

## 2022 Budget Process Review

As of 3/21/2023

Update as of 6/2024

| Audit Report Received by Audit Committee | Audit Report Received by City Council | Moss Adams Observations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Moss Adams Recommendations                                                                                                                                                                                                                                                                                 | Did the City Agree? | Status    | Completion Date/<br>Estimated Completion Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2/27/2023                                | 3/21/2023                             | <p>Cupertino's budget process acts in accordance with the significant majority of budget best practices developed by the GFOA (76 of 80 criteria in total); however, there are four elements of the City's budget process that lacked documentation to support alignment with best practices:</p> <p>1) Develop policy on balancing the operating budget</p> <p>2) Performance measures are linked to financial outcomes</p> <p>3) Monitor, measure, and evaluate stakeholder satisfaction</p> <p>4) Adjust broad goals, if appropriate (The City may have an informal process for evaluating and, if necessary, adjusting its goals and/or performance measures during the budget cycle. However, there is not a written policy or procedure that defines how the City would adjust these goals).</p> | Develop a prioritized implementation plan to support progress towards full alignment with GFOA best practices in the four categories that are not aligned.                                                                                                                                                 | Yes                 | Completed | <p>1) May 2023 Added balanced budget policy.</p> <p>2) Performance measures linked to financial outcomes in FY 2023-24 budget document.</p> <p>3) City Manager's Office to explore conducting a community survey within the next 6-12 months. (ongoing item)</p> <p>4) In early 2023, Council re-affirmed five strategic goals to provide a framework for city's priorities. These goals have been prominently displayed on the city's website here:<br/> <a href="https://www.cupertino.org/our-city/city-council/city-council-goals">https://www.cupertino.org/our-city/city-council/city-council-goals</a>. As part of the Council Prioritization and FY 25-27 Work Program Adoption Workshop that will take place in early 2025, Council will have an opportunity to review existing strategic goals, and either re-affirm, or adopt new ones. After the workshop, staff will update the website to reflect newly adopted strategic goals. The new goals will also be included in the budget document.</p> |
|                                          |                                       | Although budget development and monitoring training is provided by Finance during onboarding and revisited at a high level during budget kick-offs, departmental staff engaged in budgeting desire more in-depth and regular training to keep up with continuous changes within the City.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Develop regular training and refresher courses for staff engaged in budget development and monitoring across City departments.                                                                                                                                                                             | Yes                 | Completed | May 2023 Budget training added to the HUB. Annual training will be required for staff working on the budget each July. Continue to provide regular training for base, proposed, and quarterly budgets as part of quarterly kick-off meetings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                          |                                       | Finance has developed several guides, tools, and instructions to support staff across all phases of the development process that are stored in several places across the City's systems. This has led to inefficiencies finding and using the most updated documents.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>A. Create a dedicated space on the HUB to consolidate budget guides, instructions, and tools.</p> <p>B. Create a budget lifecycle overview outlining each phase of the budget development and monitoring process with links to tutorials or systems used to support deliverables across each phase.</p> | Yes                 | Completed | Jan 2023 Budget page added to Hub with budget guides, instructions, tools and budget calendar. In addition, short Budget 101 videos have been created and uploaded to the City's website.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                          |                                       | The City uses OpenGov to submit, review, and approve budgets; however, the status of budget reviews and approvals occurs via email, leading to challenges effectively communicating budget progress.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Evaluate opportunities to provide more relevant status indicators in OpenGov, and train staff on OpenGov's budget status and notifications features                                                                                                                                                        | Yes                 | Completed | Jan 2023 OpenGov automatically sends email notifications to staff when budget status is updated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |