

BERKELEY AUDITOR Questionnaire

**GREEN PARTY OF ALAMEDA COUNTY
2018 ENDORSEMENT DECISION**

Please email your responses to GPAC-VoterGuide@yahoogroups.com. In the subject line, please include "Berkeley Auditor".

We prefer that you convert your answered questionnaire into a .pdf document, so we can post it directly to our website. Or simply include your responses in the body of an email, and we will do the conversion.

If it is not possible for you to email, please snail mail your responses so we receive them by 8/23/18, to:

Berkeley Auditor Questionnaire
c/o Green Party of Alameda County
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Current occupation: Auditor

1. What are the primary functions of the Berkeley City Auditor?

As the city's taxpayer watchdog, the Berkeley City Auditor is an independent agency that conducts audits that include verifying compliance with laws and regulations, assessing the efficiency, effectiveness, and equity of the City's operations, and identifying internal control weaknesses. The auditor ensures that the programs serving the taxpayers of Berkeley are provided efficiently, economically and effectively. In addition, the Auditor's office performs revenue audits and provides consulting services, as well as increase awareness of fraud prevention and detection. To accomplish this, the auditor manages a team that adheres to the Generally Accepted Government Auditing Standards, and communicates important information to the City Council and to the public. The Berkeley City Auditor also manages the City's payroll function and registers all contracts that the City issues.

2. How has your experience/education prepared you to perform these duties?

As an immigrant from Taiwan, my family grew up poor and experienced discrimination based on race and economic status. I learned a lot in these early and formative years and these experiences informed the values that I hold today. I am a proud first generation college graduate and because of the challenges I experienced, I decided to dedicate my life to serving the public to promote equity, fairness, inclusiveness, and integrity. I have chosen to live in Berkeley for 24 years with 18 years of my professional career focused in the government auditing field. Working at the U.S. Government Accountability Office (GAO), the federal watchdog agency, I have conducted audits aimed at providing information to improve the administration of federal programs, including identifying noncompliance at IRS due to unclear rules for some retirement accounts and reported on the costs, benefits, and risks with IRS' data engine system. I have also conducted data analysis to determine the percentage of corporations that don't pay taxes, and worked on an audit that recommended and led to a law change requiring reporting of some of investments that previously were not required to be reported. The additional revenue collected from this previously untaxed investment category has totaled over three billion dollars. I have also conducted audits on a variety of issues that involved other agencies, across 8 departments in the federal government.

I have also designed training programs for thousands of auditors from federal, state, and local governments around the country. In this capacity, other government auditors have asked for my consultation on auditing standards and guidance, as I have extensive knowledge and skills to offer in the auditing community. Recently, I was

invited to conduct a workshop on managing audit staff at the annual conference for the Association of Local Government Auditors. Further, I bring an understanding of local government to the role. Prior to my time at GAO, I worked for the City and County of San Francisco to improve the administration of mental health and housing services as well as the City of New York in preparing an audit of restaurant inspections and budget of health services.

I am a proud Cal alumni. I attended UC Berkeley for my undergraduate degree, majoring in Economics and minoring in Public Policy, and other than my two years at New York University getting my Masters in Public Administration focusing on Finance, I have not left Berkeley. I have served in the past on the Labor Commission and the Budget Review Commission for the City of Berkeley. I have also volunteered regularly at Berkeley public schools to bring cultural awareness and assistance to teachers.

3. The city auditor sets priorities as to the areas to be audited. Which areas do you think are important for your audit and why?

It is important that Berkeley is and continues to be a city that represents all its residents. According to the most recent Strategic Plan, promoting and demonstrating social and economic equity is a major priority for the city. The Auditor's office can create ways to address equity, including assessing spending and programmatic decisions.

The key thing I would do as auditor is to survey and identify the biggest need for this city. I currently have a survey to obtain community input on departments I should consider auditing if elected. We need to ensure that all city departments are run efficiently so that resources are preserved to address important public interest concerns. All city departments needs to be responsive to all residents of Berkeley, including the police department, fire department, public works and others. All people should feel safe and welcome. It is the job of the auditor to come with fresh eyes to examine all of the departments and thoroughly assess the most important areas to evaluate. I would set initial priorities based on feedback from Council, Commissions, and the community, also taking into account major issues of public concern, budget size and public impact. If we can identify and improve ways to run the city, we will be able to maximize affordability of housing and implement effective methods for addressing homelessness and other critical issues.

4. As auditor, what are your concerns about the balance between compliance, performance and financial audits?

The City of Berkeley contracts out the financial audits function to a commercial firm that specializes in that area. Although audit standards lump compliance under performance audits, the city auditor balances these audits. For example, compliance audits include ensuring the parks tax is spent as intended. Performance audits can include evaluating program performance, such as code enforcement, and whether additional resources are needed or existing resources are used effectively and efficiently. Once a year, it is important to evaluate the risks, requests, and staffing levels, and try to do both.

5. As Berkeley City Auditor, it will be your responsibility to ensure proper use of public funds. a) What would you look for as an indication that city program or department is spending as it should?

First, to conduct an audit, Government Auditing Standards state that it is important to understand the criteria for evaluation. This means identifying any laws, regulations, guidelines, strategic plans, stated goals, internal controls, etc. Second, I would talk to city officials in the city program or department, as well as engage with relevant community members and groups to better gather information and understand the issues, challenges, and context. This may include collecting important data and documents to inform the audit. Third, I would evaluate the information I received against the criteria to determine if there is a gap and provide relevant recommendations for improvement. For example, to evaluate the parks tax, it would be important to look at what taxpayers voted on, and compare it to how the City spent the money.

b) How would you determine that the expected community services are being delivered?.

I would collect information from the relevant city department delivering the services and measure against stated intent or goals, whether this is from law, regulations, guidelines, etc. However, community expectations might not necessarily be in the law. To get clear community expectations, I would look for places where I can best understand them. This may include talking to relevant commissions, community groups, or other relevant stakeholders. In particular, I think it would be important to reach out to neighborhood associations who collectively gather to discuss relevant issues. I would also examine what was promised in the budget, whether there is current performance monitoring in place that is transparent, and whether there is a work plan presented to the city council. It is important to ask whether their plan aligns with community expectations and if they are reporting what they are supposed to report.

6. How would you inform Berkeley residents of your audits and the benefits of your results?

The most important part of informing Berkeley residents is to actively engage with the community. It is important to attend community meetings like neighborhood associations to discuss issues and share information as well as be available to answer questions. Sometimes, this is the best way to communicate information--being physically present for others. In addition to making myself personally available in meetings, I would leverage my experience on the content and mediums for communicating audits based on my experience coordinating these trainings with experts across the country. I would add to the current communication practice of quarterly newsletters and try innovative ideas like podcasts and interactive web content, with the purpose of increasing understanding of what the City Auditor does and the audits we are conducting. People today consume information in a variety of mediums, and it is the role of the public servant to identify and use the most effective methods to reach a range of people.

7. How does the auditor make sure that maximum revenue is obtained from city fees and taxes such as the fee on short term rentals?

Some short term rentals such as AirBNB, VRBO, and Homeaway have operated illegally in Berkeley. When long term units are being taken away, this decreases the affordable housing supply in Berkeley. Short term rental hosts now need to register with the city to operate and pay a 12 percent occupancy tax like hotels, as well as 2 percent enforcement fee. It is important to ensure that this is properly enforced and monitored. Without properly collecting the taxes and fees, the City is missing out on substantial revenue and these short term rentals will continue to threaten affordable housing.

8. Share an experience in which you recommended a change in operations based on an audit or investigation you performed.

I have either been lead author or contributor on several reports. One report that had significant impact and led to the most tax revenues for the government was requiring brokers to report securities information to the IRS. This resulted in over \$3 billion dollars in additional revenue over a five year period on investments that had not previously been taxed. Some of the other reports I led or contributed to include: challenges with IRA rules, S corporation noncompliance, IRS's data engine project, IRS tax liability program, corporate taxation, foreign aid to pacific island nations, export controls, and coordination of terrorist finance enforcement.

As Executive Director of Audit Forums, I have implemented a number of changes in the operations and management of these auditor training conferences. I authored standard operating procedures, instituted a budgeting process, and adopted paperless trainings to save resources. I have also worked with the the auditors organizing these sessions to consider diversity in determining panel speakers.

In local government, while at what was then the San Francisco Department of Human Services, I found that there was no systematic way for tracking HUD grants among San Francisco housing services. I independently developed a system for tracking this data that was useful in reporting real time information about HUD grants.

9. In all of the following areas, I would examine whether the department was delivering the expected services. I might take a look at staffing levels based on the growing population in these departments. I would review the annual audit plan, look at requests for audits from council, city manager, department heads, commissions, and the public.

a) What matters would you include in an audit of police?

For the police department in particular, I would also consult with the National Association for Civilian Oversight of Law Enforcement (NACOLE), on current trends nationally and best practices in auditing policing functions. One possible area to look at is better understanding police workload, and whether any of the nonviolent and non serious crimes can be diverted to civilians to reduce overtime pay. For example, can non violent incidents involving mental health issues be shifted to someone with a health background to address instead?

b) What matters would you include in an audit of fire services?

For the fire department, I would look at policies and processes of inspections to make sure it is done in a complete matter. I would be interested in the implementation of the new fire records management system to manage and track information.

c) What matters would you include in an audit of public works?

For public works, one area is looking at performance measures for streets and sewers. We should also look at project readiness and project effectiveness to ensure geographic equity. I would ask how projects are being prioritized across the city, how prioritization can shift or change, and how this is communicated to the public.

In all of these departments, we need to assess available grant funding, including potential grant funding, to deliver city services.

10. How will you, as city auditor, monitor the city's use of overtime, department budget overruns, and dispensation of funds raised through ballot measures?

It is important to check the use of overtime of city staff by pulling data from the system, looking for anomalies and significant amounts of overtime, and interviewing staff. Managing payroll is one function of the Auditor's Office. The auditor should check department spending by routinely comparing the budget to actuals to monitor if it looks like a department is going to go over budget and address their spending before they overspend. For ballot measures, it is important to look at what was promised to the people and track down how that money is being spent to ensure that it was spent only on what the voters approved.

11. How could you uncover corruption in fund management?

The most important aspect of fund management is to ensure that proper controls are put in place. From my experience at GAO, I understand the importance of implementing policies and procedures to ensure separation of duties, proper budgeting, comprehensive record keeping, and effective communication of activities. In addition to using information about the intent of the fund, as well as the controls around it, I would use a variety of standards to assess any misuse or weaknesses in controls. These include Government Auditing Standards, internal control standards, and the Framework for Managing Fraud Risks. Specifically, ensuring proper fund management involves looking at an analysis and systems in place to prevent inappropriate transfers from deducted funds into the general fund. Procedures on continuous monitoring could also help ensure that potential problem areas are quickly identified and any needed follow up. Finally, related to corruption is the need to encourage people to report waste, fraud and abuse. It is important to ensure that whistleblower protection is in place to protect employees and residents to report these types of issues.