



Office of the City Auditor

INFORMATION CALENDAR

April 29, 2014

To: Honorable Mayor and Members of the City Council
From: Ann-Marie Hogan, City Auditor
Subject: Amendment to Fiscal Year 2014 Audit Plan

INTRODUCTION

The aim of the City's Performance Audit program is to improve the efficiency, effectiveness, and accountability of City service delivery, and to reduce risks. The Berkeley City Charter requires that the City Auditor provide the City Council with a planned audit schedule by the beginning of each fiscal year.

On July 16, 2013, the Audit Plan for the current fiscal year was presented to Council. As required by the City Charter, we are notifying Council of a modification to the annual audit plan. We are adding a refuse billing audit to the FY 2014 annual audit plan to determine whether refuse billings match subscription levels.

Audit Reports Sent to Council in FY 2014

- [Audit: Construction Permits - Monitor Performance and Fee Assessments to Ensure Excellent and Equitable Customer Service¹](#)
- [\\$52,000 Theft: More Can Be Expected Without Citywide Changes in Culture and Procedures²](#)

Audits In Progress

- Zero Waste audit to be presented to Council in June 2014
- Police Department: Police injuries audit
- Animal Services overtime audit
- Refuse billing audit – As a tie into our current Zero Waste audit, a refuse billing audit will help identify improperly billed accounts in Zero Waste programs. We will statistically quantify billing discrepancies for the refuse fund.

Deferred to 2015

- Permit Center Phase II: Use Permits – Deferring this audit will allow us to consider the effects of Planning's implementation of the recommendations in our 2014 audit.

¹ http://www.ci.berkeley.ca.us/uploadedFiles/Auditor/Level_3_-_General/A.1_RPT_Audit%20Report_Final_032514.pdf

² http://www.cityofberkeley.info/uploadedFiles/Auditor/Level_3_-_General/A.2_RPT_PRW%20Cash%20Handling_Final.pdf

BACKGROUND

Performance Audit's goal is to improve the efficiency, effectiveness, and accountability of City service delivery, to reduce the risk of loss, and to promote ethical governance.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Audit work can lead to new revenue, cost recovery, and increased efficiency, with economic impact well beyond the audit costs. Long-range financial benefits of the audits completed in FY 2014 should result in significant improvements to internal controls and improved efficiency and effectiveness of Citywide services.

The action Council takes to ensure timely action on all audits should result in additional savings and risk reduction, including fraud risk. Reducing fraud risk does more than save money; it helps build trust in government. Maintaining a strong audit function and prudent fiscal and program management will reduce future costs and enhance public trust.

CONTACT PERSON

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