

Audit Study Group Minutes

Lane County Medical Society

8/17, 5:30-7:30pm

Introductions

Members present: Emily Mooney, Ryan Moore, Marty Wilde, Norma Grier, Tai Pruce-Zimmerman, Janet Calvert, John Barofsky, David Fidanque

City Accountability Presentation

Comments prior to charter overview:

- City accountability is behind the potential ballot measure, they are available to speak who asks, they do not consent to this group or anything we are doing.
- We all have favor of an auditor and sees that there is a leaning to appointed auditors.
- Language in ballot measure is based on ALGA and other standards.

Section 1 Findings: No questions

Section 2 Duties and Responsibilities of City Auditor:

- *Notes:* The auditor doesn't have management authority other than over the auditor office, only an oversight role. Didn't give auditor any administrative overlap.
- *Questions:*
 - Could the city recall the auditor? Yes.
 - Who audits the auditor? Being re elected every 4 years and subject to recall, subject to being peer reviewed every 3 years.
 - Who watches what the auditor does? All the auditors work is public.
 - Does state law require financial audits? They have to do a comprehensive financial overview each year and that audit is standard. It vouches for the fact that the city is following standards.
 - What would the oversight look like? Look at the contract, see what's included, if it is inclusive of everything it needs.
 - Would it be possible with this language that the auditor could set up a citizen oversight committee? Yes it comes up later, we originally looked at a lot of appointed and elected auditors and some do and some don't have committees, generally the council appoints the committee (seems redundant). For brevity, they just gave them the ability to set it up (nothing says they can't). In many ways the committee can help buffer the auditor from political agendas and funding cuts and giving input reflective of the committee.

- If you are a performance auditor, that comes with a 3 yr peer review, does CPA's also have to have a 3 year review? The peer review is required of the city auditor, and you have to meet those qualifications to run for that job.
- There is some ombudsman role so you assume they will do macro audits and specific complaints? Yes assumes there will be an auditor and 2 deputies.
- Quality improvement, if the auditor wanted to it would be possible to correct problems but their formal duties end with the release of the report? They can make recommendations on corrective directions.
- We are looking at what roles they do and don't play and so under this proposal would they be required to follow process improvement? The auditor has no policy making or management responsibilities and cannot enforce the recommendations. The manager will decide what they will implement, and auditor can keep track of compliance. Its often the department heads who implement things not the council.
- Eugene has manager strength (less council) so will auditor's report be a tool for the council? The auditor will do a CRA to see where they need to audit and present a long and short term work plan and city manager can request something to have audited.

Section 3 Election of City Auditor:

- Questions:
 - Do most city auditor's once elected, do they usually run unopposed? There was one of Portland city auditor elections, the first election there were 2 candidates and in Denver there was a contested race, in Berkeley for example, they are usually re elected if the public is happy with the auditor.
 - When there's an elected auditor, are there instances where someone who wants to be a candidate, will move to a smaller community to run for that position? There is no residency requirement, we could seek candidates from anywhere.

Section 4 City Council and City Auditor Cooperation:

- Notes:
 - If an auditor gets too close to something, they may see their budget cut but that they can't fulfill all their charter mandates. The police auditor got 520,000 per year and they review cases investigated by internal affairs - limited compared to what the city auditor would do. Salary reflects regional proponent (70% of average of 3 salaries).
 - The auditor must have distance and professional skepticism with management - they cooperate but are not on the same team.
- Questions:

- Word choice of 'salary' instead of 'compensation', is the auditor and employees get benefit packages as city managers? Yes and auditor determines what the employees get. It is a commitment by the community to have the money for this office but normally you are saving a lot of money by having an auditor.

Section 5 Audit Standards

- *Notes:*
 - Subject to peer review, yellow book standards..
 - Subpoena power helps auditors with access to information. Without this power, they have red tape to go through if they aren't given the information needed to complete an audit.
- *Questions:*
 - Do they only make a report public if there is something to improve upon?
No, all reports are made public.

Final Questions/Notes:

- The budget is a floor not a ceiling
- Were there any merits outside increasing independence, for an elected auditor?
Appointed auditors can be subject to political agendas and many people currently distrust local government.

Public comment:

- Contact society of auditors - may have to join membership (with fee)
- Why isn't there a member of the city audit department on this committee?