

Office of the City Auditor

FY 2021-22
Requested Budget



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PORTLAND
CITY AUDITOR

Mary Hull Caballero





P O R T L A N D
CITY AUDITOR
 Mary Hull Caballero

29 January 2021

To: Mayor Ted Wheeler
 Commissioner Carmen Rubio
 Commissioner Dan Ryan
 Commissioner Jo Ann Hardesty
 Commissioner Mingus Mapps
 City Budget Director Jessica Kinard

Request	\$ 11.6 million
Funding Model	\$ 0
Cuts	\$ 0
Auditor's Reserve Fund	\$97,169
Staff	51 full-time

From: Auditor Mary Hull Caballero *Mary Hull Caballero*

Re: Fiscal Year 2021-22 Requested Budget

This budget request proposes two notable changes to the Auditor's Office. The first is a refined funding model to set the budget over a five-year time period. The second is a plan to sunset Independent Police Review by June 30, 2022, and gradually begin transitioning its resources to an Evaluation and Investigative Services division, which would be operational in Fiscal Year 2022-23. The plan is outlined in the program offers for both divisions.

I am requesting that this Council take up the unresolved work of adopting a funding model for the Auditor's Office that fully acknowledges its unique position in the City and meets Council's fiduciary obligations. An agreement between the Auditor and the Commissioners to respect our distinct but equal responsibilities would demonstrate that the City values accountability and strengthen public confidence in our ability to govern. The model is described in the supplemental section. Please **note** that although the model spans five years beginning Fiscal Year 2021-22, we are not requesting funds for Year One.

Council took an important step last year to remove itself from making some decisions about the Auditor's budget when it approved the creation of a reserve fund to secure annual underspending in the Auditor's Office up to \$500,000 to be used for the Auditor's priorities. Given existing budget constraints, I have applied \$97,169 in one-time cost savings to extend a limited-term Elections Coordinator position and related expenses for 12 months to support implementation of Charter-mandated campaign regulations and other tasks for the ensuing elections season. The workload associated with the regulatory requirements was heavier than anticipated in the 2020 election cycle, which worked against the original plan to end the position at the end of this fiscal year.

PORTLAND CITY AUDITOR

MARY HULL CABALLERO

Fiscal Year 2021-22 Budget Request

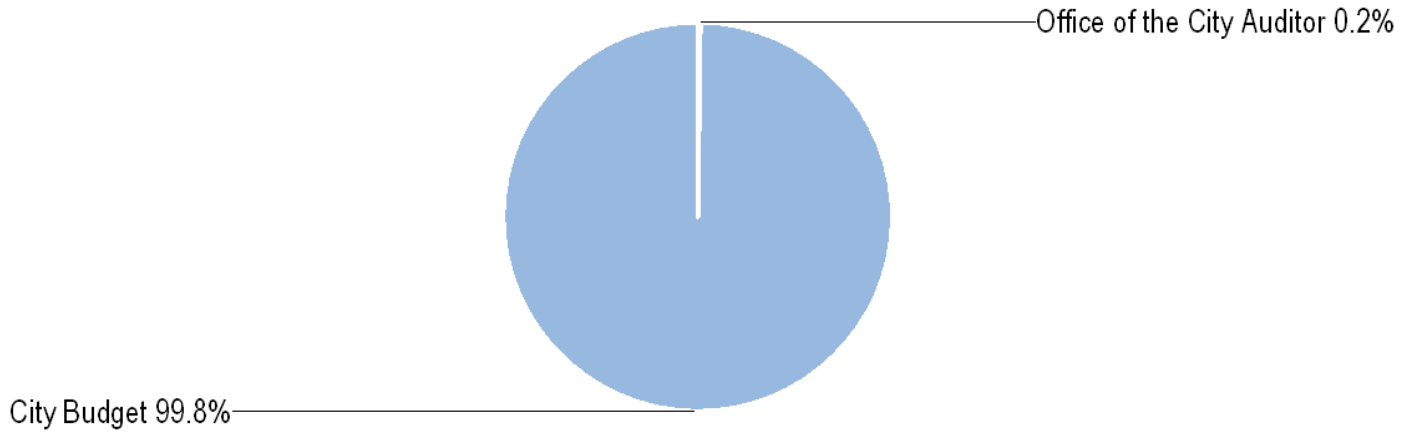
PURPOSE	AUDITOR'S OFFICE	
	Promotes open and accountable government by providing independent and impartial reviews, access to public information, and services for City government and the public	Adopt a budget note for a model to fund the Auditor's Office in a way that preserves its independence from those who are subject to its oversight.
ACCOUNTABILITY	AUDIT SERVICES	
	Promotes equitable, efficient, effective, and fully accountable City government	
	INDEPENDENT POLICE REVIEW	EVALUATION AND INVESTIGATIVE SERVICES
	Investigates police misconduct complaints, promotes higher standards of police services, makes policy recommendations	Begin realigning existing personnel and materials and services expenses from Independent Police Review to this new division in anticipation of it being fully operational in Fiscal Year 2022-23.
	OMBUDSMAN	
	Resolves complaints and makes recommendations to improve City practices and procedures	
TRANSPARENCY	ARCHIVES AND RECORDS MANAGEMENT	
	Administers records retention schedules, storage and destruction; preserves historical records	
	COUNCIL CLERK	
	Administers Council sessions and records official City business, provides final approval City contracts as authorized	
	ELECTIONS/LOBBYIST REGISTRATION	
	Manages City elections processes, administers Lobbyists and Political Consultants Registration program, enforces campaign regulations	Use \$175,753 in one-time cost savings to extend limited-term Coordinator I position and related expenses for 18 months to support implementation of Charter-mandated campaign regulations and other tasks for the 2022 election cycle.
SUPPORT	OPERATIONS MANAGEMENT	
	Provides leadership, accountability, and support for all activities of the office	

Office of the City Auditor

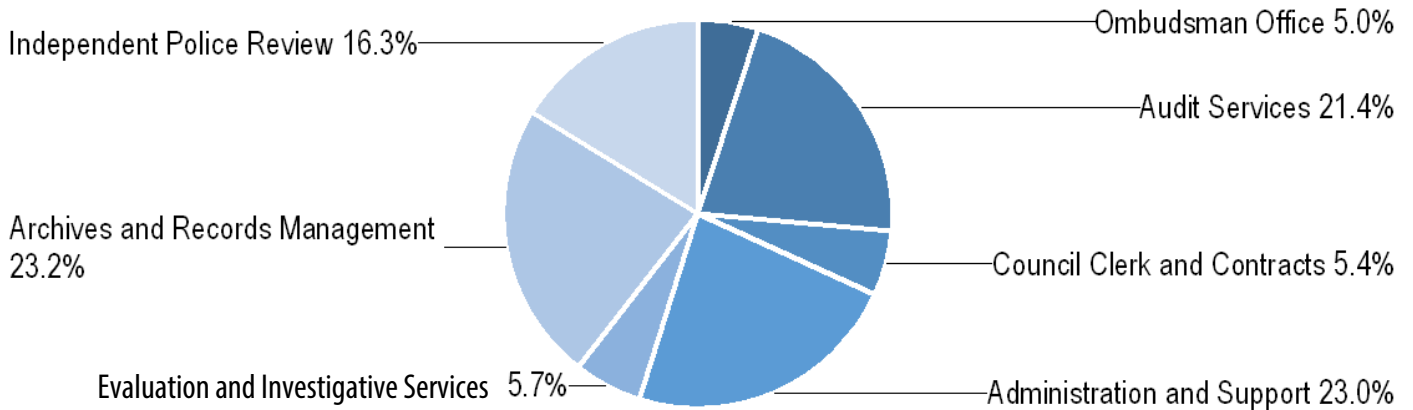
Elected Officials Service Area

Mary Hull Caballero, City Auditor

Percent of City Budget Graph



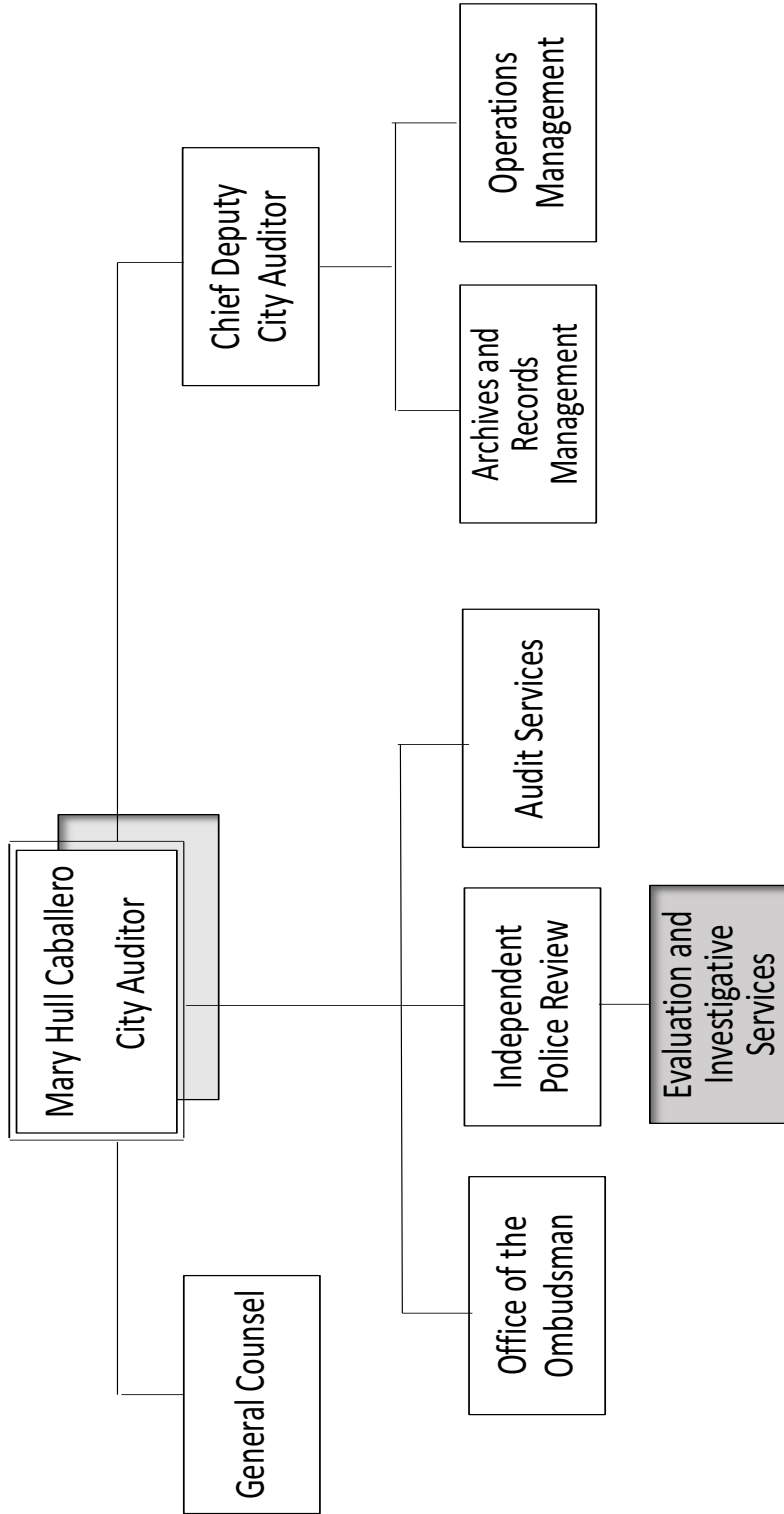
Bureau Programs



Bureau Overview

Requirements	Revised FY 2020-21	Requested FY 2021-22	Change from Prior Year	Percent Change
Operating	\$12,120,975	\$11,599,527	\$(521,448)	(4)%
Capital				
Total	\$12,120,975	\$11,599,527	\$(521,448)	(4)%
Authorized Positions	51.00	51.00	—	—%

Office of the City Auditor



Bureau Summary

Mission

To promote open and accountable government by providing independent and impartial reviews, access to public information, and services for City government and the public.

Overview

Portland has had a City Auditor since 1868 and an elected City Auditor since 1891. As the sixth elected official in Portland's government, the Auditor is functionally independent of City Council and accountable only to the public with the exception of the budget-setting process. The Auditor continues to press City Council to approve a framework to set the Auditor's Office budget in a way that respects its unique independent role in City government.

The Auditor's Office has fifty one employees carrying out their work in five divisions. Three divisions have oversight and accountability responsibilities: Audit Services, Independent Police Review, and the Ombudsman's Office. Archives and Records Management oversees the Portland Archives and Records Center and helps City offices and bureaus meet government records retention requirements. Operations Management provides officewide administrative support to the Auditor's Office and oversees the Council Clerk, City Elections, and the Lobbyist and Political Consultants Registration Programs.

Independent Police Review will cease operations by June 30, 2022, when it completes the transfer of its police accountability responsibilities to a voter-approved community oversight board or a designated interim agency. The Auditor's Office proposes to gradually realign resources from Independent Police Review to establish Evaluation and Investigative Services. This new division would conduct independent program and policy evaluations and administrative investigations under the authority of the City Auditor.

Strategic Direction

Resolve Structural Conflicts in Setting the Auditor's Budget

We renew our commitment to work with Council on a framework to set the Auditor's budget that protects the office's independence and respects Council's fiduciary responsibilities. We submit an updated proposal for a five-year funding model to implement the intent of the City Charter. We also have submitted a proposal to the Charter Review Commission for its consideration for a Charter amendment, which would be a permanent decision. The Auditor's Office prefers designing a funding model in a budget note to allow for adjustments as needed, but a Charter proposal for voters to consider is better than the status quo. It also would be in keeping with a recent Council decision to refer to voters a proposal to fund a police accountability board on a percentage basis. Information about the funding model we prefer is in the supplemental section.

Improve Awareness Among Underserved Communities

We will continue implementing an outreach plan to raise awareness among underserved communities about the information and services provided by the Auditor's Office. We hired a Communication and Outreach Coordinator to marshal resources toward our goal of developing and maintaining relationships with organizations to learn what their constituent communities think about City services and programs. We use what we learn to help prioritize audit, investigative, and policy review work. Archives and Records Management plans to build on its engagement activities by implementing an oral history program, which will add a new dimension to memorializing City history and connect with communities whose cultures include oral traditions.

	Actuals FY 2018-19	Actuals FY 2019-20	Revised FY 2020-21	Base FY 2021-22	Requested FY 2021-22
Resources					
External Revenues					
Charges for Services	1,517,694	608,704	100,665	100,665	100,665
Bond & Note	15,342,104	0	0	0	0
Miscellaneous	7,850,656	8,704,905	6,500	6,500	6,500
External Revenues Total	24,710,454	9,313,609	107,165	107,165	107,165
Internal Revenues					
General Fund Discretionary	6,712,074	6,018,665	7,148,708	6,718,864	6,718,864
General Fund Overhead	4,467,741	4,590,251	4,365,102	4,676,329	4,676,329
Fund Transfers - Revenue	0	0	500,000	97,169	97,169
Interagency Revenue	149,415	166,029	0	0	0
Internal Revenues Total	11,329,230	10,774,945	12,013,810	11,492,362	11,492,362
Beginning Fund Balance	0	0	0	0	0
Resources Total	36,039,684	20,088,554	12,120,975	11,599,527	11,599,527
Requirements					
Bureau Expenditures					
Personnel Services	7,116,439	7,090,568	6,959,179	7,260,938	7,260,938
External Materials and Services	1,416,659	942,805	1,949,675	1,549,528	1,549,528
Internal Materials and Services	3,509,083	2,806,646	2,712,121	2,789,061	2,789,061
Bureau Expenditures Total	12,042,180	10,840,019	11,620,975	11,599,527	11,599,527
Fund Expenditures					
Debt Service	11,893,353	0	0	0	0
Contingency	0	0	500,000	0	0
Fund Transfers - Expense	12,104,151	0	0	0	0
Fund Expenditures Total	23,997,504	0	500,000	0	0
Ending Fund Balance	0	9,248,535	0	0	0
Requirements Total	36,039,685	20,088,554	12,120,975	11,599,527	11,599,527
Programs					
Administration & Support	1,555,240	1,661,071	3,071,413	2,670,566	2,670,566
Archives & Records Management	2,606,818	2,736,765	2,645,564	2,692,286	2,692,286
Assessments & Improvements	1,341,213	—	—	—	—
Assessments, Finance & Foreclosure	543	1,676	—	—	—
Audit Services	2,255,234	2,036,585	2,471,352	2,479,425	2,479,425
Council Clerk & Contracts	894,716	927,695	255,735	626,972	626,972
Evaluation & Investigations Auditor Ofc	—	—	—	658,840	658,840
Hearings Office	628,566	695,667	—	—	—
Independent Police Review	2,391,661	2,401,385	2,767,538	1,886,518	1,886,518
Ombudsman Office	368,190	379,174	409,373	584,920	584,920
Total Programs	12,042,180	10,840,019	11,620,975	11,599,527	11,599,527

Office of the City Auditor

Class	Title	Salary Range		Revised FY 2020-21		Requested No DP FY 2021-22		Requested FY 2021-22	
		Min	Max	No.	Amount	No.	Amount	No.	Amount
30003004	Administrative Specialist III	53,290	104,701	1.00	79,009	1.00	79,009	1.00	79,009
30003201	Auditor - Administrative Specialist II	48,277	94,878	3.00	213,380	3.00	247,748	3.00	247,748
30003204	Auditor - Administrative Specialist III	53,290	104,701	1.00	79,009	1.00	79,009	1.00	79,009
30003205	Auditor - Analyst I	53,290	104,701	2.00	171,537	2.00	171,537	2.00	171,537
30003211	Auditor - Analyst II	63,336	111,681	1.00	90,272	1.00	90,272	1.00	90,272
30003218	Auditor - Analyst III	69,805	133,873	1.00	106,080	1.00	106,080	1.00	106,080
30003202	Auditor - Archives&RecordsCoordinator I	48,277	94,878	2.00	140,571	2.00	140,571	2.00	140,571
30003206	Auditor - Archives&RecordsCoordinator II	53,290	104,701	1.00	92,206	1.00	92,206	1.00	92,206
30003212	Auditor - Archives&RecordsCoordinatorIII	63,336	111,681	2.00	200,657	2.00	200,657	2.00	200,657
30003228	Auditor - Audit Services Director	92,851	172,210	1.00	133,952	1.00	133,952	1.00	133,952
30003213	Auditor - Business Systems Analyst II	63,336	111,681	1.00	99,445	1.00	99,445	1.00	99,445
30003225	Auditor - City Archivist	80,205	148,724	1.00	112,528	1.00	112,528	1.00	112,528
30003229	Auditor - City Auditor Chief Deputy	92,851	172,210	1.00	121,035	1.00	121,035	1.00	121,035
30003226	Auditor - City Ombudsman	80,205	148,724	1.00	131,414	1.00	131,414	1.00	131,414
30003208	Auditor - Clerk to City Council	63,336	111,681	1.00	90,002	1.00	90,002	1.00	90,002
30003209	Auditor - Coordinator II	53,290	104,701	1.00	86,299	1.00	86,299	1.00	86,299
30003214	Auditor - Coordinator III	63,336	111,681	2.00	161,754	2.00	202,593	2.00	202,593
30003354	Auditor - Coordinator IV	69,805	133,873	1.00	95,680	1.00	95,680	1.00	95,680
30003232	Auditor - General Counsel	111,696	201,191	1.00	95,619	1.00	134,992	1.00	134,992
30003215	Auditor - Investigator I	63,336	111,681	8.00	713,024	8.00	713,025	8.00	713,025
30003222	Auditor - Investigator II	69,805	133,873	1.00	106,766	1.00	106,767	1.00	106,767
30003231	Auditor - IPR Director	92,851	172,210	1.00	125,341	1.00	125,341	1.00	125,341
30003227	Auditor - Manager I	80,205	148,724	2.00	228,072	2.00	228,072	2.00	228,072
30003210	Auditor - Performance Auditor I	53,290	104,701	1.00	80,018	1.00	80,018	1.00	80,018
30003216	Auditor - Performance Auditor II	63,336	111,681	6.00	618,544	6.00	618,544	6.00	618,544
30003223	Auditor - Performance Auditor III	69,805	133,873	2.00	212,638	2.00	212,638	2.00	212,638
30003224	Auditor - Supervisor II	69,805	133,873	1.00	112,112	1.00	112,112	1.00	112,112
30000003	Auditor, City	114,254	128,208	1.00	125,694	1.00	125,694	1.00	125,694
30000013	Office Support Specialist III	44,512	69,228	2.00	132,654	2.00	135,741	2.00	135,741
	Total Full-Time Positions			50.00	4,755,312	50.00	4,872,981	50.00	4,872,981
30003203	Auditor - Coordinator I	48,277	94,878	1.00	68,640	1.00	68,640	1.00	68,640
	Total Limited Term Positions			1.00	68,640	1.00	68,640	1.00	68,640
	Grand Total			51.00	4,823,952	51.00	4,941,621	51.00	4,941,621

Archives & Records Management

Program Description & Goals

The mission of Archives & Records Management is to ensure an open and accountable government through public records, which supports the Auditor's mission to promote transparency and accountability. The division accomplishes this through records policies, training, managing the Archives & Records Center, and administering the City's electronic records management and retention system, known as TRIM. In FY 2019-20, division staff assisted 551 researchers and an estimated 320 for FY 2020-21. In-person research was devastated by pandemic closures, but staff worked to provide the public and City employees with records to address immediate needs. Use of the public portal for accessing City business and historical records continues to increase. That is an indicator of the division's success in providing a centralized repository for City records. The goal for FY 2019-20 was 100,000 visits, and the actual number of visitors was 101,455. The target for FY 2021-22 is 104,000 visits. A dashboard of Auditor's Office performance measures, including additional detail and trends for each measure, are available from the 'About Us' section of the Auditor's web page.

Explanation of Services

All City records must be maintained in accordance with public records laws, and the City Charter gives the Auditor responsibility for maintaining all official records. Archives & Records Management provides Citywide services for records management and retention, administration of the electronic records management system, and archives. The records are critical to the operations of the City, and they document how the City fulfills its public responsibilities. Archives & Records Management provides records retention and management training to ensure employees meet their legal responsibilities and encourage access to greater numbers of records for the public. The City's archival records represent the deep history of City policies, projects, and operations, but also continue to serve as valuable business records for bureaus. The community's interests in government archives are diverse. They range from documenting property history that influences current development to identifying actions that impact a neighborhood. While the City's archives are bureaucratic records, they also contain rich social history of the communities of Portland. The division targets outreach to underserved communities so they know the resources available to them and serves as a clearinghouse to help guide people to the information they need. Staff uses its deep and broad knowledge of City government to connect employees and the public to needed information. City offices continue to request assistance with electronic records management and implementing TRIM in their bureaus as access to the City's business records is even more necessary because employees work away from the office. The office is rolling out new, and simplified, records retention schedules that will make it easier for bureaus to fulfill their legal public records duties. Archives plans to implement an oral history project in FY 2021-22.

Equity Impacts

Community access, engagement, and partnerships are the primary tenets of the Auditor’s Office equity plan. Archives & Records Management’s contribution to the plan is (1) documenting current communities that use services and identifying gaps in service with the goal of improving engagement with underserved communities; (2) determining records that reflect communities of color and other traditionally underserved communities and making them more available through focused digitization and database functionality; and (3) partnering with City bureaus to help them fulfill their own equity goals through public records access. Moving the plan forward, Archives is collecting zip code data to identify gaps in active service usage; digitizing and making records of interest publicly available through Efiles to the community about urban renewal that impacted communities of color; and revising the TRIM implementation project work form that asks if the project helps to fulfill the bureau’s equity plan. The division is engaged in partnerships and initiatives to build public awareness of City information resources in underrepresented communities. Recent efforts include partnering with Don’t Shoot PDX to connect equity work with family and community history, promoting and making it easier to find historical collections documenting the experiences of communities of color, and collaborating with professional organizations specializing in supporting secondary teachers by providing information and records about civics and equity topics.

Changes to Program

External materials and services expenses were greatly reduced because of citywide pandemic restrictions that began in March 2020. Spending in most areas were halted, including travel, education, outreach, and facility operational costs. Spending for FY 2021-22 depends on when employees transition back into the office and when public engagement can safely resume.

Program Budget

	Actuals FY 2018-19	Actuals FY 2019-20	Revised FY 2020-21	Requested No DP FY 2021-22	Requested FY 2021-22
Requirements					
Bureau Expenditures					
Personnel Services	899,894	986,647	939,764	956,243	956,243
External Materials and Services	137,514	143,912	251,615	251,495	251,495
Internal Materials and Services	1,569,410	1,606,206	1,454,185	1,484,548	1,484,548
Bureau Expenditures Total	2,606,818	2,736,765	2,645,564	2,692,286	2,692,286
Ending Fund Balance					
Requirements Total	2,606,818	2,736,765	2,645,564	2,692,286	2,692,286
FTE	7.00	7.00	7.00	7.00	7.00

Budget Narrative

Resources This program is funded through the City’s General Fund; revenues are split between discretionary and overhead and total approximately \$2.7 million.

Expenses The division has stable and predictable spending related to personnel and internal materials and services. Rent and debt service for the Portland Archives & Records Center accounts for most of the expenditures, followed by costs associated with the enterprise server for TRIM. External materials and services spending varies. Spending is mostly focused on outreach and events connected to the division's workplan and equity goals, fixed TRIM license maintenance costs, staff training and education, materials and equipment for Portland Archives & Records Center operations, and contracted professional services.

Staffing Archives and Records Management is made up of seven full-time-equivalent employees whose focus is managing, preserving, and making accessible public records, according to local, state, and federal laws and to professional standards. In addition to having the educational degree requirements established by the Society of American Archivists, most employees are certified through the Association of Certified Archivists. A number of student and part-time casual workers assist staff with projects associated with Archives and Records Center operations. Creating an additional staff position to keep up with bureau demands for electronic records management assistance is a future priority.

Assets & Liabilities N/A

Program Information

Program Contact: Diana Banning

Contact Phone: 503-865-4110

Website: www.portlandoregon.gov/auditor/archives

Audit Services

Program Description & Goals

The mission of the Audit Services Division is to promote equitable, efficient, effective, and fully accountable City government. To accomplish this mission, the division conducts independent audits in accordance with Government Auditing Standards to provide objective information and recommendations to City elected officials, managers, and the public. In FY 2019-20 the division completed 67 percent of the annual audit plan, below the goal of 75 percent. This decrease primarily was caused by a shift to remote work that created delays both for Audit Services and for the bureaus audited. In addition, the division had two vacancies for the first quarter of the fiscal year. In FY 2019-20, City management implemented, or was in the process of implementing, 89 percent of audit recommendations, a slight increase from the prior year's implementation rate of 86 percent and above the goal of 85 percent. A dashboard of Auditor's Office performance measures, including additional detail and trends for each measure, are available from the 'About Us' section of the Auditor's web page.

Explanation of Services

Portland's Charter mandates accountability in the form of an elected auditor. Charter and Code specify that the Auditor shall conduct and coordinate audits according to Government Auditing Standards. Staff also manages a fraud hotline and a contract with an accounting firm to audit the City's financial statements. A performance audit is an independent examination of how government operations are managed. Auditors assess evidence against objective criteria to develop recommendations for improvement. Performance audits can introduce new perspectives, tools, and approaches to deal with challenges. Performance audits benefit the City by increasing the transparency of City operations and through improved performance when recommendations are implemented. The division undergoes a peer review for quality control every three years, a process that helps ensure its work is conducted in accordance with professional standards. Audit Services has successfully passed its peers reviews since 1993. The review scheduled for 2020 was postponed because of Covid-19; the division anticipates the review will be rescheduled for 2021.

Equity Impacts

Audit Services takes steps in the audit process to evaluate the effect of City services on all residents and any disparate outcomes for communities of color. We begin by soliciting audit topic ideas online and directly through outreach to community groups. We prioritize audit topics that matter to the community when developing our annual audit schedule. During an audit, we brainstorm potential equity impacts to determine whether the program could be adversely affecting vulnerable communities, whether the bureau tracks and is addressing those disparities, and who in the community should be consulted during fieldwork. In many cases, data is not readily available to identify disparate impacts. In that case, auditors consider whether additional fieldwork is needed to assess potential disparities. Finally, in each audit, the division reaches out to community members impacted by the program to share results.

Changes to Program

All non-critical external materials and services spending was suspended in March 2020 consistent with Citywide expectations during the pandemic and anticipated economic downturn. External materials and services expenses paused during FY 2020-21 include out-of-town travel, outsourced technical audit work, a peer review, and hiring a summer fellow. It is not yet clear when and to what extent those expenses will resume in FY 2021-22.

Program Budget

	Actuals FY 2018-19	Actuals FY 2019-20	Revised FY 2020-21	Requested No DP FY 2021-22	Requested FY 2021-22
Requirements					
Bureau Expenditures					
Personnel Services	1,409,263	1,337,266	1,537,644	1,565,198	1,565,198
External Materials and Services	609,185	459,406	635,508	630,441	630,441
Internal Materials and Services	236,786	239,913	298,200	283,786	283,786
Bureau Expenditures Total	2,255,234	2,036,585	2,471,352	2,479,425	2,479,425
Ending Fund Balance					
Requirements Total	2,255,234	2,036,585	2,471,352	2,479,425	2,479,425
<hr/>					
FTE	10.90	11.00	10.00	10.00	10.00

Budget Narrative

Resources	This program is funded through the City’s General Fund; revenues are split between discretionary and overhead and total approximately \$2.5 million.
Expenses	The division has stable and predictable spending related to personnel and internal materials and services. External materials and services spending varies. Most of these funds pay for services provided by an accounting firm to audit the City’s financial statements. The remaining funds pay for annual training required by Government Auditing Standards and external technical expertise. Spending on consultants varies based on the annual audit schedule developed by the City Auditor..
Staffing	The division includes nine full-time auditors and one director. All auditors meet continuing professional education requirements, and many have professional certifications, including Certified Internal Auditor, Certified Government Auditing Professional, and Certified Fraud Examiner. All auditors are members of the Association of Local Government Auditors.
Assets & Liabilities	N/A

Program Information

Program Contact: Kari Guy

Contact Phone: 503-823-3544

Website: www.portlandoregon.gov/auditor/auditservices

Independent Police Review

Program Offer Transition Information

Independent Police Review (IPR) is an impartial oversight division under the authority of the independently elected City Auditor that works to improve police accountability and promote higher standards of police services. IPR is the central intake point for police misconduct complaints, conducts investigations, and monitors those investigated by the Police Bureau’s Internal Affairs. IPR analysts conduct policy reviews and make recommendations to the Police Chief for improvement and maintain a public data dashboard about police misconduct allegations. IPR also provides administrative support to the volunteer Citizen Review Committee.

IPR received an unprecedented number of summertime complaints in 2020 related to street protests in the wake of a video-taped killing of a Black man, George Floyd, by a White Minneapolis, Minn., police officer. The complaints led IPR to initiate 112 investigations related to the protests. For most of the second half of 2020, IPR investigators carried twice their normal caseloads. The number and complexity of the cases, coupled with a staffing shortage, caused delays in meeting timelines to complete intake and independent investigations. The uptick over the summer contrasted with the comparatively low number of complaints submitted during the stay-at-home phase of the COVID-19 restrictions, which began in March.

IPR will cease operations by June 30, 2022, when it completes the transfer of its police accountability responsibilities to a voter-approved community oversight board or a designated interim agency. IPR’s employees and budget will begin transitioning in Fiscal Year 2021-22 to Evaluation and Investigative Services, a new division in the Auditor’s Office. More information about the new division can be found in the Evaluation and Investigative Services Program Offer.

Program Budget

	Actuals FY 2018-19	Actuals FY 2019-20	Revised FY 2020-21	Requested No DP FY 2021-22	Requested FY 2021-22
Requirements					
Bureau Expenditures					
Personnel Services	1,936,853	1,981,336	2,126,752	1,281,768	1,281,768
External Materials and Services	137,418	107,629	170,648	168,548	168,548
Internal Materials and Services	317,391	312,420	470,138	436,202	436,202
Bureau Expenditures Total	2,391,661	2,401,385	2,767,538	1,886,518	1,886,518
Ending Fund Balance					
Requirements Total	2,391,661	2,401,385	2,767,538	1,886,518	1,886,518
FTE	16.00	16.00	15.00	9.00	9.00

Evaluation and Investigative Services

Program Description & Goals

The Auditor's Office will establish Evaluation and Investigative Services to conduct independent program and policy evaluations and administrative investigations under the authority of the City Auditor. The division will promote evidence-driven policy decision-making, results-based program adjustments, and sound complaint investigations. It replaces Independent Police Review, which will cease operations by June 30, 2022, when it completes the transfer of its police accountability responsibilities to a voter-approved community oversight board or a designated interim agency.

Explanation of Services

Program evaluations are systemic studies that use research methods to address specific questions about programs and strengthen performance. They are designed to meet decision-makers' information needs for program planning, management, and oversight.

The concept behind Evaluation and Investigative Services is to fill an existing need in the City of Portland for relevant, independent analyses of policy outcomes and program design as it tries to address overlapping emergencies with finite resources.

Developing an independent in-house capacity for policy and program evaluation will help the City assess its own as well as the investments it makes jointly with other governments to solve problems.

No one government can by itself resolve issues of sheltering people living outdoors, providing enough affordable housing, reducing gun violence, finding alternatives to jail, combatting climate change, or eliminating systemic racism. As the complexity of the problems grow across the Portland region, the City finds itself increasingly partnering with other governments to address them. Those partnerships, however, often undergo less scrutiny because of limited analytical resources, jurisdictional constraints, and time needed to evaluate them effectively.

Effective program evaluation can help policymakers, managers, and the public understand whether investments of tax dollars effectively solve the problems they are intended to solve, and if programs are designed appropriately. The Auditor's Office will look to the guiding principles of the American Evaluation Association while developing the new division.

The Auditor's Office has a core of investigative expertise the City needs in its existing capacity until the end of the fiscal year to meet obligations in Code and the City's settlement agreement with the U.S. Department of Justice for police misconduct complaints. The investigative team gradually will transition in Fiscal Year 2021-22 to focus on administrative complaints received by the Auditor's Office, including those related to the fraud hotline, campaign regulations, and lobbyist and political consultant regulations. The Auditor's Office will look to investigative models in Offices of Inspectors General and other municipalities while developing the new division.

Equity Impacts

A priority of the elected Auditor is to incorporate equity analyses in all audits conducted by Audit Services and policy and systemic reviews conducted by the City Ombudsman and Independent Police Review. That will apply to Evaluation and Investigative Services. Principles of the American Evaluation Association provide that evaluators 'strive to contribute to the common good and advancement of an equitable and just society.'

Changes to Program

Program will be established during Fiscal Year 2021-22 in anticipation of being fully operational in Fiscal Year 2022-23.

Program Budget

	Actuals FY 2018-19	Actuals FY 2019-20	Revised FY 2020-21	Requested No DP FY 2021-22	Requested FY 2021-22
Requirements					
Bureau Expenditures					
Personnel Services	0	0	0	658,840	658,840
Bureau Expenditures Total	0	0	0	658,840	658,840
Ending Fund Balance					
Requirements Total	0	0	0	658,840	658,840
<hr/>					
FTE	0.00	0.00	0.00	4.75	4.75

Budget Narrative

Resources	This program is currently funded through the City’s discretionary General Funds totaling approximately \$658,000.
Expenses	Expenses are budgeted primarily for personnel and internal materials and services. External materials are funds used for professional development, education, and training; analytical software, and consultant contracts.
Staffing	The division’s budget will consist of two existing full-time equivalent positions, an Analyst I and Analyst III, to establish the division and plan future work. Eleven full-time equivalent positions will divide resources between independent Police Review (75 percent) and Evaluation and Investigative Services (25 percent) during the transition year. An outreach and Communication position will divide resources between Independent Police Review (75 percent) and Operations Management (25 percent), which provides shared communication services officewide.
Assets & Liabilities	N/A

Program Information

Program Contact:	City Auditor Mary Hull Caballero
Contact Phone:	503-823-4082
Website:	A program specific website will be established and posted on the Auditor’s Office website in FY2021-22.

Ombudsman's Office

Program Description & Goals

The Ombudsman's Office is an independent advocate for a fair, equitable, and just City government. In response to complaints from the public about City services, the Ombudsman conducts impartial investigations and resolves problems informally. If a complaint is substantiated, the Ombudsman will work with the complainant and the bureau to find a fair and equitable solution and may advocate for improvements to policies or procedures.

Calendar year 2020 was unusual in many respects. On the one hand, the City suspended many of the services and regulatory actions that tend to generate complaints to the Ombudsman. On the other hand, community engagement around police reform, as well as national news coverage of protests in Portland resulted in an overwhelming number of calls and emails to the Ombudsman, such that the system for responding to (and tracking our responses to) complaints was upended. There were about 5,000 requests for assistance. Previously, the high-water mark was 609 requests. A goal each year is for bureaus to accept at least 85 percent of the Ombudsman's recommendations; the actual acceptance rate for 2020 was 87.5% percent. A dashboard of Auditor's Office performance measures, including additional detail and trends for each measure, are available from the 'About Us' section of the Auditor's web page.

Explanation of Services

The Ombudsman's Office is uniquely situated to independently and impartially review complaints from community members who feel wronged by City government. Even the best functioning bureaucracy will sometimes make mistakes, treat people unfairly, or simply reach the wrong decision. The Ombudsman's role is to help correct those errors, seek redress for people who have been treated unjustly, and improve trust in City government. The option of having an independent third party assess complaints is particularly vital in a commission form of government, where legislators also serve as administrative leaders. The Ombudsman is meant to complement – not replace or duplicate – traditional modes of resolving differences between the public and City agencies. Distinguishing features of the Ombudsman's Office include:

- The Ombudsman is independent from the bureaus it investigates and is responsible only to the elected City Auditor and the public interest;
- The Ombudsman does not represent the complainant or the bureaus; rather, the Ombudsman is a neutral intermediary and advocate for good government;
- The Ombudsman conducts thorough, apolitical investigations of City bureau administrative acts and recommends appropriate changes; and

Office of the City Auditor

- As the central repository for complaints, the Ombudsman is positioned to discern complaint trends, observe any patterns of administrative unfairness, and approach problem-solving from a Citywide perspective.

To make the most of limited resources, the Ombudsman prioritizes complaints where there is a potential for the highest impact. This means the Ombudsman often takes on difficult, complex issues where the potential for an unjust result is acute, that suggest a systemic problem, or involve an important principle of good government. The community seeks out the Ombudsman as a last resort.

Equity Impacts

The Ombudsman includes equity as part of the administrative fairness analysis for individual complaint investigations and builds equity into recommendations to bureaus. The Ombudsman also continues to work on developing its capacity to conduct data-driven systemic reviews that assesses the equity-related impacts of specific City programs and practices. Since 2019, the Ombudsman has tracked disaggregated quantitative data about complainant racial/ethnic heritage. The Ombudsman analyzes this data on a yearly basis to determine whether its services are equitably rendered, makes any needed programmatic adjustments, and continues to gather demographic data to ensure continual improvement. The Ombudsman continues efforts to implement the Auditor's Office's strategic communications and outreach plan that focuses on improving access to services by historically underrepresented communities.

Changes to Program

The Ombudsman suspended non-critical external materials and services spending in March 2020, consistent with City-wide expectations during the pandemic and resulting economic downturn. Typically, this funding is used for the Ombudsman's priorities for continuing professional development, public awareness of and access to services, and occasional special projects that require specialized subject matter expertise and/or technical skills. In January 2021, the Auditor realigned a vacant Complaint Investigator I position to the Ombudsman's Office to address long-standing understaffing.

Program Budget

	Actuals FY 2018-19	Actuals FY 2019-20	Revised FY 2020-21	Requested No DP FY 2021-22	Requested FY 2021-22
Requirements					
Bureau Expenditures					
Personnel Services	311,217	329,225	333,254	477,015	477,015
External Materials and Services	15,791	7,988	18,565	20,015	20,015
Internal Materials and Services	41,182	41,960	57,554	87,890	87,890
Bureau Expenditures Total	368,190	379,174	409,373	584,920	584,920
Ending Fund Balance					
Requirements Total	368,190	379,174	409,373	584,920	584,920
FTE	2.00	2.00	3.00	3.00	3.00

Budget Narrative

Resources	This program is funded through the City’s General Fund; revenues are split between discretionary and overhead and total approximately \$585,00.
Expenses	The program plans to resume activities that were suspended during the pandemic. This includes continuing professional development, improving public awareness of and access to services, and occasional special projects that require specialized subject matter or technical expertise. The Ombudsman will continue to focus available resources on anti-racism and equity work, targeted outreach and engagement, and systemic impact.
Staffing	Staffing has fluctuated since the Ombudsman’s Office was created in 2001 with three full-time employees. Prior to 2015, staffing had fallen to one employee, and the Auditor that year realigned a vacant position to create a Complaint Investigator I (Deputy Ombudsman) position. A second vacant position was realigned to the Ombudsman’s Office in January 2021, bringing staffing back to the level it had been 20 years ago.

Assets & Liabilities

N/A

Program Information

Program Contact:	Margie Sollinger
Contact Phone:	503-823-4503
Website:	www.portlandoregon.gov/ombudsman

Operations Management

Program Description & Goals

The division serves as the Auditor's executive office, providing accountability, transparency, and administrative support internally as well as for City Council and the public.

The division provides internal business operations, communications and outreach, legal counsel, budget, accounting, timekeeping, procurement, human resources, and other administrative services. The division externally supports City Council by preparing weekly agendas, recording meeting minutes, and maintaining objective documentation of City Council business. The division's Citywide contract review function and the City Elections Office, which includes campaign finance regulations and the lobbyist and political consultant programs, provide accountability and assurance to the public. The division acts as liaison for responsibilities that need Citywide coordination and is the Auditor's Office contact point for other offices throughout the City government.

During the unexpected 2020-21 operating environment and continuing into FY2022, the division has focused on continuing critical operations, such as Council meetings, community outreach, elections, and contract reviews for CARES Act and other recovery funding, in addition to supporting the officewide move to all-remote services. The division continues to focus on streamlining its work by implementing an electronic Council agenda filing system and a new Council minutes process. These changes are expected to free up staff time and City resources for higher priority work and improve transparency and accessibility. The Elections Office implemented and administered a new and complex set of campaign finance regulations during the busiest elections season on record. In FY2021-22, the division will focus on refining and deploying new programs and efficiencies, increasing outreach and communications capabilities in underserved areas of the City, and preparing employees to transition back to the office.

The goal for posting Council meeting minutes is three months from the date of a meeting, and the estimated average time for FY2021 is to achieve this goal within three months. The backlog of six months from FY2020 has since been cleared. A new procedure for reviewing and providing the minutes to the public is anticipated to improve timeliness with a goal of under three months for FY2021-22.

To measure and improve internal and external customer service, the Elections Office tracks response times to all ethics, elections, and other inquiries to its office with a goal of responding within two business days. During the 2020 elections season, the Elections Office received and reviewed 60 candidate and ballot measure filings, responded to approximately 1,100 inquiries, and investigated 66 complaints across 10 candidate campaigns. In FY2019-20, the Elections Office responded to phone, email, and in-person inquiries within two business days 98 percent of the time. In FY 2020-21, the office is maintaining the response rate for 97 percent of inquiries. Due to a slower elections cycle, fewer anticipated contested races, and time for training, outreach, and education on new regulations, the office estimates fewer inquiries and filings and an increased response rate in FY 2021-22.

A dashboard of Auditor's Office performance measures, including additional detail and trends for each measure, are available from the 'About Us' section of the Auditor's web page.

Explanation of Services

The Auditor's executive support staff helps implement the Auditor's priorities and ensures that each division provides consistent and timely services to the public and other City offices. Services include business operations, project management, legal counsel, communications and outreach, and administrative support.

Council Clerk staff develops, facilitates, and maintains accurate and objective documentation of City Council business. As the administrator of Council sessions, Council Clerk staff prepares the agenda, processes ordinances and resolutions, compiles official minutes summaries, and provides easy access to Council proceedings. The unit produces the official versions of City Charter and Code and gives final approval of Citywide contracts.

The Elections Office administers and enforces procedures for candidates and measures to qualify to the ballot as well as a variety of programs and regulations that provide transparency in Council decision-making and candidate campaigning. The programs regulate disclosures of lobbyists and political consultant activity and the limits and disclosure of campaign funding.

Communication and outreach staff oversees the implementation of the Auditor's communication plan; coordinates public engagement activities officewide; designs publications, manages web design and content, and administers public records requests; and develops and implements social media strategies.

Equity Impacts

Operations Management coordinates and supports progress on the office's five-year racial equity plan. Staff strategizes with divisions to align equity goals with strategic or work plans and provides technical assistance to streamline collection of demographic data, develop partnerships, integrate an equity lens and evaluate progress. All divisions are implementing plans related to the office's overall goals, which were developed in conjunction with the Auditor, management, staff, and the office's Diversity and Equity Committee.

Operations Management's equity plan includes improving equitable access to the hiring process and City Council meetings; identifying disparities in employee retention, evaluation, and discipline; and conducting outreach and communication that reaches traditionally underrepresented populations. A dashboard of progress on these and other equity goals will be published on the Auditor's Office website.

The office's Title II Americans with Disabilities Act and Title VI Civil Rights Act liaison assists with periodic review of vital documents requiring translation as well as acting as the recipient of public complaints about access, accommodation, and compliance.

Changes to Program

The division administered voter adopted Charter Campaign Finance regulations for the first time in FY2020 and FY2021 during an historic elections season. During the FY2020 Fall Budget Monitoring Process, the Auditor’s Office requested and received funding for a limited duration position to assist with newly mandated campaign finance regulations. Because of the workload involved and the City’s revenue shortfall, the Auditor’s Office will continue to fund the Coordinator position with one-time cost savings through the 2022 elections season.

In FY2020-21, Operations Management realigned a vacant position to create a new Communication and Outreach Coordinator position to help the Auditor’s Office expand its accountability and transparency work with historically underserved Portlanders.

Operations Management successfully delegated its payroll disbursement function in FY2020-21 to Payroll Services. Reorganization of the division and reclassified positions will add capacity to Council meeting management and streamline outreach and communications as a shared office-wide service. The division continues to refine a shared service model and streamline administrative support to both City Council and other Auditor’s Office divisions, providing greater efficiency to both operations and securing appropriate backup to critical functions.

All non-critical external materials and services spending was suspended in March 2020 consistent with Citywide expectations during the pandemic and anticipated economic downturn.

Program Budget

	Actuals FY 2018-19	Actuals FY 2019-20	Revised FY 2020-21	Requested No DP FY 2021-22	Requested FY 2021-22
Requirements					
Bureau Expenditures					
Personnel Services	1,079,914	1,289,814	2,021,765	1,694,902	1,694,902
External Materials and Services	82,629	63,499	781,621	479,029	479,029
Internal Materials and Services	392,697	307,758	268,027	496,635	496,635
Bureau Expenditures Total	1,555,240	1,661,071	3,071,413	2,670,566	2,670,566
Fund Expenditures					
Contingency	0	0	500,000	0	0
Fund Expenditures Total	0	0	500,000	0	0
Ending Fund Balance					
Requirements Total	1,555,240	1,661,071	3,571,413	2,670,566	2,670,566
<hr/>					
FTE	8.00	9.00	16.00	17.25	17.25

Budget Narrative

Resources	This program is funded through the City’s General Fund; revenues are split between discretionary and overhead and total approximately \$2.67 million.
Expenses	<p>The division has stable and predictable spending related to Personnel and Internal Materials and Services.</p> <p>External Materials and Services spending is more variable. Use of these funds are tied to transcription services for Council business, the Auditor’s priorities and strategic plans, professional development for managers, consulting services, facilities improvements, technology, and other officewide services and materials.</p>
Staffing	In FY 2020-21, an Administrative Specialist in the Independent Police Review was transferred to Operations Management to provide support for the Auditor, Chief Deputy, and General Counsel. Operations Management has 17.25 full-time-equivalent employees, including the elected Auditor. Personnel in the division are administrative and professional staff who facilitate officewide operations in five divisions, provide support for management, and administer a variety of Elections and Council Clerk functions.
Assets & Liabilities	N/A

Program Information

Program Contact:	Joshua McNeal IV
Contact Phone:	503-823-3610
Website:	www.portlandoregon.gov/auditor/councilclerk www.portlandoregon.gov/auditor/elections www.portlandoregon.gov/lobbyist www.portland.gov/citycode



P O R T L A N D
CITY AUDITOR
Mary Hull Caballero

AUDITOR'S OFFICE BUDGET EQUITY ASSESSMENT

The Auditor's Office Racial Equity Plan includes four officewide goals to

1. Increase community access, engagement, and partnership;
2. Use data to inform racial equity decisions internally and externally;
3. Create a work environment and processes that integrate racial equity considerations; and
4. Be accountable to the racial equity plan.

To further these goals, the requested budget as a whole is designed to benefit Black, Indigenous, or other people of color, immigrants, refugees, or people with disabilities. Each division within the Auditor's Office began implementing their equity plans in Fiscal Year 2020-21. The Office also hired consultants to train staff on Results-Based Accountability. After the initial trainings were complete, divisions integrated the framework into their equity plan to ensure implementation strategies addressed root causes of inequities. These plans guide the Office's work to benefit traditionally underserved groups by analyzing disparities in outcomes or access, working directly with effected communities to identify barriers to access, and changing the Office's internal processes to reduce disparities.

Community Engagement: To increase community access, engagement, and partnerships, the requested budget reflects the Office's ongoing actions to connect our work to traditionally underserved communities. The budget includes \$50,000 for targeted community engagement and \$13,000 to build a community contacts database. This funding will support the newly centralized communication and outreach team, comprised of a Communication and Outreach Coordinator, a Communication Design Coordinator, an Outreach Committee, and employees to build long-term reciprocal relationships with community members. The outreach database will log external contacts to track and ensure increased engagement with people with disabilities and Black, Indigenous, and people of color.

Data-Driven Decision-Making: Divisions continue to use data to guide racial equity work, as required by equity plans and the Results-Based Accountability framework. By Fiscal Year 2020-21, all divisions were tracking demographic data with the purpose of identifying service gaps. While the COVID-19 pandemic stalled some of these efforts because the Office no longer allowed in-person visits or outreach, some divisions were able to continue or improve their demographic data collection activities. For example, the Ombudsman began collecting demographic data in 2019 to determine who filed complaints. In Fiscal Year 2020-21, the Ombudsman identified gaps, and for FY 2021-22 will work to modify data collection methods to gain a higher response rate. The Auditor's Office is also working with consultants to identify additional disaggregated demographic data the Office can collect or track, which will be used to inform the Office's work in Results-Based Accountability.



Integrating Equity: Divisions are integrating racial equity into their work environment and processes in several ways, including community outreach, changing processes, and providing training to employees. The budget includes \$15,000 for employee training and education. The goal is to engage and educate staff on equity issues affecting Black and Indigenous people, other communities of color, immigrants and refugees, and people with disabilities. The Office also began hosting a speaker's series on anti-racist topics, which will continue into Fiscal Year 2021-22.

The Auditor's Office also integrates equity by ensuring the Office is accessible for jobseekers. Open positions are announced broadly and through job boards that cater to specific diverse audiences and affinity professional groups, and the base budget includes funding to ensure widespread advertising for open positions. The Office is also expanding the onboarding process to ensure new employees receive foundational equity training and ensure inclusivity. To ensure accessibility for people with disabilities or language barriers, the Auditor's Office spends approximately \$65,000 annually on closed captioning for all Council meetings and work sessions and approximately \$5,000 per year on translation and interpretation services.

One major realignment that will integrate equity is a proposal to gradually shift personnel and related resources from Independent Police Review to the new Evaluation and Investigative Services division. Independent Police Review will cease operations on June 30, 2022, when police accountability responsibilities are transferred to a voter-approved community oversight board or an interim agency. The new division will conduct program evaluation and administrative investigations. This work will help the community understand whether programs are equitably and effectively solving the problems they intend to solve. The Auditor's Office is working with the Results-Based Accountability consultants to build the framework into the foundation of the program, ensuring that it addresses the needs of people of color, both internal to the City and in the community.

Accountability: The Auditor's Office and divisions are held accountable for progress on the racial equity plans using an online dashboard accessible to all employees internally. Currently, the dashboard tracks progress on each individual activity. The office reports on officewide progress in an [annual report](#). Division representatives participate in an officewide Equity Plan Implementation committee, which meets monthly to share progress and lessons learned and identify opportunities for cross-division collaboration.



Funding model would strengthen public confidence in elected leaders

The Auditor requests that City Council approve a budget note to create a funding model that preserves the independence of the Auditor's Office from those who are subject to its oversight.

In Portland's commission-form of government, the Mayor and Commissioners are both legislators and executive managers. The Auditor is the sixth elected official in Portland with distinct but equal responsibilities to promote accountability and transparency.

The commission-form of government undermines the independence of the Auditor's Office because it puts Commissioners in control of the Auditor's budget, even though they are the subjects of audits, investigations, and regulatory enforcement.

The status quo works against the City's commitment to good governance principles, especially openness, transparency, and accountability.

It is in the public's interest for the Commissioners and the Auditor to fund the Auditor's Office in a way that respects its independence and fulfills City Council's fiduciary responsibilities. Doing so will strengthen the public's confidence that Portland's elected officials respect and encourage independent accountability.

Proposal builds on Charter amendment

A Charter amendment approved by voters in 2017 took a step toward improving the likelihood that the Auditor's budget would be based on the Auditor's responsibilities rather than Council priorities. The broad language in the Charter, however, requires a framework for how it will be implemented.

The model proposed is updated from prior iterations but remains in keeping with one used by State Legislature to set the Tax Supervising and Conservation Commission's budget. The Commission is an independent body that reviews the budgets of 28 municipal corporations in Multnomah County, including the City of Portland's, to ensure they comply with the State's local budget law before they are adopted. The Legislature sets a budget cap based on a percentage increase over 10 years, and the Commission must operate within the cap.





Council sets cap, leaves spending decisions to the Auditor

The Auditor's Office proposes a model in which Council sets a funding limit over a five-year period, starting in FY 2021- The model envisions:

- modest annual growth of 1.5 percent, not to exceed a total of \$550,000 over the five-year span
- commitment that the Auditor will decline the annual increase when it is not needed
- a mechanism for Council to adjust the model in the event of a fiscal emergency consistent with decreases applied to all elected offices
- ongoing funding protection for any permanent appointments made during the five-year span
- additional funding for instances in which the Auditor consents to new or expanded responsibilities through Code changes, when voter-approved Charter changes require new resources to implement, or in cases of sizable unanticipated expenditures.

How it could work

The following table is an example of how the funding model could work year-over-year. The Auditor’s Office declines the additional 1.5 percent funding in Year One but takes it in Years Two, Four, and Five to pay the cost of an employee hired in Year Two. The funds in Year Three are declined because there is an assumed sufficient amount of Auditor’s Reserve Fund availability to cover the salary that year.

		Projected					
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	
	Current Appropriation Level (CAL)	\$11,395,193	\$11,677,743	\$12,112,247	\$12,418,433	\$12,841,549	
	Requested CAL	\$11,395,193	\$11,851,260	\$12,112,247	\$12,602,909	\$13,033,422	
	Percent increase	- 0% -	1.50% \$173,516	- 0% -	1.50% \$184,476	1.50% \$191,873	Total \$549,866
Hiring a new employee							
	Salary, benefits, and statutory	- \$0 -	\$150,471	\$152,968	\$155,508	\$158,089	Total \$617,035

