



**To:** Budget and Finance Committee

**From:** Jenny Wong, City Auditor *JW*

**Date:** June 12, 2025

**Subject:** City Auditor Hiring Freeze Assessment

At a prior City Council meeting, a motion was adopted to ask charter officers to work with the City Manager on budget proposals. Here is some information for your consideration per your request.

### SITUATION

Currently, my office has one open position for an Auditor I (\$169,155) in the Performance Audit Division, for which we are in the final stage of hiring. The three vacant positions listed in the budget document for my office are incorrect. Aside from this one position, there are no other vacant positions. In total, there are 15.75 FTEs in the City Auditor's office.

Audit work can be an asset during times of economic stress and budget challenges. For example, as COVID hit, our office produced a report detailing potential fiscal impacts providing City leadership and the public with critical information to respond to the crisis.

I would like to continue with the process of hiring for this position. Overall, the impact of not funding this position translates to less staff on performance audits or decreased independent oversight of City programs and services. At times, positions in performance audit have assisted in payroll auditing during times of short staffing to ensure compliance with critical MOU laws and regulations.

Additionally, recognizing the extent of the City's current budget challenges, my office will have around \$200,000 in salary savings from the past fiscal year that we could contribute to the General Fund. In the event that the current vacant position does get frozen for budgetary reasons, I would like to request that we hold over \$50,000 from the salary savings for overtime to address operational needs during this time.

### BACKGROUND

The City Auditor's Office is an elected charter office that provides independent financial oversight and accountability. The office conducts essential payroll auditing ensuring accurate payment of over 1500 employees every two weeks, as well as performance audits of programs



and services ensuring they are being delivered efficiently, effectively and equitably. These audits provide the Council and the public with the assurance that taxpayer dollars are spent appropriately and, in some cases, contribute to increased revenues or lowered costs. Some contributions from our office include:

- Following our audit of staff recruitment and retention,<sup>1</sup> hiring, training, and other actions improved. Employee retention helps to save costs by keeping knowledgeable employees in their positions and reducing the time and cost of recruitment and training.
- Following our audit of the City's financial condition,<sup>2</sup> the City has provided additional financial reporting leading to more informed budgetary decision-making.
- Following our award-winning restaurant inspections audit,<sup>3</sup> the City has inspected all high and very high risk facilities that were not inspected in 2023, improving the public health for those who dine in Berkeley.
- Following our office shining the light on the underfunding of street paving in our audit,<sup>4</sup> a committed group of residents advocated for and helped to secure \$267 million of funding over 14 years for this important infrastructure in the City through the passage of Measure FF last year.

#### CONTACT PERSON

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<sup>1</sup> Staff Shortages: City Services Constrained by Staff Retention Challenges and Delayed Hiring:

[https://berkeleyca.gov/sites/default/files/documents/Staff%20Shortages%20--%20City%20Services%20Constrained%20by%20Staff%20Retention%20Challenges%20and%20Delayed%20Hiring\\_0.pdf](https://berkeleyca.gov/sites/default/files/documents/Staff%20Shortages%20--%20City%20Services%20Constrained%20by%20Staff%20Retention%20Challenges%20and%20Delayed%20Hiring_0.pdf)

<sup>2</sup> Berkeley's Financial Condition (FY 2012- FY 2021): Pension Liabilities and Infrastructure Need Attention:

<https://berkeleyca.gov/sites/default/files/documents/Berkeley%27s%20Financial%20Condition%20%28FY%202012%20-%20FY%202021%29-%20Pension%20Liabilities%20and%20Infrastructure%20Need%20Attention.pdf>

<sup>3</sup> Berkeley Restaurant Inspections: Chronically Understaffed Program Did Not Meet Targets:

[https://berkeleyca.gov/sites/default/files/documents/Berkeley\\_Restaurant\\_Inspections\\_-\\_Chronically\\_Understaffed\\_Program\\_Did\\_Not\\_Meet\\_Targets.pdf](https://berkeleyca.gov/sites/default/files/documents/Berkeley_Restaurant_Inspections_-_Chronically_Understaffed_Program_Did_Not_Meet_Targets.pdf)

<sup>4</sup> Rocky Road: Berkeley Streets at Risk and Significantly Underfunded:

<https://berkeleyca.gov/sites/default/files/2022-01/Rocky-Road-Berkeley-Streets-at-Risk-and-Significantly-Underfunded.pdf>