



CITY OF CHICAGO

OFFICE OF INSPECTOR GENERAL

MEMORANDUM

To: The Honorable Pat Dowell
Chairman, Committee on the Budget and Government Operations

The Honorable Brendan Reilly
President Pro Tempore, Alderman, 42nd Ward

From: Joseph M. Ferguson
Inspector General
Office of Inspector General

CC: Manuel Perez
Mayor's Office of Intergovernmental Affairs

Date: October 7, 2021

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 03-01 Ald. Reilly Pre-Hearing Questions

This memo contains responses to your October 5, 2021 memo requesting that we come to our Budget Hearing prepared with the following:

Changes in headcount projected for 2022

Response: Twelve (12)

Number of funded vacancies and breakdown for 2022

Response: Fund 100 there will be thirteen (13) and in Fund 740 there will be one (1) vacancy in 2022. This information is also available in the 2022 Department Budget Hearing Documents book provided to aldermen.

Number of vacancies being cut – what positions (job titles are being eliminated

Zero (0)

Number of non-union employees to receive salary increases in 2022 budget

Fifty-nine (59) current employees, only 4 of which are at the request of OIG.

Description of outsourced services projected for 2020

No services will be outsourced in 2022.

List of savings and cost-efficiencies due to zero-based budgeting

OIG did not construct its budget on a zero-based approach.

As always, please let me know if you have any further questions.



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To: The Honorable Pat Dowell
Chairman, Committee on the Budget and Government Operations

From: Joseph M. Ferguson
Inspector General
Office of Inspector General

CC: Manuel Perez
Mayor's Office of Intergovernmental Affairs

Date: October 13, 2021

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 03-02 Budget Efficiencies

During the October 7 budget hearing for the Office of Inspector General (OIG), 49th Ward Alderwoman Hadden requested that OIG identify opportunities for budget efficiencies and share that information through the chair. This letter is in response to that request.

As mentioned during the hearing, in 2012 the OIG issued a Savings and Revenue Options Report, comprised of 31 options to cut spending or increase revenue worth an estimated total of more than \$1.176 billion. The majority of these options have not been implemented.¹

In addition, the Audit and Program Review section of the OIG has reported on many topics related to operational effectiveness and efficiency.² Such reports may not identify cost savings or increased revenue directly, but push the City to make efficient and effective use of budgeted funds to ensure stakeholders receive optimal service. Some audit topics do lend themselves to a more direct estimation of savings or revenue losses. For example:

¹ City of Chicago Office of Inspector General, "2012 Savings and Revenue Options Report," September 27, 2012, <https://igchicago.org/2012/09/27/inspector-general-announces-savings-and-revenue-options-for-the-city-of-chicago/>.

² See generally, City of Chicago Office of Inspector General, "Audits," <https://igchicago.org/publications/audits/>.

- A 2019 audit on the Chicago Department of Transportation's (CDOT) billing process for commercial driveway permit annual fees estimated the City is experiencing an annual revenue loss between \$1.1 million and \$1.5 million due to inaccurate data that prevents complete and accurate billing.³ OIG has followed up on this report twice since 2019 and learned that, although CDOT has migrated the process to a new data management system, as of March 2021, many of the underlying issues found in the audit had not been addressed.
- A 2015 audit of CDOT's Pavement Management, OIG noted that CDOT's pavement management program did not comport with federal guidelines, with deficits in the areas of street condition data, performance measurement, and preventative maintenance.⁴ OIG estimated that, by reallocating \$2.9 million per year from resurfacing to preventative maintenance, the City could save \$69.5 million over the 15-year lifecycle of a street, for an average annual savings of \$4.6 million. In September 2017, OIG inquired about the status of the corrective actions and concluded that, while CDOT implemented a Pavement Preservation Plan, it declined to remove residential street resurfacing from the Aldermanic Menu and include it in a centralized pavement management program.

We thank Alderwoman Hadden for her interest in our work and invite her to reach out with any questions or suggestions for future audit subjects.

³ City of Chicago Office of Inspector General, "Chicago Department of Transportation Commercial Driveway Billing Audit," July 1, 2019, <https://igchicago.org/wp-content/uploads/2019/06/CDOT-Driveway-Billing-Audit.pdf>.

⁴ City of Chicago Office of Inspector General, "Chicago Department of Transportation Pavement Management Audit," December 18, 2015, <https://igchicago.org/2015/12/22/audit-of-cdot-pavement-management-program/>.