



INFORMATION CALENDAR

January 21, 2025

To: Honorable Mayor and Members of the City Council

From: Jenny Wong, City Auditor *zw*

Subject: Audit Follow-up Status Update

INTRODUCTION

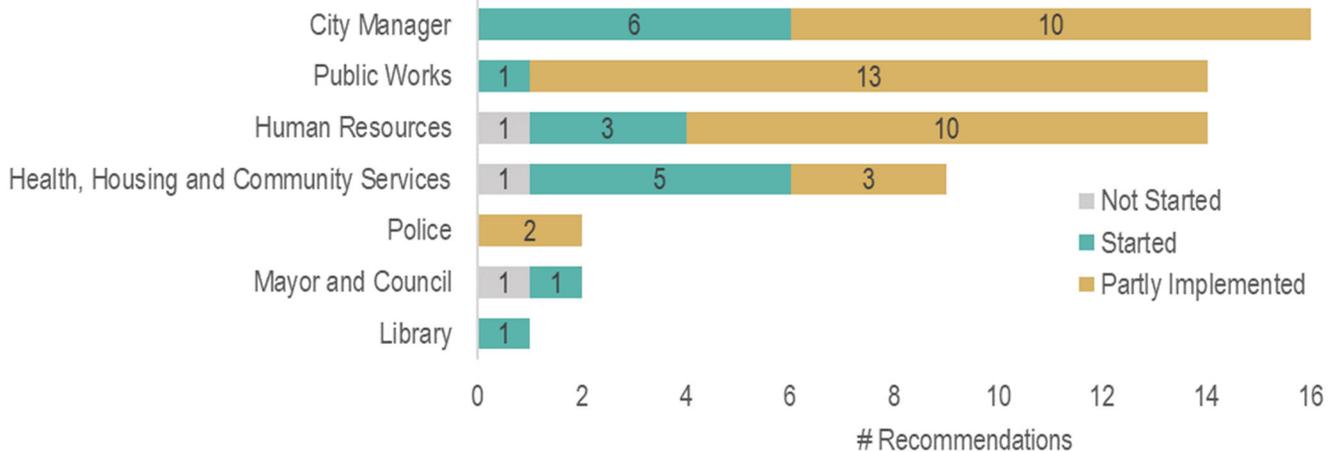
This item provides a status update on the audit follow-up of all recommendations since our last report in May 2024. Administrative regulations require the City Auditor to monitor the status of outstanding audit recommendations and periodically report to City Council.

CURRENT SITUATION AND ITS EFFECTS

We follow up on audits to assess whether city departments implemented the audit recommendations. The Auditor’s Office issues annual follow-up audit reports to City Council on the status of our recommendations.

As of December 19, 2024, there were 58 open recommendations across five departments, as well as the Library, and Mayor and City Council. We additionally marked nine outstanding audit recommendations as implemented this follow-up period of May 15, 2024 – November 7, 2024. Departments have implemented 42 of the 113 (37%) audit recommendations issued since 2019.¹

Figure 1. There are currently 58 open audit recommendations across 5 departments as well as the Library, and Mayor and Council.



Source: Auditor analysis

¹ Since 2019, we dropped 13 audit recommendations.

During this audit follow-up period, we closed two out of ten audits that were still open at the beginning of that time period. Audits are closed when all recommendations are implemented, or if they are older than five years. After five years, recommendations that are not implemented are marked as “dropped” on the online dashboard. This follow-up period, we closed the 2019 fire prevention inspections audit² because it passed the five-year mark, and we dropped the 9 unimplemented recommendations. We also closed the Measure FF audit because the Fire Department implemented the all of the recommendations except one we dropped because they stated that technological limitations prevented them from implementing it and will accept the associated risk.³

BACKGROUND

The City Auditor’s Office has a mission to promote transparency and accountability in Berkeley government. We conduct independent performance audits to evaluate city operations and programs and make recommendations to improve operations and services and ensure productive use of taxpayer funds. We focus on equitable, efficient, and effective use of city resources to achieve goals and objectives.

Following up on audit recommendations is an important part of the audit process that helps hold departments accountable for implementing agreed-upon audit recommendations. To further that goal, our office launched an online dashboard to track the status of outstanding audit recommendations in September 2022. Additional up-to-date information on each audit recommendation is available on our [online dashboard](#) on [our website](#).

While we understand that some departments face staffing challenges that make it difficult to prioritize audit recommendations, not implementing the recommendations can mean that the City is not addressing the risks identified in audits or making needed improvements to operations or services.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

While there may be environmental impacts associated with some audit recommendations, there are no identifiable environmental effects or opportunities associated with the audit follow-up process.

CONTACT PERSON

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Attachment:

1: Recommendations Follow Up Report 2024

² [Fire Prevention Inspections: Insufficient Resources Strain Code Compliance](#)

³ [Spending Aligned with Ballot Measure FF and the City is Improving Internal Processes](#)

Annual Audit Recommendation Follow-Up Report

Status Update As Of
December 19, 2024



BERKELEY CITY AUDITOR



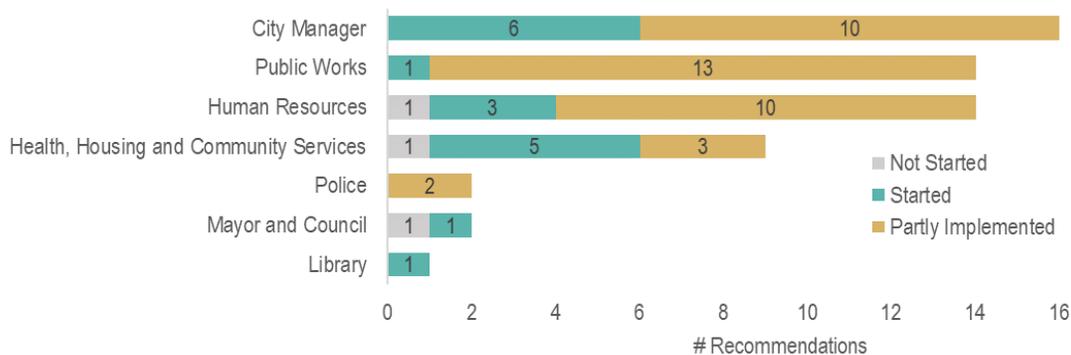
Background

The Berkeley City Auditor’s mission is to promote transparency and accountability in Berkeley government. Each audit report we issue includes recommendations for how the City can serve residents more equitably, efficiently, and effectively. Following up on audit recommendations in this report and on our online dashboard helps hold departments accountable for implementing the improvements they agreed to. Additional up-to-date information on each audit recommendation is available on our [online dashboard](#) on [our website](#).

Implementation Status of Recommendations

In our last audit follow-up report on May 14, 2024, there were 66 open recommendations. Since then, we have issued one performance audit which added nine new recommendations.

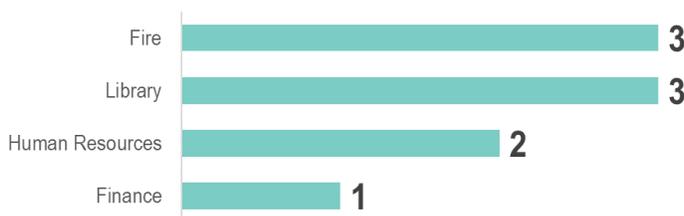
Figure 1. There are currently 58 open audit recommendations across 5 departments as well as the Library, and Mayor and City Council.



Source: Auditor’s analysis

The City has continued to make progress towards implementing open audit recommendations. During this reporting period, the City has implemented nine of the outstanding recommendations.¹ However, we marked 10 recommendations as dropped. We dropped the 9 outstanding recommendations from the 2019 audit, Fire Prevention Inspections: Insufficient Resources Strain Code Compliance, because the audit passed the five-year mark. We also dropped one recommendation from the Measure FF audit because the Fire Department stated that technological limitations prevented them from implementing it and they will accept the associated risk.

Figure 2. City departments and the Library implemented 9 recommendations during this reporting period.



Source: Auditor’s analysis

¹The nine recommendations implemented includes two recommendations that the Library and Human Resources implemented during the previous follow-up period, but did not provide updates on the status until the current period.

We use the following statuses to report on the implementation of audit recommendations:

Implemented: Auditee has completely implemented the recommendation.

Partially Implemented: Auditee has implemented 50 percent or more of the recommendation.

Started: Auditee has started to address the recommendation but has not reached the 50 percent threshold.

Not Started: Auditee has not yet taken action to implement the recommendation.

Dropped: Auditee has accepted the risk to the city that the recommendation is meant to address and is unable or unwilling to implement the recommendation. Additionally, all open recommendations will be reported as dropped if they are not implemented within five years of audit issuance.

Table 1. Status of Recommendations by Audit

Audit	Department	Issued Date	Implemented	Partially Implemented	Started	Not Started	Dropped	Total
Berkeley Restaurant Inspections: Chronically Understaffed Program Did Not Meet Targets	Health, Housing and Community Services	7/10/2024	0	3	5	1	0	9
Spending Aligned with Ballot Measure FF and the City is Improving Internal Processes	Fire	11/22/2023	5	0	0	0	1	6
Fire Prevention Inspections: Insufficient Resources Strain Code Compliance	Fire	5/9/2019	0	0	0	0	11	11
Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring	City Manager, Human Resources, Mayor and Council	6/22/2023	3	13	7	2	0	25
Berkeley's Financial Condition FY 2012-FY2021: Pension Liabilities and Infrastructure Need Attention	City Manager (Budget Office), Finance, Public Works	5/5/2022	1	3	1	0	0	5
Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities	Police	3/3/2022	10	2	0	0	0	12
Fleet Replacement Fund Short Millions	Public Works	6/2/2021	0	11	1	0	0	12
Rocky Road: Berkeley Streets at Risk and Significantly Underfunded	Public Works	11/19/2020	3	2	0	0	0	5
Berkeley Public Library Uses Tax Funds by the Book, But More Internal Controls Needed	Library	8/27/2020	5	0	1	0	0	6
Domestic Violence Response: Berkeley Needs a Comprehensive Policy to Support City Employees	Human Resources	10/10/2019	0	4	2	0	0	6

Mission Statement

Promoting transparency and accountability in Berkeley government.

City Auditor

Jenny Wong

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