budget Proposal



June 8, 2021  
Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



# Preliminary Budget Proposal – City Charter

## Proposition 5 (11-04-2014) Amended Chapter XI, Section 2

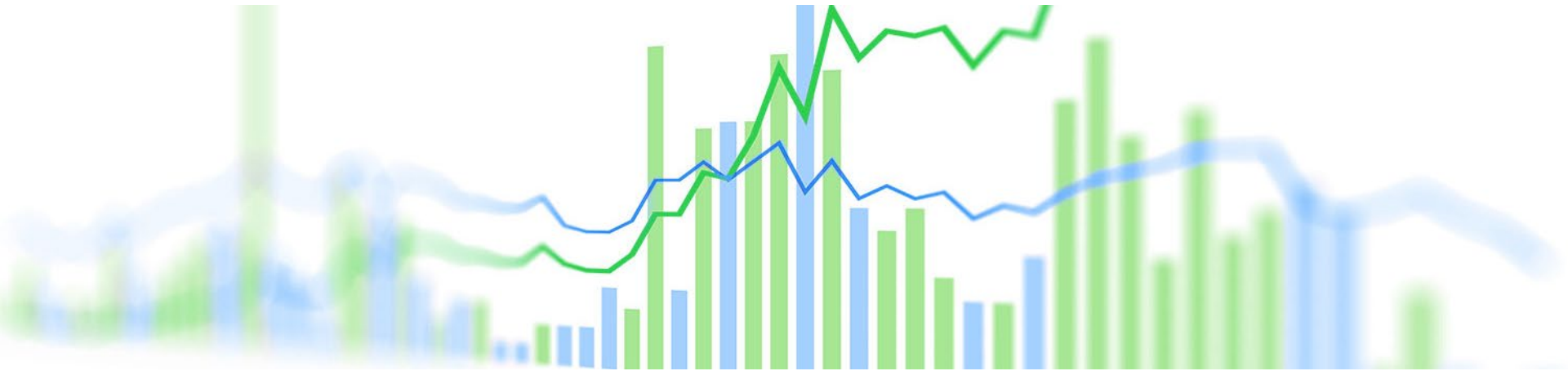
*“The city auditor shall furnish a detailed budget estimate of the needs and requirements of the Office of the City Auditor for the coming year directly to the city council, to be approved by the city council, and then consolidated with the city manager’s annual budget estimate.”*

(Amend. Of 11-08-05, Prop. No. 13; Amend. Of 11-04-14, Prop. No. 5).

# Preliminary Budget Proposal

	FY 2020 – 2021 Budget	FY 2021 – 2022 Planned	4% Reductions	FY 2021-2022 Recommended Budget
Personnel Services	\$2,434,384	\$2,453,694	\$126,418	\$2,327,276
Professional Services	360,267	360,267		360,267
Contractual - Other Services	294,089	284,386		284,386
Supplies - Material	35,120	32,275		32,275
<b>Total Expenses</b>	<b>\$3,123,860</b>	<b>\$3,130,622</b>	<b>\$126,418</b>	<b>\$3,004,204</b>

# Preliminary Budget Proposal – Notable Items



**\$126,418**

Personnel vacancy savings

**21 FTEs (will stay the same)**

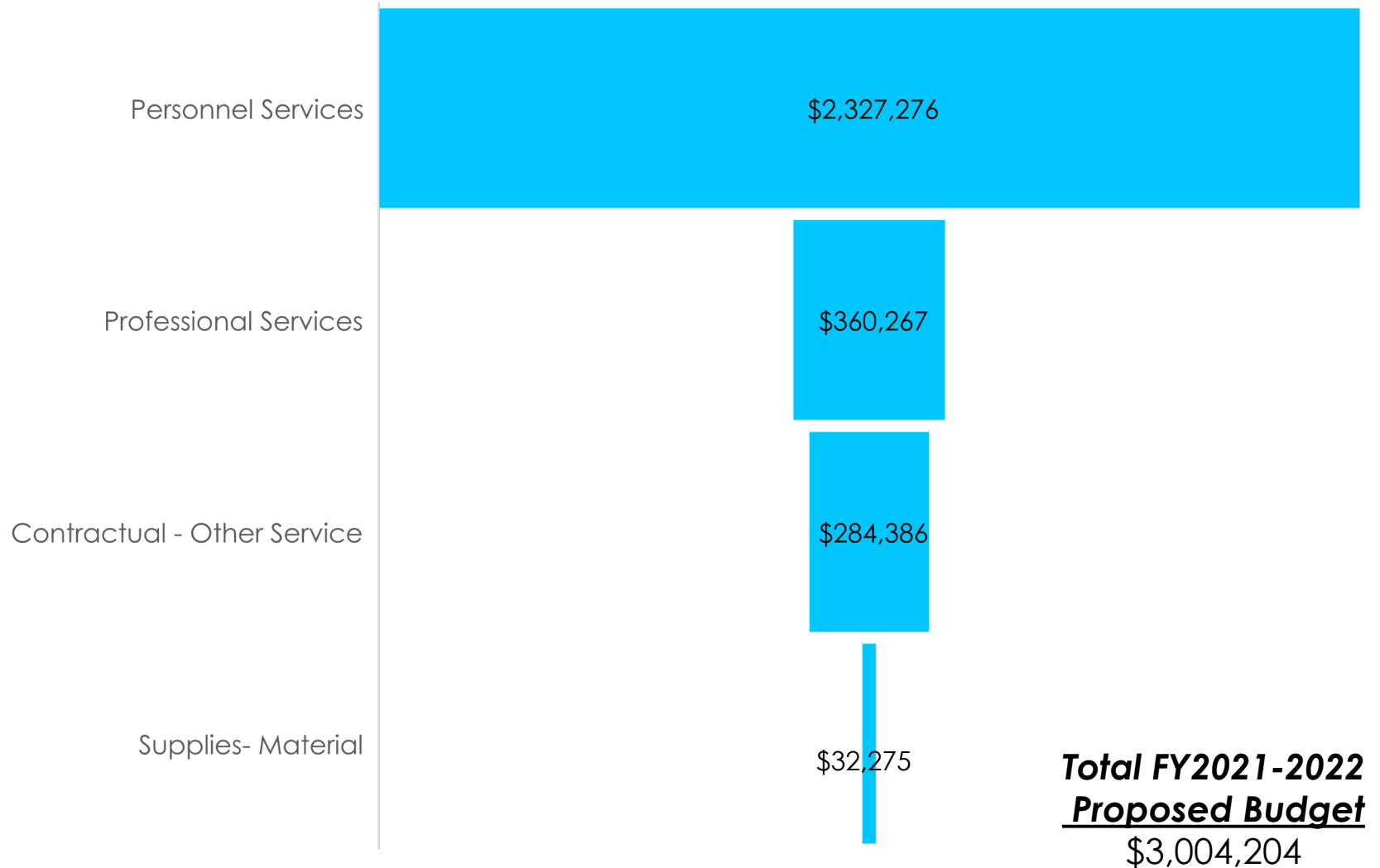
**Impact: Recognition of Historic Trend**

**\$360,267**

Professional Services – External auditing/consulting services to augment staff skills.

**Impact: 2-3 Audit Engagements**

# Preliminary Budget Proposal - Breakdown



# Preliminary Budget Proposal - Budget History

For Year Ending September 30,	Total Budget	Co-Sourcing	Percent Co-Sourcing	FTE
2018	\$3,160,043	\$ 7,235	0%	26
2019	3,352,314	18,953	1%	26
2020	3,486,827	220,730	6%	24
2021	3,123,860	360,267	12%	21
2022 (Recommendation)	3,004,204	360,267	12%	21

# Preliminary Budget Proposal – Final Adjustments Needed

- Decision on:
  - Pension costs
  - Healthcare costs
  - Worker's Compensation rates
  - Property, casualty, and public liability insurance
  - Department of Information and Technology Services' chargebacks

# Preliminary Budget Proposal – Revenue Impact

- Audits provide oversight of controls supporting operational responsibilities of revenue collections.
- Office of the City Auditor administers outsourced audit of sales/use tax compliance contract.
- Office of the City Auditor administers outsourced audit of utility franchise fees.



# Preliminary Budget Proposal – Performance Measures As of May 17, 2021

	FY 2019 – 2020 Target	FY 2019 – 2020 Actual	FY 2020 – 2021 Target	FY 2020 – 2021 YTD Actual
<b>Outputs</b>				
Number of Audit Deliverables	N/A	16	19	10
Percentage of Initial Response for Fraud, Waste, and Abuse Alerts within Three Workdays	N/A	N/A	95%	100%
<b>Efficiency</b>				
Percentage of Available Hours on Direct Projects	N/A	85%	82%	80%

# Preliminary Budget Proposal – Outcomes

## As of May 17, 2021

City management’s implementation of Office of the City Auditor’s recommendations improves City operations and Delivery of City services.

	FY 2019 – 2020 Target	FY 2019 – 2020 Actual	FY 2020 – 2021 Target	FY 2020 – 2021 YTD Actual
<b>Outcome Measures include:</b>				
Percentage of recommendations Management agrees to implement	100%	87%	90%	79%
Percentage of recommendations implemented in 18 months	N/A	N/A	60%	TBD

# Next Steps



- Recommendation to Council from Government Performance and Financial Management Committee for approval of the Office of the City Auditor's proposed preliminary budget estimate of \$3,004,204\* to be included in the City Manager's annual budget estimate for FY 2021 – 2022.

- City Council Agenda item for Wednesday, June 23, 2021

\*Subject to final citywide adjustments, such as staff benefits, insurance, Department of Information Technology Services' chargebacks, and other items that may affect all City departmental budgets.

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