

Office of the City Auditor

Fiscal Year 2024-2025
Recommended Budget

May 21, 2024

Mark S. Swann, City Auditor

Government Performance & Financial Management Committee



Office of the City Auditor Purpose



The Office of the City Auditor:

- Elevates public trust in government by providing independent, objective assurance and advisory services.
- Conduct audits and attestations of City departments, offices, agencies, and processes.
- Perform advisory services upon request from City Council or City Administration.
- Administers outsourced audits of sales/use tax compliance contracts, and utility franchise fees.



Fiscal Year 2024-2025 Recommended Budget



Expenditure	FY 2023-24 Budget	FY 2024-25 Recommended Budget	Increase/ <Decrease>
Personnel Services	\$2,498,644	\$2,467,790	\$<30,854>
Professional Services	430,230	390,000	<40,230>
Internal Services Chargeback	215,153	229,724	14,571
Supplies, Professional Development	122,111	112,326	<9,785>
Total Expenditures	\$3,266,138	\$3,199,840*	\$<66,298>
Included Vacancy Savings	\$980	\$150,767	

* - Net of \$150,769 vacancy savings.



Recommended Budget – Notable Items



\$2,467,790

Personnel

19.5 FTEs

Impact: 15-17 Audit Engagements

\$390,000

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

Impact: 3-4 Audit Engagements



FY 2024-2025 Recommended Budget - Positions



Reclassify Two Existing Positions to:

1 - Deputy City Auditor Position

1 – Auditor Manager

- Succession planning, ensuring retention and stability with experience auditors.
- Allow staff career growth and development.
- Deputy City Auditor will assist with collaborating closely with other departments while audits are ongoing to foster better communication/ increase department trust.



Budget History



For Year Ending September 30	Total Budget	Vacancy Savings	Co-Sourcing	Percent Co-Sourcing	Actual Expenditures	Percent Budget Executed	FTEs
2019	\$3,352,314	\$0	\$18,953	1%	\$2,889,941	86%	26
2020	3,398,486	87,904	220,730	6%	2,583,516	76%	24
2021	3,123,860	0	360,267	12%	2,842,318	91%	21
2022	3,048,254	126,218	416,432	14%	2,790,059	92%	21
2023	3,163,255	62,232	430,232	14%	2,784,059	88%	20.5
2024	3,266,138	980	430,230	13%	3,167,511*	97%*	19.5
Recommendation 2025	3,199,840	150,769	390,000	12%	TBD	TBD	19.5

* - FY2024 Forecast

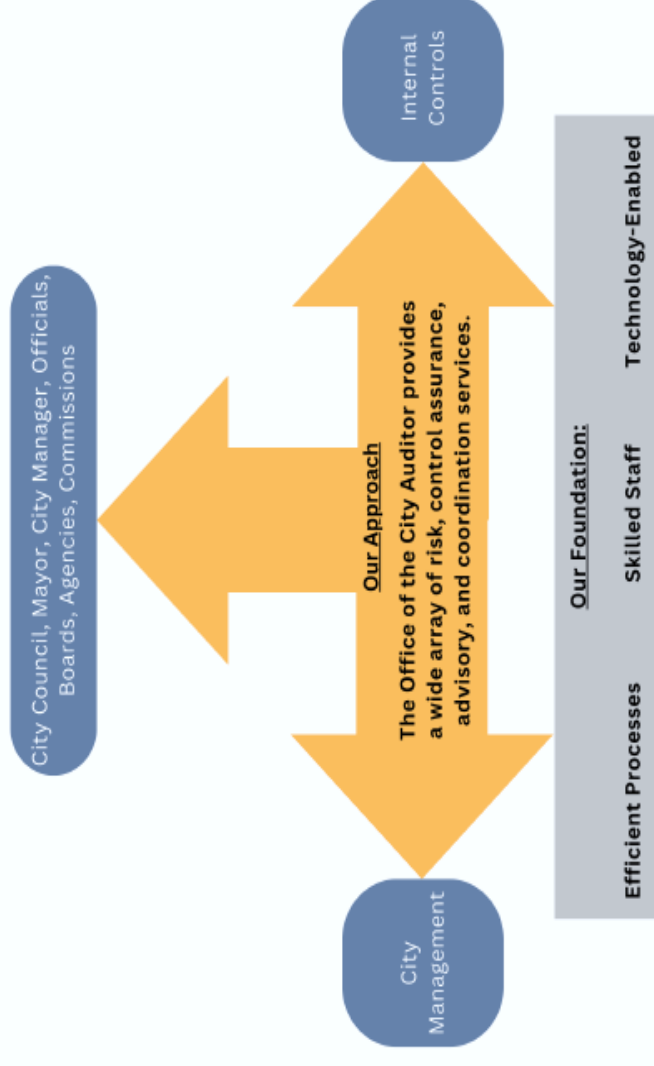


Recommended Budget – City Charter

The Office of the City Auditor budget approval established by the City Charter as amended in 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.”

ACCOUNTABILITY AND THE REPORTING PROCESS



Next Steps

- Government Performance and Financial Management Committee motion to recommend that City Council approve the Office of the City Auditor Fiscal Year 2024-2025 Recommended Budget of \$3,199,840 net of \$150,767 vacancy savings, with two existing positions reclassified to (1) Deputy City Auditor and (1) Auditor Manager along with City-wide adjustments for:
 - Compensation Adjustments – Cost of Living, Merit, Bonuses
 - Pension costs
 - Healthcare costs
 - Worker’s Compensation rates
 - Property, casualty, and public liability insurance
 - Department of Information and Technology Services’ chargebacks
- Scheduled for City Council Approval on the June 12, 2024, Agenda Meeting



Recommended Budget



Appendix



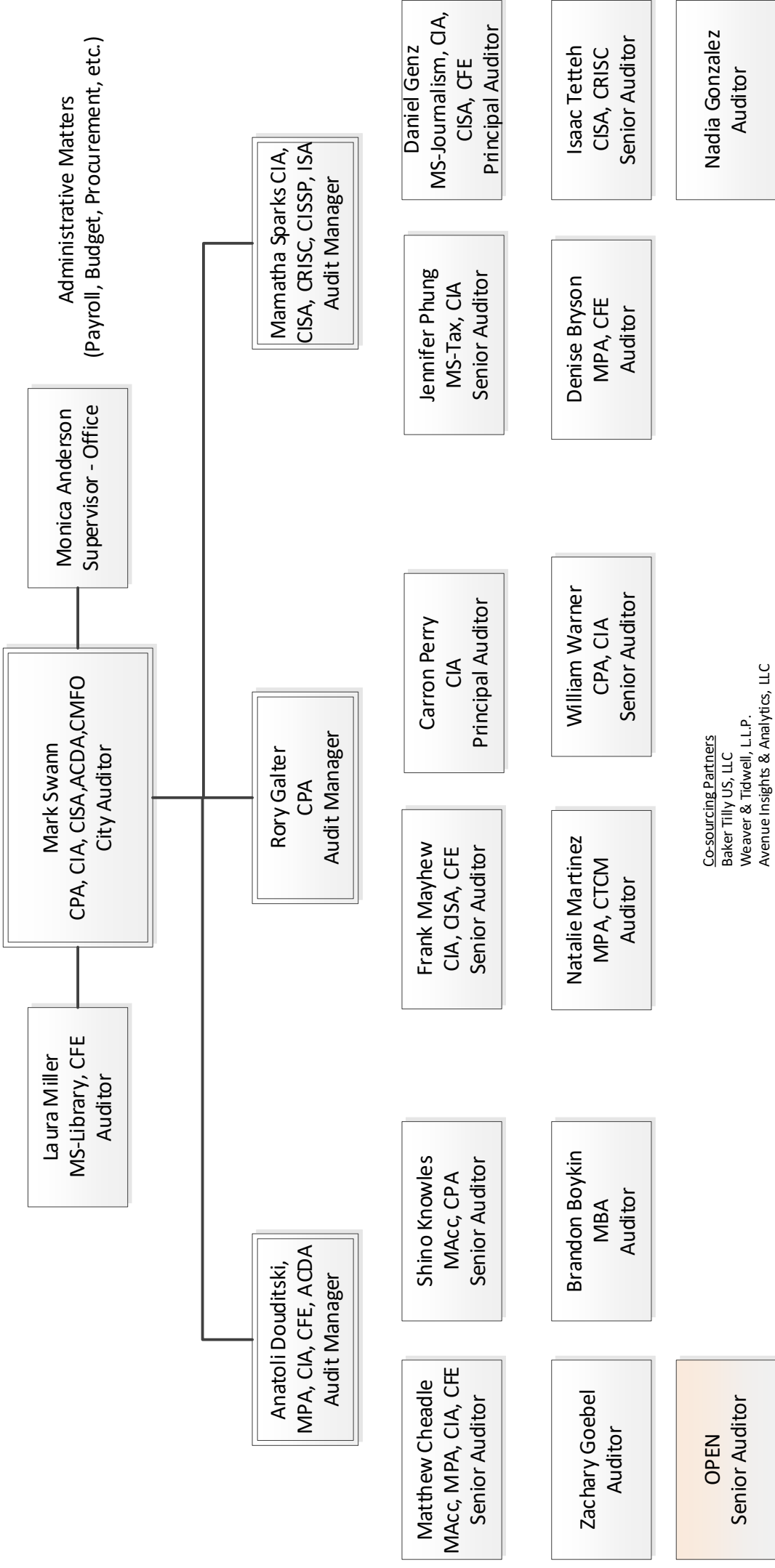
Office of the City Auditor's Budget Survey



2023 Population Rank	Agency	Expenditures - Total		Expenses - Total		Population Estimate 2024	Audit Resources FY2023 or FY2024			
		Governmental Activities	Business-Type Activities	Governmental & Business Type	Business Type		FTE	Budget	Per Audit FTE	Per Population
4	Houston	\$ 3,229,091,000	\$ 1,907,360,000	\$ 5,136,451,000		2,305,889	\$ 1,594,000	\$167,789	\$ 0.69	0.031%
5	Phoenix	3,168,589,000	1,484,112,000	4,652,701,000		1,676,481	3,682,271	144,971	\$ 2.20	0.079%
7	San Antonio	2,620,969,000	364,276,000	2,985,245,000		1,506,593	3,434,785	149,338	\$ 2.28	0.115%
8	San Diego	2,385,203,000	1,255,670,000	3,640,873,000		1,375,452	5,104,700	212,696	\$ 3.71	0.140%
9	Dallas	2,127,790,000	1,243,003,000	3,370,793,000		1,295,447	3,266,138	167,494	\$ 2.52	0.097%
10	Jacksonville	1,990,343,000	207,791,000	2,198,134,000		990,931	3,118,097	164,110	\$ 3.15	0.142%
11	Fort Worth	1,411,823,000	612,238,000	2,024,061,000		989,842	2,337,683	130,161	\$ 2.36	0.115%
12	Austin	2,212,221,000	3,406,557,000	5,618,778,000		983,126	4,976,557	171,605	\$ 5.06	0.089%
13	San Jose	2,200,528,000	910,914,000	3,111,442,000		932,636	2,922,493	208,750	\$ 3.13	0.094%
14	Charlotte	1,019,221,000	1,135,264,000	2,154,485,000		920,325	1,673,182	152,107	\$ 1.82	0.078%
16	Indianapolis	1,046,612,000	86,222,000	1,132,834,000		874,089	1,892,021	189,202	\$ 2.16	0.167%
17	Seattle	2,568,779,000	1,973,162,000	4,541,941,000		757,992	2,329,573	232,957	\$ 3.07	0.051%
20	Oklahoma City	968,489,000	82,767,000	1,051,256,000		706,576	1,516,654	189,582	\$ 2.15	0.144%
21	Nashville	3,091,379,671	362,709,041	3,454,088,712		677,519	2,008,800	167,400	\$ 2.96	0.058%
31	Baltimore	2,210,501,000	543,075,000	2,753,576,000		556,723	5,966,967	132,599	\$ 10.72	0.217%
	Average/Mean	2,150,102,578	1,038,341,336	3,188,443,914		1,103,308	3,054,928	172,051	\$ 3.20	0.108%
	Median	2,210,501,000	910,914,000	3,111,442,000		983,126	2,922,493	167,494	\$ 2.52	0.097%
9	Dallas (Recommended)	2,127,790,000	1,243,003,000	3,370,793,000		1,295,447	3,199,840	164,094	\$ 2.47	0.095%
18	San Francisco	7,608,122,000	5,820,215,000	13,428,337,000		746,481	25,800,649	322,508	\$ 34.56	0.192%
19	Denver	2,453,236,000	1,250,530,000	3,703,766,000		708,948	14,728,918	148,777	\$ 20.78	0.398%



Office of the City Auditor's Organization



Co-sourcing Partners
 Baker Tilly US, LLC
 Weaver & Tidwell, L.L.P.
 Avenue Insights & Analytics, LLC



Performance Measures



Measure	Target	FY2023 Actual	FY2024 Actual as of April 30, 2024
Number of audit delivered	19	14	12
Percentage of management acceptance of audit recommendations	> 90%	83%	92%
Staff achieve professional certification (CIA, CPA, CISA, or CFE)	80%	74%	71%
Percentage of available hours on direct projects	82%	77%	82%

Performance Measures from 2022 Association of Local Government Auditors Benchmarking Report



Office of the City Auditor's Six Percent Reduction



Expenditure	FY 2024-25 Recommended Budget	FY 2024-25 6% Reduction Scenario	Increase/ <Decrease>
Personnel Services	\$2,467,790	\$2,466,290	<\$1,500>
Professional Services	390,000	230,347	<159,653>
Internal Services Chargeback	229,724	229,724	-0-
Supplies, Professional Development	112,326	107,547	<4,779>
Total Expenditures	\$3,199,840	\$3,033,908	<\$165,932>



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