



Office of the City Auditor

INFORMATION CALENDAR

June 24, 2008

To: Honorable Mayor and Members of the City Council
From: Ann-Marie Hogan, City Auditor
Subject: Audit Plan for Fiscal Year 2009

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.

SUMMARY

The selection of audits to be performed in fiscal year 2009 was based on a review of risks and opportunities. We considered over one hundred items for audit, consulting with Berkeley residents, the City Manager, Department Directors, and an Audit Advisory Committee of Council. Areas selected were those we considered had the most potential for identifying either new revenue or significant recommendations for improvements.

Reports and activity for fiscal year 2009 will include:

- Billings and Collections
- Permitting
- Public Works Staff Utilization and Costs
- Workers Compensation
- Contract Oversight Improvements - Phase One: Leases
- Business License Tax
- Citizen-Centric Report on City Finances and Programs
- Ethics Survey
- Follow-up
- Surprise Cash Counts
- Study of Employee Whistle Blower Hotlines
- Internal Controls and Fraud Prevention Awareness Training

Reports carried over from the fiscal year 2008 plan include:

- Police Overtime and Lost Time (currently being finalized)
- Property Taxes
- Police Department Evidence Room (will be performed in either fiscal year 2009 or fiscal year 2010 depending on when the planned internal control improvements are operational).

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 for the audits completed in fiscal year 2009 should result in significant improvements to internal controls and improved efficiency and effectiveness of Citywide services. Business license revenue from compliance audits has historically been projected at \$125,000 to \$150,000 annually per full time equivalent employee assigned.

CONTACT PERSON

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