

Bureau Summary

BUREAU MISSION

The mission of the City Auditor's Office is to promote open and accountable government by providing independent and impartial reviews, public access to information, and service for City government and the public. To that end, the Auditor's Office performs audits, maintains City records, and provides financial services with integrity, sensitivity, and efficiency.

BUREAU HIGHLIGHTS

Budget Summary

The City Auditor, Gary Blackmer, took office on January 4, 2000. This is his first opportunity to reshape the budget and propose new activities that will improve the accountability of City government and increase access to citywide information for citizens and current and future City Councils.

Adopted Budget

In November 1999, the City Auditor proposed to Council a two-year plan for assessing whether some duties should be removed from his office, as well as adding several new capabilities. The FY 2000-02 Adopted Budget for the Auditor's Office supports these changes within the limited City funds available. The budget makes reductions to the Auditor's Office while preserving all its ongoing activities and services provided to citizens, other City bureaus, and agencies. The budget also funds a City Ombudsman program, a half-time auditor position, closed captioning for Council sessions, an enterprise records management system and technician, and an Assistant Risk Specialist position for the Fire and Police Disability and Retirement Fund (FPD&R).

Each new program will benefit citizens and City bureaus. The Ombudsman program will provide an independent, centralized point to resolve complaints that citizens have regarding City actions. The half-year funding will allow a professional ombudsman to work with City bureaus, the Hearings Office, and the City Council to develop procedures, City Code, and clear responsibilities to serve the public effectively. In FY 2001-02, when the program becomes fully functional, the Ombudsman will be funded for the full year and two assistants will be added.

The half-time auditor position is the first staff increase in the Audit Services Division in 15 years. This position will allow the Auditor's Office to be more responsive to City needs, such as addressing the increasing number of requests for audits and special reviews.

The Adopted Budget supports accountability and enhanced access to City government.

The Adopted Budget also provides funding for closed captioning of all City Council sessions for the hearing impaired through a City funding match of a three-year federal grant.

The budget funds the "E-Files" capital project -- an enterprise records management system. This system can preserve information in an electronic format, reducing future storage costs and increasing accessibility. A technician will be hired halfway through the first fiscal year; the hardware, software, and technical services needed to establish the system are funded with one-time capital set-aside resources.

The Adopted Budget includes one new Assistant Risk Specialist position to assist in managing the disability claims process for the FPD&R Division. This position is fully funded through an interagency agreement with the FPD&R Fund.

In addition to the program enhancements, the Auditor's Office has made budget cuts by eliminating one Customer Accounts Specialist position, making a 20% reduction in Professional Services, amounting to \$70,000, and making other reductions in Materials and Services.

General Description

BUREAU OVERVIEW

Organizational Description

The City Auditor is the sixth elected official of the City of Portland. In the Commission form of government, the Auditor provides accountability for the use of public resources, and access to information for all Council members and the public. The Auditor is required by City Charter to be professionally certified and is prohibited from running for any other elected City position while in office. The City Auditor is elected on a non-partisan basis and serves a four-year term.

The City Charter describes the legal authority of the Auditor regarding the following activities: performance of financial and performance audits, supervision of City elections, maintenance of all official records and all other records regarding City business, provision of official certifications, acting as the Secretary of the Fire and Police Disability and Retirement system, and performing some responsibilities concerning Assessments and Liens. In addition, the Hearings Office was assigned to the Auditor's Office in 1990 due to the integrity and impartial nature of the Auditor. These activities are carried out by the following divisions:

Operations

Audit Services

This division conducts independent performance audits and analyses that provide objective information for City officials, management, and the public. The division also manages the contract with the outside firm which conducts the annual audit of the City's financial statements as required by state law.

City Recorder

As Clerk of the Council, the City Recorder Division develops, maintains, and provides accurate documentation of City business and acts as an information clearinghouse for Council, bureaus, and the public. This division provides a centralized point for contracts and payments, maintains and distributes the City Code, is responsible for applying state records retention requirements, and provides for records storage, retrieval, and destruction. The division is responsible for maintaining the City's historical records and provides expertise concerning City records issues.

The Assessments and Liens Division administers the financing of property enhancements.

Assessments and Liens

This division administers the financing of Local Improvement Districts (LIDs) for improvements to streets, sidewalks, sewers, and special projects, such as the Central City Streetcar LID. This division finances both original construction costs and property owner assessment contracts after project completion. The division assists the Office of Planning and Development Review in support of their code enforcement efforts. This division is also responsible for collecting and financing sidewalk assessments for the Bureau of Maintenance and system development charges for the Parks Bureau, the Office of Transportation, and the Bureau of Environmental Services.

Fire and Police Disability and Retirement Fund

The City Auditor serves as Secretary of the Fire and Police Disability and Retirement Fund and is one of the eleven-member Board of Trustees. This division administers all pension and disability matters, including disbursing payments to qualifying police officers and fire fighters.

Hearings Officers

This division conducts two hearings functions: Land Use and City Code. The Land Use Hearings Officer is responsible for holding public hearings and making decisions to allow or deny land use permits. The Code Hearings Officer provides enforcement of the City Code in proceedings initiated by other bureaus and also hears appeals from citizens on code enforcement determinations made by bureaus.

Management Services

The Management Services Division provides leadership and support for all Auditor's Office divisions. Services include budgeting and accounting, human resource functions and payroll matters, purchasing and supplies, and managing all information technology systems. This division monitors problem-solving efforts throughout the office, provides information and expertise, and serves as the contact point for other agencies in the City.

The Auditor is also responsible for overseeing election processes in the City of Portland. Staff in the Management Services Division receive, process, and file all declarations of candidacy for City office, Contributions and Expenditure Reports, initiative, referendum, and recall petitions, and Council originated ballot measures.

The Progress Board measures whether the community is reaching its vision and goals.

Progress Board

The Portland Multnomah Progress Board identifies and reports on indicators (called benchmarks) which collectively gauge whether the community is meeting its goals and vision for the future. Staff maintain trend data on over 60 benchmarks on the Internet and produce an annual report. In addition, Board staff produce special reports analyzing individual benchmarks, as well as provide technical assistance to encourage other organizations to adopt performance-based efforts.

Bureau Management and Direction

Gary Blackmer, the City Auditor, uses his management role to promote open and accountable government by providing independent and impartial reviews, public access to information, and service for City government and the public. The Auditor's Office performs audits, maintains City records, and provides financial services with integrity, sensitivity, and efficiency.

MAJOR ISSUES

Lien Accounting System Replacement

The Auditor's Office interagency agreement with the Bureau of Information Technology has increased by 26%, or \$80,000, over the last two fiscal years. The Auditor's Office will seek solutions that avoid passing the increased costs to customers. The Lien Accounting System is over ten years old and is becoming too expensive to operate in its current configuration. The office plans to investigate alternative software programs, to migrate the system to a different platform, and to make information accessible to customers in a web-based environment during the next two fiscal years.

There are only three major systems operating on the Enterprise Server: the Lien Accounting system, IBIS, and the Police Bureau database. These three programs do not use the full capacity of the Enterprise Server. Once the Lien Accounting system has migrated to a different platform, the costs for the two remaining programs likely will increase dramatically.

Foreclosure

There are approximately \$7 million in inactive, delinquent assessments on property owners for code violations, nuisance fees, and improvements. Although the City of Portland has not foreclosed on properties for over 20 years, some of these accounts may need to be resolved by this means. The City must develop policies and procedures to ensure fair and appropriate foreclosure practices are put in place.

The Auditor's Office will work closely with the City Treasurer, Council, and other bureaus to draft guidelines for moving forward with foreclosures.

Hearings and Review

The Ombudsman program, along with changing workloads and responsibilities in the Hearings Office, has triggered the need for a comprehensive review of the City's hearings and review processes. The Good Neighbor Agreement regarding the Civic Stadium identifies the Hearings Office as the avenue for appeal. The Auditor's Office will conduct a review this year of workload, costs, and division of duties among these functions.

The Auditor's Office will work closely with Council, the City Attorney, and other bureaus to draft proposals that provide citizens, neighborhood associations, and other appropriate entities an avenue of appeal to an independent agency for reviews and recommendations.

CHANGES FROM PRIOR YEAR

The Auditor's Office has made reductions, reorganized some ongoing activities and services, and distributed added resources to new and expanded programs.

Position Changes in LID and the City Recorder Division

The Auditor's Office eliminated one vacant Customer Accounts Specialist in the Assessment and Liens Division due to a decline in activity. Commensurate reductions were also made in their Materials and Services budget, and Professional Services were reduced by over \$70,000.

One Administrative Specialist position will be transferred from its current location in the Assessment and Liens Division to the City Recorder program and reclassified as an Assistant Program Specialist. While in the Assessment and Liens Division, this position was funded with General Fund dollars. In the City Recorder program, this position will better fit the needs of the entire organization. After reviewing all duties and functions handled by current City Recorder staff, duties will be redistributed in a more organized and efficient manner, taking advantage of the additional resources this position will bring. The Auditor's goal is to increase the capacity in the City Recorder program to undertake additional activities in support of City operations.

Ombudsman Position

The Auditor's Office budget contains added funding for an Ombudsman position beginning in January 2001. This position will work with the Council offices, bureau managers, and key staff to clarify the role and responsibilities of the Ombudsman Office and to develop operating guidelines, procedures, and policies. Two additional staff will be funded when the program begins July 1, 2001.

E-Files

Capital set-aside funds have been approved to purchase and implement an Electronic Records Management System (E-Files). This project not only implements a new electronic system, but will eventually change the way every City employee does business. The Auditor's Office will undertake a massive outreach, education, and support effort to every City employee who creates or accesses archived paper or electronic City records.

A new position is critical to the success of the new E-files system. The budget includes an Information Technician starting in January of 2001. The person in this position will assist in the customization and installation of software and hardware for the E-Files system, modify the retention procedures, and provide Council members' staff with system orientation and training.

Senior Management Auditor

The Auditor's Office budget contains a one half-time Senior Management Auditor position to help with the increased workload of the Audit Services Division. The division has experienced an increase in requests for audit and consulting services from City bureaus and the City Council. An increase in staff is needed in order to continue to provide quality and responsive service to bureaus and the public.

Closed Captioning

At the request of the City Council, the Auditor's Office received funds in the Adopted Budget to provide closed captioning services for official City Council meetings. These funds are to pay the vendor, LNS, for providing these services. The vendor has received a federal grant which will pay for approximately half of the total cost to provide these services. At the end of the three year grant period, the cost to the City will be approximately \$63,000.

Assistant Risk Specialist Position

Funding for one new Assistant Risk Specialist position for the FPD&R Fund is included in the Adopted Budget. This position is needed to assist with the increase in the number and complexity of disability claims.

Future Decision Packages

As part of the Auditor's Office proposed two-year plan, some budget requests were made for the second year. The Auditor requested one new management Auditor position to begin the second year of the budget to meet the increasing workload of audit requests. The funding source for the position will be reexamined. The Auditor also requested \$40,000 for a neighborhood survey that would be able to gather citizen satisfaction information at the neighborhood association level. The survey was not approved due to lack of funds for FY 2000-01, but the Auditor plans to resubmit the request for FY 2001-02.

FUNDING SOURCES

General Fund

The Auditor's Office receives partial funding from General Fund discretionary resources and the overhead allocation.