

# Office of City Auditor

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## Department Overview

The Office of City Auditor was established by City Charter and serves as Seattle's independent performance audit function. The City Auditor is appointed by the City Council to a four-year term of office.

The Office of City Auditor seeks to promote honest, efficient management and full accountability throughout City government. It serves the public interest by providing the City Council, the Mayor and City employees with accurate information, unbiased analyses and objective recommendations on how best to use public resources.

The Office of City Auditor conducts audits of City departments, programs, grantees and contracts, as well as some nonaudit projects. Most of the office's work is performed in response to specific concerns or requests from City Councilmembers, but the City Auditor also independently initiates work to fulfill the office's mission. If resources are available, the City Auditor responds to requests from the Mayor, City departments and the public.

Through its work, the Office of City Auditor answers the following types of questions:

- Are City of Seattle programs being carried out in compliance with applicable laws and regulations, and is accurate information furnished to the City Council and Mayor on these programs?
- Do opportunities exist to eliminate inefficient use of public funds and waste?
- Are programs achieving desired results?
- Are there better ways to achieve program objectives at lower costs?
- Are there ways to improve the quality of service without increasing costs?
- What emerging or key issues should the City Council and Mayor consider?

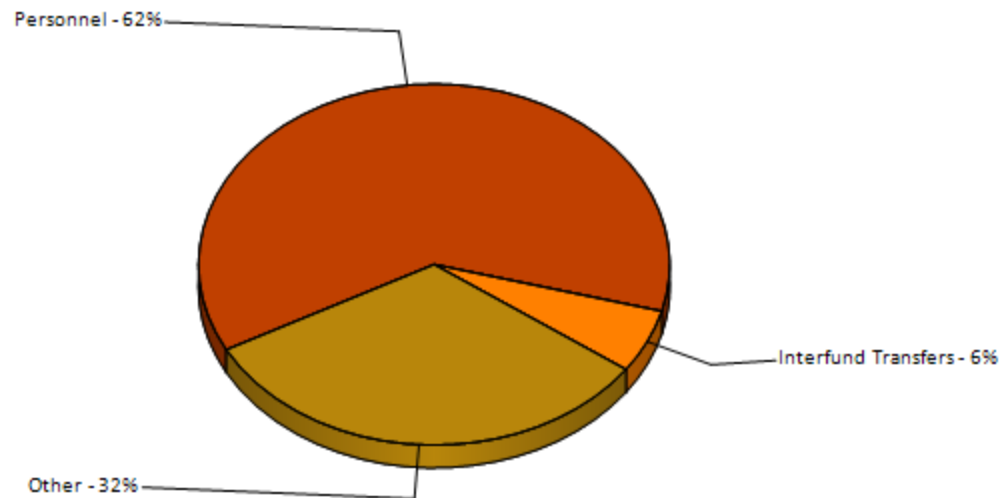
## Budget Snapshot

Department Support	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Adopted
General Fund Support	\$1,671,208	\$2,311,986	\$1,795,041	\$2,633,093
<b>Total Operations</b>	<b>\$1,671,208</b>	<b>\$2,311,986</b>	<b>\$1,795,041</b>	<b>\$2,633,093</b>
<b>Total Appropriations</b>	<b>\$1,671,208</b>	<b>\$2,311,986</b>	<b>\$1,795,041</b>	<b>\$2,633,093</b>
Full-time Equivalent Total*	9.50	9.50	9.50	10.00

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

# Office of City Auditor

## 2018 Adopted Budget - Expenditure by Category



## Budget Overview

The Office of City Auditor (Auditor) provides information to the Mayor, City Council, and City executive and management staff on City programs and activities. The Office offers a way for City leaders to assess various public programs objectively, ensuring the use of efficient, effective service delivery options. It also offers the public a way to hold the City accountable for how public resources are being used.

The 2018 Adopted Budget increases funding to enable the Auditor to contract with consultants and academic researchers to conduct annual reviews and evaluations of new City ordinances including the Sweetened Beverage Tax ([Ordinance 125324](#)) and the Surveillance Ordinance ([Ordinance 125376](#)).

### City Council Changes to the Proposed Budget

During deliberations, the Council made the following changes to the proposed budget for the Office of City Auditor:

- increased one-time funding for an evaluation of the Sweetened Beverage Tax Ordinance;
- added one-time funding for an evaluation of the Secure Scheduling Ordinance;
- reduced funding intended to support new responsibilities mandated by the Surveillance Ordinance; and
- increased a half-time Executive Assistant position to full time.

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## Incremental Budget Changes

### Office of City Auditor

	2018	
	Budget	FTE
<b>Total 2018 Endorsed Budget</b>	<b>\$ 1,795,041</b>	<b>9.50</b>
<b>Baseline Changes</b>		
Citywide Adjustments for Standard Cost Changes	\$ 3,002	0.00
<b>Proposed Changes</b>		
Surveillance Ordinance Funding	\$ 350,000	0.00
Evaluation of the Sweetened Beverage Tax	\$ 20,000	0.00
<b>Council Changes</b>		
Reduce Funding for the Surveillance Ordinance	-\$ 250,000	0.00
Increase Funding for Evaluation of the Sweetened Beverage Tax	\$ 500,000	0.00
Add Funding for Secure Scheduling Evaluation	\$ 173,356	0.00
Increase Executive Assistant Position to Full Time	\$ 41,694	0.50
<b>Total Incremental Changes</b>	<b>\$ 838,052</b>	<b>0.50</b>
<b>2018 Adopted Budget</b>	<b>\$ 2,633,093</b>	<b>10.00</b>

## Descriptions of Incremental Budget Changes

### Baseline Changes

#### **Citywide Adjustments for Standard Cost Changes - \$3,002**

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, health care, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

### Proposed Changes

#### **Surveillance Ordinance Funding - \$350,000**

In August 2017, the Seattle City Council passed the Surveillance Ordinance relating to the City's acquisition and use of surveillance technology ([Ordinance 125376](#)). The ordinance mandates new work for the Office of City Auditor including an annual review of the City's use of surveillance technology and the extent to which departments are in compliance with ordinance requirements and the terms of approved Surveillance Impact Reports. This one-time item adds \$350,000 for professional resources to help the Office of City Auditor conduct

## Office of City Auditor

this work. Ongoing costs may be lower as the City further refines what is within the scope of the legislation; the more technologies that qualify as surveillance technologies, the heavier the workload will be for the office. The City Council made modifications to this item. See Council Changes section for more detail.

### **Evaluation of the Sweetened Beverage Tax - \$20,000**

This item increases funding for the Office of City Auditor (Auditor) to contract with academic researchers to evaluate the effects of the Sweetened Beverage Tax ([Ordinance 125324](#)), including:

- economic outcomes, health behaviors and intermediate health outcomes;
- identification and assessment of food deserts in the city;
- the effectiveness and efficiency of the foodbank network in the City; and
- the process of implementing the tax, including perceptions of city residents, food retailers, tax administrators and city officials.

The legislation provides \$500,000 per year to the Auditor for the first five years of tax implementation (2018-2022). The office received an inter-fund loan for \$480,000 in the 2017 Second Quarter Supplemental Ordinance to begin work on a baseline evaluation; the remaining appropriation of \$20,000 is included in the adopted budget for 2018. For additional information about the City's use of the Sweetened Beverage Tax, see the 2018 Adopted Budget Executive Summary in the Introduction section of the budget.

The City Council made modifications to this item. See Council Changes section for more detail.

### **Council Changes**

#### **Reduce Funding for the Surveillance Ordinance - (\$250,000)**

In August 2017, the Seattle City Council passed the Surveillance Ordinance relating to the City's acquisition and use of surveillance technology ([Ordinance 125376](#)). The 2018 Proposed Budget included a one-time add of \$350,000 for professional resources to assist the City Auditor with new work mandated by the ordinance. The City Council reduced this funding by \$250,000.

#### **Increase Funding for Evaluation of the Sweetened Beverage Tax - \$500,000**

In 2017, the City Council passed the Sweetened Beverage Tax Ordinance ([Ordinance 125324](#)). The ordinance requires the Office of City Auditor to contract with academic researchers to complete an annual evaluation of the effects of the tax, and provides a total budget of \$2,500,000 for the evaluation (\$500,000 per year for the first five years). The Auditor received an inter-fund loan in 2017 for \$480,000 to begin work on a baseline study. The remaining \$20,000 was included in the 2018 Proposed Budget. The City Council added \$500,000 one-time funding in 2018, however, the total budget for the evaluation remains at \$2,500,000. The additional funding will be supported by an inter-fund loan from the Cumulative Reserve Subfund Revenue Stabilization Account to be paid back with future sweetened beverage tax revenue.

#### **Add Funding for Secure Scheduling Evaluation - \$173,356**

The City Council added \$173,356 to the Office of City Auditor to continue an evaluation of the Secure Scheduling Ordinance ([Ordinance 125135](#)). The Secure Scheduling legislation requires the Office of City Auditor to contract with academic researchers to complete an evaluation of the baseline, year-one, and year-two periods following implementation of the ordinance regulations. This one-time funding will supplement \$190,000 in grants from the US Department of Labor, National Institutes of Health, and other agencies, for a total budget of \$363,356 in 2018. In 2017, the Auditor received \$332,188 to conduct a baseline evaluation.

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## Increase Executive Assistant Position to Full Time - \$41,694/.50 FTE

This item increases the Office of City Auditor’s annual budget by \$41,694 to increase a half-time Executive Assistant (EA) position to full time. The EA supports an office of 9 FTEs, and has been working full time since November 2016 in response to increased workload demands. In 2017, the Office of the City Auditor absorbed this increase with salary savings associated with two auditors working less than full time. In 2018, one auditor will return to full-time status and the Auditor’s office will only be able to absorb \$20,000 towards the EA’s increased salary and benefits.

## City Council Provisos

There are no Council provisos.

## Expenditure Overview

<b>Appropriations</b>	<b>Summit Code</b>	<b>2016 Actuals</b>	<b>2017 Adopted</b>	<b>2018 Endorsed</b>	<b>2018 Adopted</b>
Office of City Auditor Budget Control Level	VG000	1,671,208	2,311,986	1,795,041	2,633,093
<b>Department Total</b>		<b>1,671,208</b>	<b>2,311,986</b>	<b>1,795,041</b>	<b>2,633,093</b>
<b>Department Full-time Equivalents Total*</b>		<b>9.50</b>	<b>9.50</b>	<b>9.50</b>	<b>10.00</b>

*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

## Appropriations By Budget Control Level (BCL) and Program

### Office of City Auditor Budget Control Level

The purpose of the Office of City Auditor is to provide unbiased analyses and objective recommendations to assist the City in using public resources more equitably, efficiently and effectively in delivering services to the public.

<b>Program Expenditures</b>	<b>2016 Actuals</b>	<b>2017 Adopted</b>	<b>2018 Endorsed</b>	<b>2018 Adopted</b>
Office of City Auditor	1,671,208	2,311,986	1,795,041	2,633,093
<b>Total</b>	<b>1,671,208</b>	<b>2,311,986</b>	<b>1,795,041</b>	<b>2,633,093</b>
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