

Testimony of Acting City Controller Charles Edacheril
City of Philadelphia
Before the City Council Committee of the Whole on the
City Controller's FY 2024 Operating Budget
April 25, 2023

Good morning, President Clarke and Members of City Council. I am Charles Edacheril, Acting City Controller. Joining me today are Karen Robinson, Deputy Controller of Pre-Audit and Andrea Rose, Administrative Services Director, Nick Hand, Director of Finance, Policy and Data and Lief Erickson, Chief of Staff. I am pleased to provide testimony on the Office of the City Controller's Fiscal Year 2024 Operating Budget.

First let me say, it is an honor to be here, and I am proud to serve as Philadelphia's acting city controller.

I would also like to thank each of the employees in the Controller's Office who continue to provide exceptional service to the citizens of Philadelphia. They are to be commended and congratulated for the work highlighted in my testimony and their endurance as we continue to navigate this next year together.

The Mayor's proposed FY2024 Operating Budget for the City Controller's Office is \$11,648,245, including the School District Single Audit fee reimbursement in addition to the appropriations from the General fund.

These resources are used almost exclusively for salaries of personnel. The Controller's Office has four main divisions, Audit, Pre-Audit, Investigations and Finance, Policy & Data. Our Audit Division is the largest division and completes the audit work as required by the Home Rule Charter, including the Single Audit and the Annual Comprehensive Financial Report (ACFR) audit for both the City of Philadelphia and the School District of Philadelphia, departmental audits and performance audits. The Pre-Audit Division works with different City departments, State and Federal agencies, to ensure that payments are authorized and accurate before being paid by the City, as required by the Charter. Pre-Audit engineers review work order and invoices for Capital Project, as well as, inspect onsite to ensure the work is completed in accordance with the outlined scope. The Finance, Policy & Data Unit reviews revenue from taxes as well

as works to make data more accessible and understandable to all. The Investigations Unit receives tips or complaints from across the city, from both constituents and City employees. They look to address these individual issues while keeping an eye for larger systematic or institutional problems.

FY23 has been a very busy year for the City Controller's Office, with several challenges besides two controllers resigning to run for elected office. The most pressing issue was wrapping up the FY21 and FY22 audits. These audits were much larger and more in-depth than in the past as a result of the additional federal money that was given to the City and School District to fight COVID and then help with stabilization and recovery toward the latter part of the pandemic. This additional money required additional audit scrutiny.

In December of 2022, the office completed the FY21 Departmental Audit. This is a review of every department in the City to determine whether management has suitably designed and placed in operational internal controls such as overtime and sick leave policies, to ensure the City's resources are used in a responsible and efficient manner.

In February, the FY22 audits of the City and School District of Philadelphia ACFR's were completed and have issued clean opinions.

In March, the FY22 School District and FY21 City Single Audits, which look at federal awards expended, were completed and reports were issued.

In the coming months, our office will be issuing an evaluation of the IT general controls of the City's various financial systems and general and application controls for the Philadelphia Revenue Information System Management or PRISM system; and the Report on Internal Control and on Compliance and Other Matters in connection with the Controller's Office audit of the City's FY 22 ACFR. This will be the office's first chance to report on the new PRISM system.

The Finance, Policy & Data team has been continuing the work of making data and City financial information approachable to all residents.

In March, the Controller's Office released ProgressPHL, a dashboard that allows Philadelphians to explore and visualize the social and environmental wellbeing of their neighborhood. We have received a lot of requests from City departments, non-profits, community organizations, and several City Councilmembers, to meet and discuss this new tool. We're very proud of the hard work put into this project, creating the first Social Progress Index for a large U.S. city.

Another interactive application is the "Mapping Philadelphia's Gun Violence Crisis" dashboard. It gives location and demographic information for all victims of gun violence in the city going back to 2015. The online user interface allows individuals to filter the data, for example by age and race of the victim or if there is a court case, as well as download the data for further analysis with other parameters such as council district.

The Finance Policy & Data unit also continues to update its interactive dashboard that maps asbestos remediation projects in School District buildings. Using data from the Department of Public Health, the dashboard includes information on schools, the type of work being confirmed, and application date and planned completion date, updated daily.

The Investigations Unit has received 165 complaints so far in FY23, of which 75% have been resolved. This is similar to FY22. The investigators look into these complaints and while addressing the individual concern they look for broader concerns that can lead to a more robust investigation or audit.

As we look forward, one of the largest issues facing this office is the same one that is facing the rest of the city, retaining workers. The Controller's Office has a well-established career ladder, taking auditors from an entry level position mentoring and supporting them in the work and growing them to become CPAs and leaders in the field. To help encourage more employees to become CPAs and in an attempt to retain them,

the Controller's Office has started paying for 100% of the CPA exam and study materials. This financial barrier can stand in the thousands of dollars, and I am happy to say that the office has paid for five employees to enroll in the classes. We are encouraging more employees to take advantage of this great benefit.

For new hires at the Auditor Trainee level, the office offers hiring bonuses after the first three months of satisfactory employment and an additional bonus after 12 months.

I appreciate this opportunity to present my testimony. The office will continue conducting the annual audits for the City and School District and the many investigations that will arise. I look forward to working with you in the coming year and supporting the next controller once they are elected and sworn in.

My staff and I will be happy to answer any questions.

Thank you.