



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

March 25, 2021

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

Re: FY 2020-21 Spring Budget Monitoring Report

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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.

**Summary**

- Overall operational expenditures are within the spending plan for each major object area. The Auditor's Office projects to be 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.
- One technical adjustment transfers \$190,000 from External Materials and Services to Internal Material and Services. The purpose is to consolidate previously budgeted funds for payment and completion of the security enhancement project on the third floor of the Auditor's Office in City Hall.
- Two vacant positions could not be filled in Independent Police Review because of uncertainty about its future, but its work needed to continue. The vacant positions were reassigned to other divisions in the Auditor's Office to be filled, and employees from the receiving divisions temporarily were assigned to help IPR with its caseload and administrative tasks. A Complaint Investigator I position went to the Ombudsman's Office, while a Deputy Ombudsman was sent to help IPR. An Administrative Specialist III position was reassigned to Operations Management, while that division stepped up its support of IPR's administrative tasks.



**AU - Office of the City Auditor**

**DP Type**

**Technical Adjustments**

**Request Name:** 11701 -Technical Adjustments

**Package Description**

These are technical adjustments within the Auditor's Office operating budget to move funds within Materials and Services for the payment and completion of a security enhancement project.

**Service Impacts**

N/A

**Equity Impacts**

N/A

Account Name		2020-21 SPRING Requested Adj
Expense	External Materials and Services	-190,000
	Internal Materials and Services	190,000
Expense	Sum:	0

# Business Area Projection Report

## Office of the City Auditor - Fund 100

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$1,759,675	\$934,263	\$1,279,680	73%
Internal Materials and Services	\$2,902,121	\$1,807,885	\$2,826,795	97%
Personnel	\$6,959,179	\$4,524,152	\$6,844,195	98%
<b>Sum:</b>	<b>\$11,620,975</b>	<b>\$7,266,300</b>	<b>\$10,950,670</b>	<b>94%</b>

Major Object	2020-21 SPRING Requested Total	2020-21 February Actuals YTD	2020-21 SPRING Projection	% Projected Actuals to Requested Total
Charges for Services	\$100,665	\$12,665	\$104,353	104%
General Fund Discretionary	\$7,148,708	\$0	\$6,481,215	91%
General Fund Overhead	\$4,365,102	\$0	\$4,365,102	100%
Miscellaneous	\$6,500	\$0	\$0	
<b>Sum:</b>	<b>\$11,620,975</b>	<b>\$12,665</b>	<b>\$10,950,670</b>	<b>94%</b>

### Revenue Discussion

The Auditor's Office projects the majority of revenues to be within the spending plan for FY 2020-21. Charges for Services are projected to exceed the budgeted amount by approximately four percent in FY21 due to the receipt of election fines collected through City Campaign Finance Regulations enforcement. The remaining revenue billing for Charges for Services will be completed by the end of the fiscal year. 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 2020-21.

### 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 2020-21 due to lower than anticipated spending for professional services and reduced non-essential spending related to COVID-19.

### Expenditure Risks

There are no current risks to expenditures projected for FY 2020-21.

### Other Notes

## FY 2020-21 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 25<sup>th</sup>, 2021

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 intends to transfer \$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.