



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

September 7, 2022

To: Mayor Wheeler  
Commissioner Mapps  
Commissioner Rubio  
Commissioner Hardesty  
Commissioner Ryan

Cc: Jessica Kinard, Budget Office Director  
Christy Owen, Assistant Budget Director

From: City Auditor Mary Hull Caballero

Re: Fall Budget Monitoring Report

### **Operating Budget Reconciliation**

The Auditor's Office Fall Budget Monitoring Report shows that the Office is within the spending plan for Personnel Services and Internal Materials and Services and under budget for External Materials and Services for FY 2021-22.

### **Decision Package Update**

An FY 2021-22 Decision Package update report has been submitted to CBO for inclusion in their citywide reporting.



## Prior Year Fund Reconciliation Report

Office of the City Auditor

### 100 - General Fund

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<b>EXPENDITURES</b>	<b>2021-22 Revised Budget</b>	<b>2021-22 Actuals</b>	<b>Percent of Actuals to Revised</b>
Personnel	7,260,932	7,002,399	96.44%
External Materials and Services	1,597,120	821,439	51.43%
Internal Materials and Services	2,857,147	2,840,472	99.42%
<b>TOTAL EXPENDITURES</b>	<b>11,715,199</b>	<b>10,664,310</b>	<b>91.03%</b>

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<b>REVENUES</b>	<b>2021-22 Revised Budget</b>	<b>2021-22 Actuals</b>	<b>Percent of Actuals to Revised</b>
Charges for Services	100,665	20,785	20.65%
Miscellaneous	6,500	0	0%
General Fund Discretionary	6,834,536	0	0%
Fund Transfers - Revenue	97,169	0	0%
Interagency Revenue	0	-11	
General Fund Overhead	4,676,329	0	0%
<b>TOTAL REVENUES</b>	<b>11,715,199</b>	<b>20,774</b>	<b>0.18%</b>

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#### Expenditure Discussion

Auditor's Office expenditures were within the spending plan for Personnel Services and Internal Materials and Services. Expenditures for External Materials and Services were below budgeted amounts. The savings are attributed to intermittent vacant positions throughout the fiscal year and lower than anticipated spending for professional services. Also, in general, there was still less spending across the office as staff remained remote most of the year and the office-maintained pandemic-level spending.

#### Revenue Discussion

Revenues were below the spending plan in Charges for Services and Miscellaneous revenues. A decision to conduct performance audits of Prosper Portland every other year instead of annually accounted for the majority of the decline in revenue. Miscellaneous revenues were down due to less copying and fee activity associated with records requests or reproduction, as City buildings remained closed for much of past fiscal year due to the COVID-19 pandemic.

#### Other Notes

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## FY 2022-23 Budget Note Update

### Auditor's Office

**Date of Budget Note:** July 1, 2019, in the FY 2019-20 Adopted Budget

**Budget Note Title:** Auditor's Office Prior Year Underspending

**Budget Note Language:** Beginning in FY 2019-20, City Council directs the City Budget Office to create a sub-fund in the General Reserve Fund. Annually, as part of the Fall Supplemental Budget Process, CBO is directed to transfer prior year underspending in the Auditor's Office to the sub-fund for the purpose of funding duties as charter-mandated or agreed to by the City Auditor. The total amount of the sub-fund shall not exceed \$500,000. Any excess underspending of the Auditor's Office shall be included in General Fund year-end underspending.

**Summary Status:** Underway

**Budget Note Update:** September 7<sup>th</sup>, 2022

As part of FY 2019-20 budget adoption, City Council directed in a budget note that the City Budget Office create a sub-fund for the Auditor's Office within the General Reserve Fund or "Auditor's Office Reserve Fund." Annually, during the Fall Budget Monitoring Process, the Budget Office is directed to transfer prior year underspending in the Auditor's Office to the Auditor's Office Reserve Fund for the purpose of funding duties Charter-mandated or other responsibilities of the City Auditor. The total amount of the sub-fund shall not exceed \$500,000.