

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	\$150,769	



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, 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



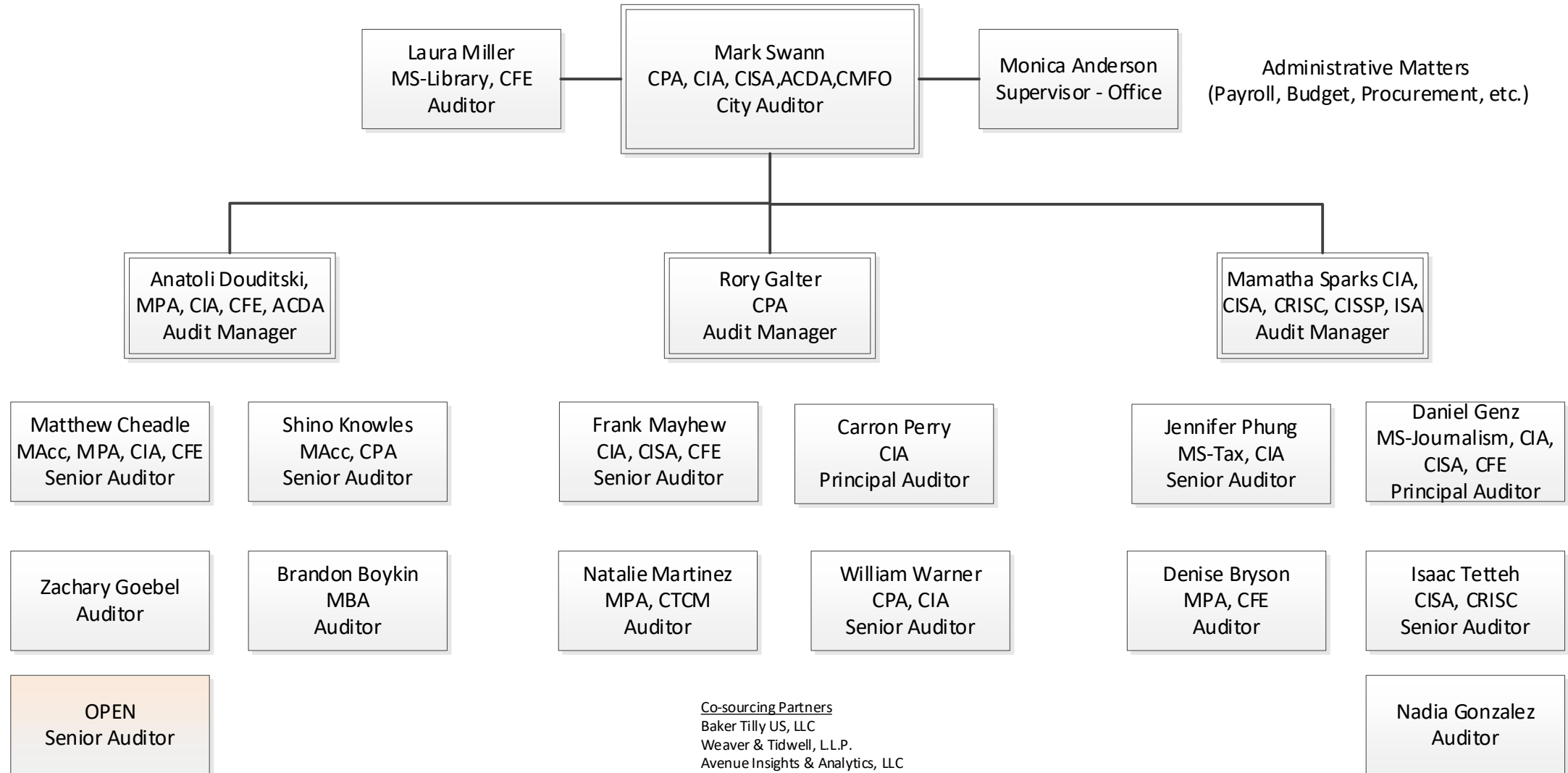
Office of the City Auditor's Budget Survey



2023 Population Rank	Agency		Expenditures - Total Governmental Activities	Expenses - Total Business-Type Activities	Expenses	Population Estimate 2024	Audit Resources FY2023 or FY2024				
					Governmental & Business Type		FTE	Budget	Per Audit FTE	Per Population	Percent Expenses
4	Houston	TX	\$ 3,229,091,000	\$ 1,907,360,000	\$ 5,136,451,000	2,305,889	9.5	\$ 1,594,000	\$ 167,789	\$ 0.69	0.031%
5	Phoenix	AZ	3,168,589,000	1,484,112,000	4,652,701,000	1,676,481	25.4	3,682,271	144,971	\$ 2.20	0.079%
7	San Antonio	TX	2,620,969,000	364,276,000	2,985,245,000	1,506,593	23.0	3,434,785	149,338	\$ 2.28	0.115%
8	San Diego	CA	2,385,203,000	1,255,670,000	3,640,873,000	1,375,452	24.0	5,104,700	212,696	\$ 3.71	0.140%
9	Dallas	TX	2,127,790,000	1,243,003,000	3,370,793,000	1,295,447	19.5	3,266,138	167,494	\$ 2.52	0.097%
10	Jacksonville	FL	1,990,343,000	207,791,000	2,198,134,000	990,931	19.0	3,118,097	164,110	\$ 3.15	0.142%
11	Fort Worth	TX	1,411,823,000	612,238,000	2,024,061,000	989,842	18.0	2,337,683	130,161	\$ 2.36	0.115%
12	Austin	TX	2,212,221,000	3,406,557,000	5,618,778,000	983,126	29.0	4,976,557	171,605	\$ 5.06	0.089%
13	San Jose	CA	2,200,528,000	910,914,000	3,111,442,000	932,636	14.0	2,922,493	208,750	\$ 3.13	0.094%
14	Charlotte	NC	1,019,221,000	1,135,264,000	2,154,485,000	920,325	11.0	1,673,182	152,107	\$ 1.82	0.078%
16	Indianapolis	IN	1,046,612,000	86,222,000	1,132,834,000	874,089	10.0	1,892,021	189,202	\$ 2.16	0.167%
17	Seattle	WA	2,568,779,000	1,973,162,000	4,541,941,000	757,992	10.0	2,329,573	232,957	\$ 3.07	0.051%
20	Oklahoma City	OK	968,489,000	82,767,000	1,051,256,000	706,576	8.0	1,516,654	189,582	\$ 2.15	0.144%
21	Nashville	TN	3,091,379,671	362,709,041	3,454,088,712	677,519	12.0	2,008,800	167,400	\$ 2.96	0.058%
31	Baltimore	MD	2,210,501,000	543,075,000	2,753,576,000	556,723	45.0	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	18.5	3,054,928	172,051	\$ 3.20	0.108%
	Median		2,210,501,000	910,914,000	3,111,442,000	983,126	18.0	2,922,493	167,494	\$ 2.52	0.097%
9	Dallas (Recommended)	TX	2,127,790,000	1,243,003,000	3,370,793,000	1,295,447	19.5	3,199,840	164,094	\$ 2.47	0.095%
18	San Francisco	CA	7,608,122,000	5,820,215,000	13,428,337,000	746,481	80	25,800,649	322,508	\$ 34.56	0.192%
19	Denver	CO	2,453,236,000	1,250,530,000	3,703,766,000	708,948	99	14,728,918	148,777	\$ 20.78	0.398%



Office of the City Auditor's Organization



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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