

Office of the City Auditor

Preliminary Fiscal Year 2022-2023
Budget Proposal



May 23, 2022
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

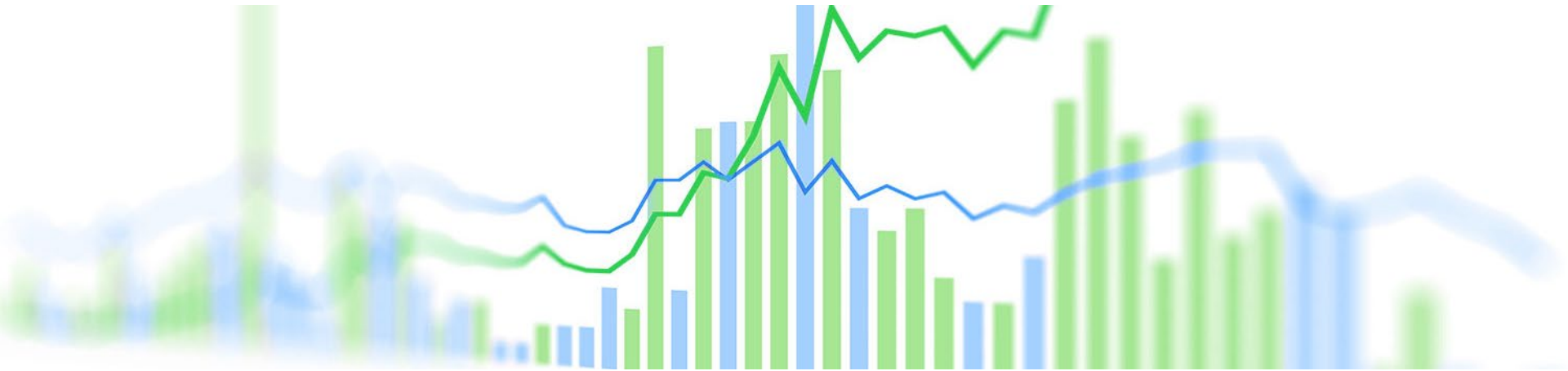
“The city auditor shall furnish a detailed budget estimate of the needs and requirements of the Office of the City Auditor for the coming year directly to the city council, to be approved by the city council, and then consolidated with the city manager’s annual budget estimate.”

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

Preliminary Budget Proposal

	FY 2021 – 2022 Budget	FY 2022 – 2023 Recommended Budget	Vacancy Savings	FY 2022-2023 Target
Personnel Services	\$2,351,391	\$2,516,279	-\$62,232	\$2,454,047
Professional Services	416,432	416,432		416,432
Contractual - Other Services	271,301	279,006		279,006
Supplies - Material	24,991	24,991		24,991
Total Expenses	\$3,064,115	\$3,236,708	-\$62,232	\$3,174,476

Preliminary Budget Proposal – Notable Items



\$62,232

Personnel vacancy savings

21 FTEs (will stay the same)

Impact: Recognition of Historic Trend

\$416,432

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

Impact: 3-4 Audit Engagements

Preliminary Budget Proposal - Budget History

For Year Ending September 30,	Total Budget	Co-Sourcing	Percent Co-Sourcing	FTEs
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	3,004,204	360,267	12%	21
2023 (Recommendation)	3,174,476	416,432	13%	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 13, 2022

	FY 2020 – 2021 Target	FY 2020 – 2021 Actual	FY 2021 – 2022 Target	FY 2021 – 2022 YTD Actual
Outputs				
Number of Audit Deliverables	19	18	19	5
Percentage of Initial Response for Fraud, Waste, and Abuse Alerts within Three Workdays	95%	100%	95%	98%
Efficiency				
Percentage of Available Hours on Direct Projects	82%	80%	82%	78%

Preliminary Budget Proposal – Outcomes

As of May 13, 2022

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

	FY 2020 – 2021 Target	FY 2020 – 2021 Actual	FY 2021 – 2022 Target	FY 2021 – 2022 YTD Actual
Outcome Measures include:				
Percentage of recommendations Management agrees to implement	90%	80%	90%	80%

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 \$3,236,708* to be included in the City Manager's annual budget estimate for FY 2022 – 2023.

- City Council Agenda item for Wednesday, June 8, 2022

*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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