



March 17, 2022

To: Mayor Ted Wheeler
Commissioner Carmen Rubio
Commissioner Dan Ryan
Commissioner Jo Ann Hardesty
Commissioner Mingus Mapps

Cc: Jessica Kinard, Budget Office Director

From: City Auditor Mary Hull Caballero *MHC*

Re: FY 2021-22 Spring Budget Monitoring Report

Enclosed please find our year-end projections for operations in the Auditor's Office supported by the General Fund. An update on a previous budget note has been provided to the City Budget Office separately.

- Overall operational expenditures are within the spending plan for each major object area. The Auditor's Office projects underspending in External Materials and Services and within the budgeted resources for Personnel Services and Internal Materials and Services. Details are provided in the attached projection report.
- It should be noted that Independent Police Review (IPR) will transfer out of the Auditor's Office effective July 1, 2022. Work is underway to transition its budget and 14 employees to City Council. Work is underway by the Auditor's Office to identify which City offices will be responsible for providing for IPR's operational support needs by the effective date.



Business Area Projection Report

Office of the City Auditor - Fund 100

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$1,597,120	\$507,522	\$1,044,634	65%
Internal Materials and Services	\$2,857,147	\$1,899,682	\$2,823,711	99%
Personnel	\$7,260,932	\$4,582,400	\$6,939,527	96%
Sum:	\$11,715,199	\$6,989,604	\$10,807,872	92%

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Charges for Services	\$100,665	\$330	\$26,202	26%
Fund Transfers - Revenue	\$97,169	\$0	\$97,169	100%
General Fund Discretionary	\$6,834,536	\$0	\$6,008,172	88%
General Fund Overhead	\$4,676,329	\$0	\$4,676,329	100%
Miscellaneous	\$6,500	\$0	\$0	
Sum:	\$11,715,199	\$330	\$10,807,872	92%

Revenue Discussion

The Auditor's Office projects revenues to be below the spending plan for FY 2021-22. Charges for Services are projected to decrease because of a decision to conduct performance audits of Prosper Portland every other year instead of annually. Audits Services and Prosper Portland agreed to this schedule given Prosper Portland's reduced size and related risks. More frequent audits will be conducted if events indicate they are needed. Miscellaneous revenues associated with copying and fee activity are projected to remain static until City buildings are reopened.

Revenue Risks

There are no current risks to revenues projected for FY 2021-22.

Expenditure Discussion

The Auditor's Office projects that expenditures will be within budget for Personnel Services and Internal Materials and Services. External Materials and Services will be underspent at the end of FY 2021-22 because of lower than anticipated spending for professional services and reduced operational spending by staff working from home during the pandemic.

Expenditure Risks

There are no current risks to expenditures projected for FY 2021-22.

Other Notes

FY 2021-22 Budget Note Update

Auditor's Office

Date of Budget Note: July 1, 2020, in the FY 2020-21 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: March 17, 2022

In the FY 2020-21 Fall Budget Monitoring Process, the City Budget Office transferred \$500,000 in prior year underspending to the Auditor's Office Reserve Fund. In FY 2021-22, the Auditor's Office is transferring \$97,169 from the reserve fund to extend a limited-term Elections Coordinator position and related expenses to support the implementation of Charter-mandated campaign finance regulations.