



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: October 20, 2020

IBA Report Number: 20-22

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Item Number: TBD

Comparative Salary Analysis for the City Auditor Position

OVERVIEW

Over the past several months, the City, led by the Audit Committee, has been in the process of recruiting a new City Auditor.¹ When the new City Auditor is appointed, the City Council must also approve the City Auditor's salary.

In accordance with San Diego City Charter section 39.1, the Audit Committee must recommend to the City Council the annual compensation of the City Auditor. Therefore, on September 30, 2020, the Audit Committee discussed the annual compensatory range for the City Auditor appointees who are currently being considered to replace the Interim City Auditor. Based on preliminary information, the Audit Committee recommended a salary range of \$190,000 to \$239,000. Additionally, on October 20, 2020, the City Council designated Councilmember Sherman, the Audit Committee Chair, as its representative for purposes of any labor negotiations required in the appointment of the City Auditor.

On October 26, 2020, the City Council is expected to make its tentative selection for the City Auditor finalist candidate. The Council will also provide Councilmember Sherman with instructions for negotiating with the finalist. The City Council will appoint the City Auditor and make its final determination on compensation in a future, open session meeting of the Council.

This report provides a comparative salary analysis of chief audit executives at six jurisdictions within California, as well as three comparably sized cities outside of California. The results of

¹ For information on the recruitment process, see IBA Report 20-20, "2020 City Auditor Appointment Process Status Update for Audit Committee".

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our comparison are presented in the Attachment to this report. Other factors which can be considered in assessing auditor compensation are also briefly discussed in this report.

FISCAL/POLICY DISCUSSION

Comparative Salary Analysis (see Attachment)

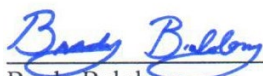
The Attachment to this report provides a comparative analysis of executive auditor positions within California and for select cities outside of the state. The IBA has selected the cities/counties based upon relative competitiveness to the City of San Diego. The Attachment also provides an overview of auditor operations and includes: the amount of budgeted positions within the department or division, the years that the chief executive auditor has been in the position, and the size of the operational budget for Fiscal Year 2021. The salary data provided in the Attachment is reflective of the base salary of the chief executive auditor positions and excludes other forms of compensation such as pension, healthcare coverage, and other employee benefits.

Other Factors That Can Be Considered in Assessing Compensation

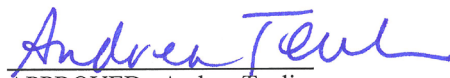
The IBA has selected the chief audit executive positions for comparison based on the nature of internal audit work done at each jurisdiction. Though the work may be comparatively similar in terms of processes and protocols followed, it is important to note that organizational differences and circumstances surrounding the internal audit operations may vary from one agency to the next. Important factors to be considered in determining City Auditor compensation include the experience, accomplishments, and achievements of the chief audit executive. Other factors that can be considered include, compensation relative to comparable executive appointees in the organization, size and complexity of the organization's audit operation, and other executive benefits (pension, healthcare, paid leave, holidays, etc).

CONCLUSION

The City, led by the Audit Committee, is in the process of recruiting a new City Auditor. Including the process for City Council appointment, the City is targeting to fill the City Auditor position by November 2020. The IBA has conducted a comparison of base salary and related data for chief audit executives at nine comparable public agencies. Auditor compensation data and other related information, such as budgeted audit positions, and time in service, are presented in the Attachment to this report. The IBA makes no recommendation regarding the appropriate level of compensation for the City Auditor.



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Comparative Salary Analysis

<u>CA Cities</u> ³	<u>Population</u>	<u>Entire FY 2021 Budget (\$ in billions)</u>	<u>Title of Chief Audit Executive</u>	<u>Reports To</u>	<u>Budgeted Audit Positions</u>	<u>Auditor Compensation</u>	<u>Years in Position</u>
<i>San Diego</i>	1,423,851	\$4.02	<i>Interim City Auditor</i>	<i>Audit Committee</i>	22	\$192,067	2.0
San Jose ¹	1,021,795	\$4.14	City Auditor	Mayor/City Council	13	\$180,839	1.5
San Francisco ^{1,2}	881,549	\$13.68	Director of Audits	Deputy Controller/Controller	32	\$183,157	1.0
Long Beach ¹	462,628	\$2.65	City Auditor	Public	21	\$232,524	14.0
CA Cities Average:						\$197,147	
<u>CA Counties</u>	<u>Population</u>	<u>Entire FY 2021 Budget (\$ in billions)</u>	<u>Title of Chief Audit Executive</u>	<u>Reports To</u>	<u>Budgeted Audit Positions</u>	<u>Auditor Compensation</u>	<u>Years in Position</u>
San Diego	3,338,330	\$6.55	Chief of Audits	Auditor/Controller	14	\$149,552	7.8
Orange	3,175,692	\$7.57	Director of Internal Audit	Board of Supervisors	14	\$214,000	1.5
Riverside	2,470,546	\$6.80	Chief Accountant of Internal Audits	Assistant County Auditor-Controller	10	\$122,120	5.0
CA Counties Average:						\$161,891	
<u>Cities Outside CA</u>	<u>Population</u>	<u>Entire FY 2021 Budget (\$ in billions)</u>	<u>Title of Chief Audit Executive</u>	<u>Reports To</u>	<u>Budgeted Audit Positions</u>	<u>Auditor Compensation</u>	<u>Years in Position</u>
Phoenix	1,680,992	\$5.02	City Auditor	City Manager & Audit Committee	23	\$179,109	3.5
San Antonio	1,547,253	\$2.93	City Auditor	Mayor/City Council	23	\$195,606	8.0
Dallas ¹	1,343,573	\$3.83	City Auditor	City Council	20	\$200,000	1.5
Outside CA Average:						\$191,572	

¹ FY 2021 budget is from the most recent Proposed Budget. The FY 2021 Adopted Budget is not yet available for this jurisdiction.

² Denotes City and County government.

³ Several attempts were made to reach out to the City of Los Angeles, but they have not responded back with any information regarding their Chief Audit Executive.