



CITY OF CHICAGO
OFFICE OF INSPECTOR GENERAL

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26

Audit of the City Council Office of Financial Analysis' Reporting Requirements

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Acronyms

ACFR	Annual Comprehensive Financial Report
COFA	City Council Office of Financial Analysis
FMPS	Financial Management and Purchasing Systems
FTE	Full Time Employees
IBA	City of San Diego’s Independence Budget Analyst
IBO	City of New York’s Independent Budget Office
ILCS	Illinois Compiled Statutes
MCC	Municipal Code of Chicago
OBM	Office of Budget and Management
OIG	Office of Inspector General

City of Chicago Office of Inspector General (OIG)

Audit of the City Council Office of Financial Analysis' (COFA) Reporting Requirements

COFA was created by the Municipal Code of Chicago **to protect the public interest** by providing independent, nonpartisan information to City Council to help Alderpeople make decisions on the City of Chicago's budget and financial affairs.

OIG Found:



COFA's reports provide limited assistance to help City Council make informed decisions on the City's budget and financial affairs.

Reports are untimely and inconsistent. Only 72% of required periodic reports were provided from 2015 to 2023. However, that increased to 91% once online publication was required.



COFA may not be in compliance with the Illinois Local Records Act.

Other than the reports provided on its website, it has no other reports or work paper documentation from before 2021.



COFA cited lack of timely and unhindered access to City information as the most significant obstacle to meeting its reporting requirements.



Without trust in COFA, City Council loses independent analysis, relying on data and analysis from City departments, which operate under the direction of the Mayor's Office.

I | Executive Summary

The City of Chicago Office of Inspector General (OIG) conducted an audit of the City Council Office of Financial Analysis (COFA). The objective of OIG's audit was to determine whether COFA fulfilled its mission of providing independent financial analysis to support City Council in performing its role in the management of the City of Chicago's financial affairs.

Conclusion

COFA has not consistently provided independent financial analysis to assist City Council and protect the public's interest in the effective and efficient expenditure of City funds. Members of City Council told OIG that COFA's reports provide limited assistance to help them make decisions affecting the City's budget and financial affairs. This shortfall in assistance impairs City Council's ability to act as an independent, co-equal branch of government by requiring it to rely on information obtained from the Office of Budget and Management (OBM) and other executive departments. COFA stated that it does not receive timely or unhindered access to City data and lacks the resources to conduct the analysis required by the Municipal Code of Chicago (MCC). Finally, COFA has neither retained any reports or work paper documentation from before 2021, nor followed a records retention schedule, as required by the Illinois Local Records Act.

Findings

COFA has not consistently provided independent financial analysis to assist City Council and protect the public's interest in the effective and efficient expenditure of City funds. The timing and content of its reports provide limited assistance for City Council to make decisions affecting the City's budget and financial affairs. Moreover, COFA has not consistently provided the reports required by the MCC. In some cases, COFA has not provided its budget analysis until after City Council has voted on the City's budget. Notably, COFA has not adopted working definitions of the events that trigger the preparation of required reports. Finally, OIG found that COFA has not retained reports, analysis, and other related work papers from before 2021, and does not have a records retention schedule, in apparent violation of the Illinois Local Records Act.

Recommendations

OIG recommends that COFA work with OBM and other City departments to gain timely and unhindered access to the data, databases, and reports it needs to fulfill its mission of conducting independent financial analysis.

Further, OIG recommends that COFA conduct a staffing analysis to determine what resources the office needs to meet its responsibilities under the MCC, and share that analysis with City Council to help address resource and staffing needs. COFA should develop procedures for meeting its MCC responsibilities, such as tracking aldermanic requests, proactively identifying legislation that requires financial analysis, and ensuring that its reports are published on time.

OIG also recommends that COFA work with City Council to define the scope and nature of its analysis in the context of each of its reports to ensure that those reports consistently provide value to City Council and other stakeholders.

Finally, COFA should review its compliance with the Local Records Act, notify the Local Records Commission of any violations associated with its failure to retain reports and workpapers from before 2021, and work with the Commission to ensure compliance with the Local Records Act moving forward.

COFA Response

In response to OIG's audit findings and recommendations, COFA stated that "[s]ince 2025 it has focused on actively addressing many of the challenges reflected in the report, including issues related to analytical quality, timeliness, and consistency with [MCC] requirements." COFA also stated that, while it has made progress, it "recognize[s] continued improvement is essential and remain[s] focused on advancing this work." Further, COFA identified targeted improvements for 2026.

The specific recommendations related to each finding, and COFA's response, are described in the "Findings and Recommendations" section of this report.

II | Background

The Chicago City Council created the City Council Office of Financial Analysis (COFA) in December 2013 and appointed its first director in 2015. COFA's mission is "to provide independent, nonpartisan information to the Chicago City Council to assist them in making decisions on the City of Chicago's budget and financial affairs to protect the public interest."¹

COFA's mission requires it to provide information and analysis independently from the Mayor's Office and the rest of the City's executive branch. The Municipal Code of Chicago (MCC) supports COFA's independence by addressing its director's manner of appointment and its access to information, and by assigning City personnel a duty to cooperate with its work. Regarding the director's appointment, MCC § 2-53-020 provides that it shall occur "upon a recommendation from the Chairman of the Committee on the Budget and Government Operations, and approval by a vote of two-thirds of all members of the City Council." The MCC further states that, "the Director may be removed at any time, with or without cause, by a two-thirds vote of all the members of the City Council . . ."² Thus, COFA is positioned within the government differently than the City's executive departments. COFA resides within City Council; City departments, on the other hand, such as the Chicago Police Department (CPD) and the Department of Streets and Sanitation, fall under the Mayor's administration, and their directors or commissioners therefore serve at the pleasure of the Mayor.³

COFA's independence finds further support in COFA's 2013 establishing ordinance, which granted the office access to City records. Specifically, this provision authorizes COFA to obtain "information, data, records, reports, estimates, and statistics from any officer, employee, department, agency, contractor, subcontractor, and licensee of the City, and every applicant for certification of eligibility for a City contract or program, as the director determines is necessary for the performance of [their] powers and duties."⁴ In 2019 the ordinance was updated to grant COFA's director "read-only access to the City's budget, financial, procurement, and related systems in order to export data and run reports." In 2024 the ordinance was updated once again, to provide read-only access to each member of COFA.

Finally, MCC § 2-53-040 supports COFA's independence by requiring cooperation with its work. This provision states, "Every officer, employee, department, agency, contractor, subcontractor, and licensee of the City, and every applicant for certification of eligibility for a City contract or program has a duty to cooperate with the Director's reasonable requests . . . unless such requests are subject to attorney-client privilege, attorney work product, and material prepared for litigation; provided, however, that any denial of such requests shall be made in writing and include the reasons for such denial."

The MCC does not, however, endow COFA with budgetary independence. As shown in Figure 1, from 2015 to 2023, the scope of this audit, COFA had a budget between \$275,344 and \$317,680

¹ City of Chicago City Council Office of Financial Analysis, "COFA Mission statement," accessed September 17, 2025, https://www.chicago.gov/city/en/depts/cofa/auto_generated/cofa_mission.html.

² Municipal Code of Chicago § 2-53-020.

³ City of Chicago Departments, "Office of the Mayor", accessed on August 27, 2025, <https://www.chicago.gov/city/en/depts.html>.

⁴ MCC § 2-53-040.

annually with three to four full-time employees (FTEs).⁵ Notably, the MCC does not set a floor for COFA’s budget. Consequently, the City’s political actors, in particular the Mayor and City Council, could seek to reduce its funding—or even eliminate it—at any time.

Figure 1: From 2015 to 2023, the scope of OIG’s review, COFA’s annual budget ranged from \$283,924 to \$317,680 with three to four full-time employees.⁶

Year	Budgeted Amount	Budgeted Staff
2014	\$283,924	4
2015	283,924	4
2016	283,924	4
2017	301,216	4
2018	301,216	4
2019	309,376	4
2020	309,376	4
2021	275,344	3
2022	309,376	3
2023	317,680	3
2024	356,236	3
2025	529,075	5
2026	537,133	5

Source: 2014 – 2026 City of Chicago Annual Appropriation Ordinances.

Moreover, although it is COFA’s mission to operate independently from the Mayor’s Office for the benefit of City Council, historically, the office has faced challenges to its operational independence from within City Council itself, based on the MCC. For the first five years of COFA’s existence, only the Chair of the Committee on Budget and Government Operations could direct the office to perform a particular financial analysis.⁷ City Council members had to submit requests to the chair,

⁵ COFA staff members are Shakman Exempt City Council employees. In 1972, a federal court entered the first of three Shakman consent decrees to eliminate improper political patronage in the City’s employment practices. Certain positions—ones that involve policy making or are confidential in such a way that political affiliation is an appropriate consideration for the effective performance of the job—are exempt from those rules and are designated as “Shakman Exempt.” City of Chicago Office of Inspector General, “Shakman Exempt Employees Demographics,” accessed September 26, 2025, <https://igchicago.org/information-portal/data-dashboards/city-of-chicago-shakman-exempt-employee-demographics/>. Throughout its existence COFA has struggled with staff retention. For part of 2019, it had only one analyst on staff and no director, until City Council appointed one later in the year. In July 2022, COFA hired an additional analyst, and in May 2024, City Council promoted the original analyst to director. City of Chicago, “Current Employee Names, Salaries, and Position Titles”, January 1, 2024, accessed on August 27, 2025, https://www.chicago.gov/city/en/depts/dhr/dataset/current_employee_names_salaries_and_position_titles.html. As of March 31, 2025, COFA had four staff: a director, one deputy director, and two analysts.

⁶ Appropriation ordinances for years 2014 through 2024 can be found in the City’s budget publications archive. City of Chicago Office of Budget and Management, “Publications Archive: Annual Appropriations Ordinance,” 2014 appropriations ordinance document p.48, 2015 p.49, 2016 p.48, 2017 p.50, 2018 p.50, 2019 p.53, 2020 p.51, 2021 p.51, 2022 p.51, 2023 p.52, 2024 p.60, 2025 p. 84, accessed January 19, 2026, <https://www.chicago.gov/city/en/depts/obm/provdrs/budget/svcs/PublicationsArchive.html>. The 2026 appropriation ordinance can be found with current budget publications. City of Chicago Office of Budget and Management, “2026 Annual Appropriation Ordinance,” 100, accessed January 19, 2026, https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2026Budget/FY2026%20Annual%20Appropriation%20Ordinance.pdf.

⁷ From the time of COFA’s creation to present, there have been three Chairs of the Committee on the Budget and Government Operations: Carrie Austin (2011-2019), Pat Dowell (2019-2023), and Jason Ervin (2023-Present). Chicago City Council R2011-656 (5/18/2011), R2015-410 (5/20/2015), R2019-345 (5/29/2019), R2023-759 (5/24/2023).

who would unilaterally decide whether COFA would conduct the analysis sought. This structure denied individual alderpersons meaningful access to COFA as a resource. However, a 2019 ordinance amended the MCC to allow individual City Council members to request analyses directly from COFA.⁸

The MCC Requires COFA to Produce Five Types of Periodic Reports and Four Types of Reports in Response to Particular Events

During the period of inquiry of this audit, MCC § 2-53-030 required COFA to produce nine types of reports.⁹ Unless otherwise noted, the MCC has required COFA to produce these reports since its inception. Five of these reports are required on a recurring basis, such as annually or quarterly. OIG refers to these herein as *periodic* reports:

- **Analysis of Mayor's Proposed Budget:** An annual financial analysis of the Mayor's proposed budget recommendations.
- **COFA Activities Report:** A quarterly summary of COFA's activities, including its fiscal impact statements, conducted during the reporting period. A 2019 ordinance changed the frequency of this report from annual to quarterly.
- **Budget Options Report:** An annual report of potential costs saving reforms and efficiencies.¹⁰
- **Summary and Analysis of Annual Comprehensive Financial Report:** An annual summary and analysis of the Mayor's Annual Comprehensive Financial Report (ACFR). The ACFR is a report of the City's financial information presented in conformity with generally accepted accounting principles (GAAP), as required by State law.¹¹ This requirement was added to the MCC in October 2019.
- **Review of Budget Forecast:** An annual review of the Mayor's budget forecast document, which provides "general information about the history and future of major components of the City's overall finances and City budget."¹² This requirement was also added to the MCC in October 2019.

The MCC also requires COFA to complete four types of reports in response to specific actions or events. OIG refers to these as ad hoc reports:

- **Public-Private Partnerships:** A review of proposed Public-Private Partnership agreements or asset leases. Public-Private Partnerships are generally described as an agreement between a government and a private partner for the provision of a public asset or public service.

⁸ MCC § 2-53-030 (i).

⁹ MCC § 2-53-030.

¹⁰ In 2024, the Budget Options Report was required to be incorporated into a new required annual report, the Mid-year Budget Report. MCC § 2-53-050.

¹¹ City of Chicago, Department of Finance, "2024 Annual Comprehensive Financial Report," August 27, 2025, 10, accessed July 25, 2025, https://www.chicago.gov/content/dam/city/depts/fin/supp_info/CAFR/2024CAFR/ACFR_2024.pdf.

¹² City of Chicago Office of Budget and Management, "2025 Budget Forecast", August 29, 2024, 5, accessed August 27, 2025, https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2025Budget/2025-Chicago-Budget-Forecast.pdf.

- **Bond Rating Agency Actions:** An overview of updates to Chicago's bond ratings by the top four major rating agencies (Kroll, Moody's, S&P, and Fitch). Bond ratings reflect the likelihood of an entity paying off its loans in a timely manner.¹³
- **Fiscal Impact Statements:** A statement of "immediate impact and, if determinable or reasonably foreseeable, the long range impact" of any proposed ordinance that would add, eliminate, increase, or decrease annual appropriations by more than \$1 million or a sale or lease of any City asset with anticipated revenue greater than \$15 million.¹⁴
- **Aldermanic Requests:** A report including financial analyses conducted upon the request of members of City Council. As described earlier, a 2019 amendment to the MCC allows individual City Council members to request analyses directly from COFA rather than submitting them for the consideration of the Chair of the Committee on Budget and Government Operations.¹⁵

In 2019, COFA's reporting requirements further evolved when the MCC was amended to require COFA to publish all reports on its website.¹⁶

City Council Modeled COFA on Legislative Analysis Offices in Other Municipalities

Some members of City Council stated that, prior to the creation of COFA, they regularly lacked the necessary information to give appropriate consideration to proposed legislation. An oft-cited example is the 75-year lease of the City's system of parking meters to a private company for a payment of \$1.157 billion passed by City Council and approved by the Mayor in 2008.¹⁷

The City Council member who designed COFA's enabling legislation told OIG it was modeled after legislative analysis offices in New York City, Pittsburgh, and San Diego. Another City Council member indicated that COFA was meant to serve a role analogous to that of the United States Congressional Budget Office. However, this alderperson further stated that COFA's enabling ordinance was very limited compared to the original vision and did not give the office the independence necessary to be effective.

Nationally, to promote more fiscally responsible legislative decision making, some legislatures have created offices to provide independent expertise on topics such as budgets, forecasts, and proposed policies. As mentioned above, San Diego and New York are examples of peer cities with

¹³ Fitch Ratings, "Rating Definitions", accessed on August 27, 2025, <https://www.fitchratings.com/products/rating-definitions>.

¹⁴ COFA's 2013 establishing ordinance required fiscal impact statements but did not define when they were required. In May 2018, the MCC included the requirement when the sale or lease of a City asset with anticipated revenue greater than \$15 million. In December 2024, the MCC established the \$1 million threshold for appropriation changes that would require a fiscal impact statement.

¹⁵ MCC § 2-53-030 (i).

¹⁶ MCC § 2-53-035. In December 2024, City Council further amended MCC § 2-53-040, MCC § 2-53-050 to require a) each COFA staff member to "have read-only access to all of the City budget, financial, procurement, and related systems in order to export data and run current and historical reports," b) COFA to produce a Mid-year Budget Report, and c) COFA to provide reports and briefings for City Council members who request information. These amendments were not considered in this audit as they were not required during the audit timeframe, 2015 to 2023.

¹⁷ City of Chicago Office of Inspector General, "Report of Inspector General's Findings and Recommendations: An Analysis of the Lease of the City's Parking Meters," June 2, 2009, accessed September 20, 2025, <https://igchicago.org/wp-content/uploads/2011/03/Parking-Meter-Report.pdf>.

legislative analysis offices that COFA and City Council could look to in considering further improvements to Chicago's approach.

San Diego's Independent Budget Analyst (IBA)

San Diego established its IBA in 2006 after transitioning to a "strong mayor" form of government.¹⁸ The current IBA director stated that the City Council created IBA to provide it with unbiased information on the budget or other proposed policies. IBA has 11 full-time staff including analysts who specialize in different portfolio areas (e.g., capital planning, environmental, public safety, etc.). Staff members develop expertise in their portfolios, build relationships with relevant City departments, and monitor potential legislation relevant to their areas of expertise.

New York's Independent Budget Office (IBO)

New York City created its IBO in 1989. IBO's governance structure provides some operational independence. Its director is appointed by a special committee that receives candidate recommendations from an advisory board. IBO's budget is legally required to be at least 10% of the amount appropriated for the City's Office of Management and Budget. IBO was designed to counterbalance the Mayor's Office and serve as a nonpartisan resource to all other elected officials. It has 35 staff members who, similar to those in San Diego, specialize in specific portfolio areas.

¹⁸ City of San Diego, Office of the Independent Budget Analyst, "About Us," accessed November 24, 2025, <https://www.sandiego.gov/iba/aboutus>.

III | Objective, Scope, and Methodology

A | Objective

The objective of OIG's audit was to determine whether COFA fulfilled its mission of providing independent financial analysis to support City Council in performing its role in the management of the City of Chicago's financial affairs.

B | Scope

The scope of the audit included COFA's preparation of documents required by the MCC and satisfaction of its reporting requirements from January 1, 2015, to December 31, 2023.

C | Methodology

To understand COFA's purpose, legal requirements, and operations, OIG reviewed the MCC and interviewed COFA staff. To learn about leading practices in municipal legislative offices of financial analysis, OIG interviewed staff from San Diego's IBA, New York's IBO, and the Civic Federation.

To understand City Council Members' perspectives on COFA and gather feedback regarding the quality and utility of its reports, OIG interviewed six alderpersons with different levels of experience with COFA.

To evaluate the content of COFA's reports, OIG analyzed a total of 19, including a targeted sample of five aldermanic requests and five fiscal impact statements, as well as the most recent of each of the other seven report types. OIG reviewed the reports for patterns and identified four themes relating to their quality (independent analysis, statements lacking context or evidence, mere summaries of other City data, and repetition of statements from outside sources).

To determine the availability of COFA's reports, OIG reviewed its website and requested any reports not available online. COFA staff confirmed that the site contained all available reports.

D | Standards

OIG conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its audit objectives. OIG believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on its audit objectives.

E | Authority and Role

The authority to perform this audit is established in MCC § 2-56-030, which states that OIG has the power and duty to review the programs of City government in order to identify any inefficiencies, waste, and potential for misconduct, and to promote economy, efficiency, effectiveness, and integrity in the administration of City programs and operations.

The role of OIG is to review City operations and make recommendations for improvement.

City management is responsible for establishing and maintaining processes to ensure that City programs operate economically, efficiently, effectively, and with integrity.

IV | Findings and Recommendations

Finding 1: COFA Has Not Consistently Provided Independent Analysis to Support City Council and Protect the Public Interest in Fiscally Responsible Government.

COFA's mission is "[t]o provide independent, nonpartisan information to the Chicago City Council to assist them in making decisions on the City of Chicago's budget and financial affairs to protect the public interest."¹⁹ However, the office has not consistently provided this information. In some instances, COFA has not produced its required reports at all; in others, due to inadequate content or poor timing, its analyses provided only limited decision-making assistance to City Council. These shortcomings hinder City Council in its role as the City's legislative body and a coequal branch of government. City Council is left to rely on data and analysis from the City's executive departments, which operate under the direction of the Mayor's Office. This dynamic may upset the balance of power between the City Council and the Mayor, and negatively impact the former's ability to protect the public interest in fiscally responsible government.

Without independent analysis from COFA, some City Council members use their own staff to conduct financial analyses or reach out directly to departments with questions. This creates a risk of legislative decisions being based on inconsistent information among City Council members, impacting their collective ability to cast informed votes.

COFA staff told OIG that the biggest challenge in completing their work is access to City data. Specifically, COFA lacks timely and unhindered access to the information necessary to conduct its analyses. As noted above, moreover, COFA has faced staffing and resource challenges throughout its existence. Finally, COFA staff stated there are no standardized procedures for fulfilling their responsibilities under the MCC.

As detailed below, these challenges may have impacted the quality of COFA's work product and hampered its ability to produce the reports and analyses required by the MCC.

¹⁹ City of Chicago Council Office of Financial Analysis, "COFA Mission statement," accessed on August 27, 2025, https://www.chicago.gov/city/en/depts/cofa/auto_generated/cofa_mission.html.

A | Due to Poor Timing and Inadequate Content, COFA's Reports Provide Limited Assistance to City Council's Exercise of Its Responsibility to Make Decisions Affecting the City's Budget and Financial Affairs.

Members of City Council told OIG that they do not consistently rely on COFA's reports in the decision-making process because the reports are often delayed and generally merely summarize departmental documents without providing critical analysis. Alderpersons also expressed dissatisfaction with the process for ordering reports from COFA and indicated they regularly choose to pursue alternative avenues for securing information and analysis. For example, City Council members stated that, rather than relying on COFA, they will reach out directly to departments or have their own staff members perform financial analyses.

Because City Council lacks confidence in COFA, the office does not receive many aldermanic requests. This leaves alderpersons unable to leverage independent analysis to craft legislation themselves or to assess the financial impacts of others' legislative proposals.

To better understand the concerns expressed by members of City Council, OIG reviewed 19 recent COFA reports and found that, while COFA provided some independent analysis, the quality of its reports was inconsistent. Four themes emerged across the 19 documents:

Regarding aldermanic requests, one City Council member stated that the process was slow, unhelpful, and that COFA's response to their request came too late to be useful. Moreover, the response did not include much detail; it seemed as though COFA lacked access to the departmental information necessary to prepare a sufficient report.

COFA provided some independent observations to City Council members. COFA's 2024 Analysis of the Mayor's Proposed Budget, for example, challenged the methods the Mayor proposed to close the City's structural deficit and pointed out that the proposal did not explain certain details of how it would balance the budget. COFA's analysis also highlighted that the proposal did not address how the City's spending on new arrivals would affect the budget, despite the fact that this category of spending represented more than a third of the projected deficit.²⁰ COFA further noted that, based on then-current spending levels, "the \$200 million budgeted [would] not be enough to support the current number of migrants that [had already] arrive[d] in the City."²¹

Some of COFA's analysis either did not include supporting evidence, required additional context to provide value, or was inaccurate. For example, in response to an alderperson's request for "financial projections on the cost of a potential program to provide \$10,000 down payment

²⁰ Since August 2022, Chicago has seen an influx of asylum seekers (called "new arrivals") from across the world. The City has taken the formal position that "[a]s a Welcoming City, we have a responsibility to provide access to shelter, food, and medical care to everyone regardless of immigration status. Many of our new arrivals have walked hundreds of miles, navigating great danger through multiple countries, in pursuit of safety and opportunity in the United States. We are committed to assisting each family and individual, providing human services with respect and dignity." City of Chicago, "The Welcoming City," Accessed July 16, 2025, <https://www.chicago.gov/city/en/sites/texas-new-arrivals/home.html>.

²¹ City of Chicago Council Office of Financial Analysis, "Analysis of Annual Budget Forecast," November 20, 2023, 9, Accessed July 16, 2025, <https://www.chicago.gov/content/dam/city/depts/COFA/AnnualBudgetForecast/2024BudgetForecastAnalysis.pdf>.

assistance for first time home buyers [in] the Chicago Police Department,” COFA performed an analysis that included the assumption that 10% of police officers may be interested in purchasing their first home and that CPD will hire 500 sworn officers per year.²² The office, however, provided no basis for those assumptions. Furthermore, in its Analysis of the Mayor’s Proposed 2024 Budget, COFA recommended that City Council consider taxing short-term rentals as a possible source of revenue. The report stated that Chicago currently did not tax short-term rentals. That was, however, incorrect; Chicago has taxed short-term vacation rentals since at least 2016.

COFA’s reports sometimes merely repeated the Mayor’s Office or City departmental information without performing new or original analysis. COFA’s 2024 Analysis of the Mayor’s Proposed Budget, for example, essentially summarized the 2024 pension fund information provided by OBM. Given the impact pension obligations have historically had on both City tax levies and the resources available to provide municipal services,²³ it is notable that COFA did not provide additional context for or unique analysis of the Mayor’s pension funding proposal.

One Alderperson stated they would like to see COFA conduct a deeper dive into its analysis of the Mayor’s proposed budget.

Although the MCC mandates that COFA have access to City data, the office sometimes relied instead on information from external sources, such as newspapers. For example, COFA’s 2024 Budget Options Report recommended that the City optimize debt collections to recoup revenues. The report gave \$6.4 billion as the amount of outstanding debt.²⁴ However, COFA took this amount from an article in the Chicago Sun-Times, rather than accessing Department of Finance data.

In that same report, COFA recommended that City Council consider congestion pricing as a strategy for increasing revenue. Describing the percentage of commuters who use various modes of transportation to get to work, the office cited “bestplaces.net”.²⁵ COFA used data from this source although it is not the primary source of the data and does not identify the source of its data. Further, it does not explain its methodology for data collection or analysis.

COFA’s reliance on external sources may be attributable to its difficulty in securing timely and unhindered access to City data. However, such sources are less reliable than the City’s own data. Relying on them creates the risk of inaccuracies in COFA’s analyses.

²² City of Chicago City Council Office of Financial Analysis, “Aldermanic Request: Attracting and Retaining Chicago Police Officers”, May 24, 2022, 3, accessed August 27, 2025, https://www.chicago.gov/content/dam/city/depts/COFA/AldermanicRequestReports/2022/COFA_AldermanicRequest_FY2022_Ward19-CPD%20Incentives.pdf.

²³ City of Chicago Office of Budget and Management, “2024 Budget Overview,” 43-45, accessed March 13, 2026, https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2024Budget/2024-Budget-Overview_CityofChicago.pdf.

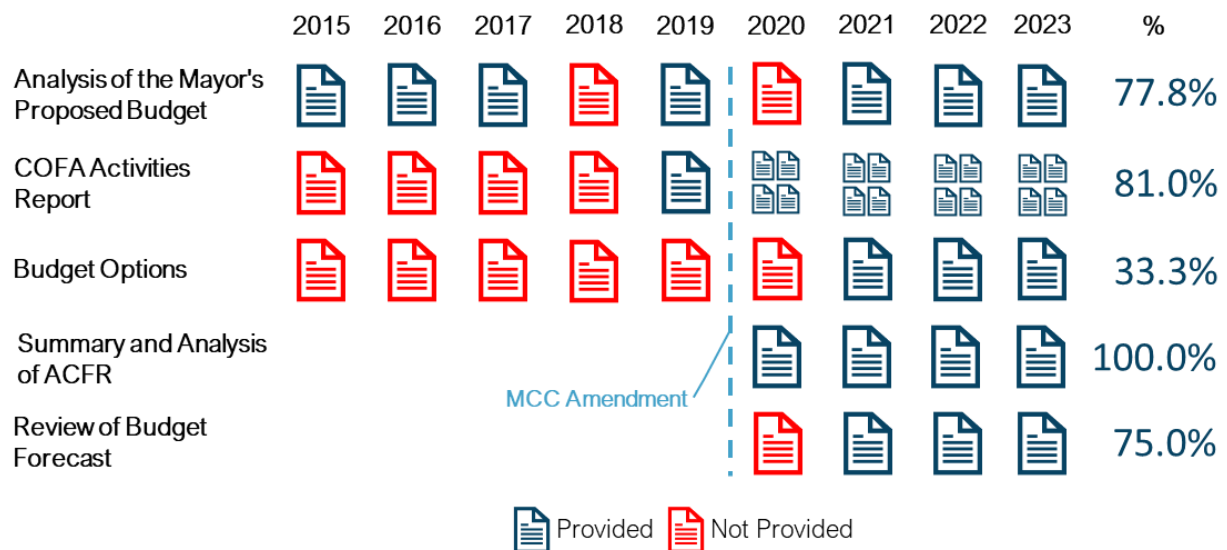
²⁴ City of Chicago City Council Office of Financial Analysis, “COFA Annual Budget Options Report,” 2024, 6, accessed February 10, 2026, https://www.chicago.gov/content/dam/city/depts/COFA/OtherReports/COFA_BudgetOptionsReport-FY2024.pdf.

²⁵ City of Chicago City Council Office of Financial Analysis, “COFA Annual Budget Options Report,” 2024, 3, accessed February 10, 2026, https://www.chicago.gov/content/dam/city/depts/COFA/OtherReports/COFA_BudgetOptionsReport-FY2024.pdf.

B | COFA Has Not Consistently Provided MCC-Required Periodic Reports.

As shown in Figure 3, from 2015 through 2023, COFA provided 34, or 72.3%, of the 47 required periodic reports. Beginning in 2019, the MCC also required COFA to publish its reports online. Prior to the introduction of this requirement, COFA provided only 5, or 33.3%, of 15 required reports. After online publication became part of the law, COFA produced 29, or 90.6%, of 32 required reports.

Figure 3: While COFA historically did not provide all required periodic reports, it has improved in recent years.



Source: OIG visual of COFA's periodic reporting. In October 2019, the MCC was amended to require annual reports analyzing the ACFR and reviewing the Mayor's Budget Forecast, as well as quarterly (rather than annual) COFA Activities Reports.

COFA published seven, or 77.8%, of the nine required analyses of the Mayor's proposed budgets, and not until an average of 48 days after the Mayor's Office released the proposals. The office did not provide two of the nine required reports. Further, of the seven reports provided, the office provided City Council with two after alderpersons had already voted on the budget. This inconsistent and untimely access to independent financial analysis hindered the alderpersons' ability to engage in legislative oversight during the budget process. COFA stated that it has difficulty producing timely analysis because it does not receive documents related to the proposed budget until the Mayor's Office releases the proposal to the public.

After transitioning from an annual to a quarterly schedule, COFA produced 100% of the required Activity Reports. From 2015 through 2019, when the MCC required annual COFA Activity Reports, the office produced only one out of five. However, from the 2019 conversion of the requirement from annual to quarterly through 2023, COFA produced 100% of the Reports. This diligent reporting should provide support for City Council to assess and oversee COFA's performance.

COFA provided only one-third of the required Budget Options Reports. The office provided only 3, or 33.3%, of the 9 required Budget Options Reports, limiting City Council's ability to leverage an

independent perspective on potential cost saving reforms and efficiencies within municipal operations.

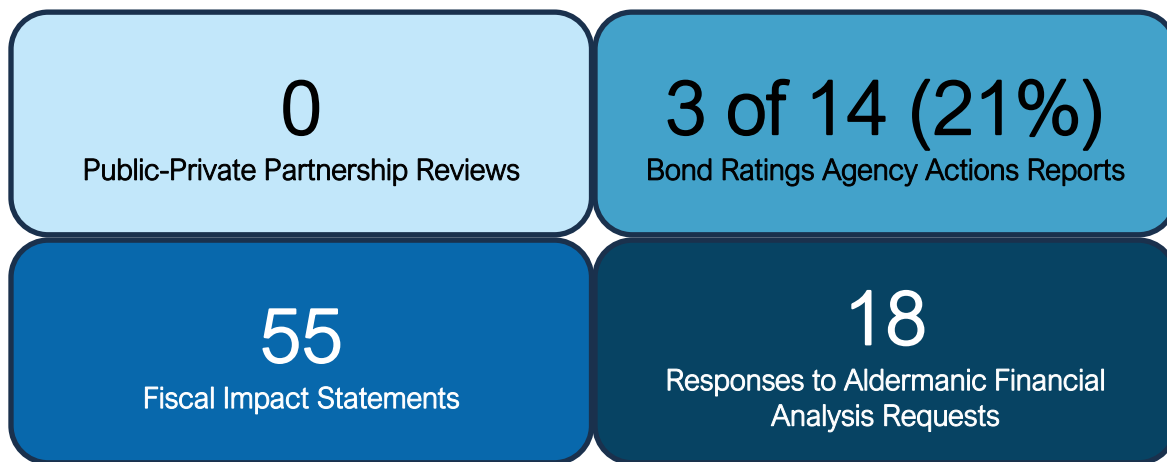
COFA produced 100% of the required ACFR Summary and Analysis. The office’s consistent production of these reports may provide City Council with an independent overview of Chicago’s financial health.

COFA provided 75% of the required Annual Budget Forecast reviews. The office provided City Council with 3, or 75%, of the 4 reviews of the Mayor’s Annual Budget Forecast. This forecast “provides general information about the history and future of major components of the City’s overall finances and City budget.”²⁶ Thus, COFA’s reviews may provide City Council with an independent perspective on the City’s revenue, expenditures, and overall fiscal stability.

C | COFA has not Consistently Provided MCC-Required Ad Hoc Reports.

In addition to periodic reports, the MCC requires COFA to produce additional reports when triggered by specific events. As noted above in the Background, OIG refers to these as ad hoc reports. For example, COFA publishes a Fiscal Impact Statement whenever legislation that would change the City budget is proposed. However, COFA has not defined a process for identifying events that would trigger the various categories of ad hoc reports. Therefore, COFA could not determine, nor could OIG verify, the total number of ad hoc reports that COFA should have created from 2015 through 2023. The 76 ad hoc reports that COFA did create are summarized in Figure 4 and described below.

Figure 4: While COFA produced 76 ad hoc reports from 2015 through 2023, the office lacks procedures to identify all events requiring them.



COFA did not provide any reviews of Public-Private Partnerships. The office has neither adopted a working definition of “Public-Private Partnership,” nor established a process for identifying legislation proposing such arrangements. COFA told OIG that during the time covered by this audit,

²⁶ City of Chicago Office of Budget and Management, “2025 Budget Forecast,” August 29, 2024, 5, accessed January 21, 2026, https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2025Budget/2025-Chicago-Budget-Forecast.pdf.

it never identified an opportunity to review a Public-Private Partnership. Moreover, COFA stated it has never communicated with the Mayor's Office regarding potential Public-Private Partnerships that would be subject to the required review.

COFA provided only 3, or 21%, of 14 required Bond Ratings Agency Actions Reports. The office stated that its practice is to replace the rating agency report provided on its website each time it produces a new report. However, COFA has not saved versions of its past rating agency reports. Without these historical reports, City Council cannot have the advantage of long-term analysis of how past revenue and spending decisions have impacted Chicago's financial health and the trajectory of its creditworthiness.

COFA provided 55 Fiscal Impact Statements, but lacks a process to ensure it identifies all proposed legislation requiring them. The office consequently does not know how many Fiscal Impact Statements it should have produced. Due to this process gap, City Council has no mechanism to ensure it has access to an independent analysis of the potential financial impact of legislation prior to the vote on it. COFA stated that alderpersons sometimes provide little notice when introducing legislation; this makes it difficult for COFA to perform the review required to provide timely analysis.

COFA provided 18 Aldermanic Response Reports. Because COFA does not maintain a log of requests for such reports, it does not know how many it should have produced. However, COFA stated it is developing a request log. As noted above, each City Council member OIG interviewed expressed dissatisfaction with the aldermanic request process. They attributed COFA's struggles in this area to the office's limited access to departmental data, as well as its lack of true independence from both the Mayor's Office and, historically, the Chair of the Budget and Government Operations Committee. These challenges may delay COFA's production of reports responsive to City Council members' requests.

| Recommendations

1. COFA should work with OBM and other City departments to acquire complete and timely access to the data, databases, and reports necessary to conduct the independent analyses required by the MCC, and should develop procedures for notifying City Council in the event it does not receive such access.
2. COFA should conduct a staffing analysis to determine the resources necessary for the office to fulfill the requirements defined in the MCC and share the results with City Council to enable it to address those needs.
3. COFA should develop procedures for performing the work necessary to meet its MCC requirements, such as ensuring that its reports are published on time, and standardizing its methods for conducting analyses underpinning each category of reports.
4. COFA should work with City Council to understand its policy-analysis needs and to ensure that the office's reports meet them.
5. COFA should develop a process to track aldermanic requests for analysis.
6. COFA should work with City Council to define Public-Private Partnerships and work with the Mayor's Office to develop a process for proactively identifying such arrangements and providing notice to allow COFA to produce the required analyses in a timely manner.
7. COFA should memorialize all analyses, including bond rating agency changes, on its website.

8. COFA should work with City Council and the Mayor's Office to define processes to provide COFA with timely notification of proposed legislation that requires analysis.

| Management Response²⁷

1. *"COFA has access to the City's Business Objects (BO) platform, allowing COFA to run reports from individual City data systems. COFA's current access includes CHIPPS (HR, payroll) and FMPS (finance).*

"COFA met with OBM in Q1 2026 to discuss if BO reflects "full access to City data"; OBM confirms it does. However, access to reports must be requested and granted. There are likely reports that COFA will need to use but has not yet identified.

"Based on demonstrative meetings with the Department of Finance (DOF), COFA can now export historical and real-time revenue and expenditure data. COFA remains in contact with DOF for ongoing learning.

"As COFA works with the data and receives requests, access will likely need to expand; having the same level of access as executive branch departments is a long-term, exploratory effort. COFA will meet with OBM, DOF, and other departments as necessary to fully leverage City data and ensure accurate use.

2. *"In Q4 2024, COFA's CAO conducted a staffing analysis identifying priority skill gaps, with targeted hiring for two analysts in Q1 2025. COFA again assessed persistent staffing needs in Q4 2025, initiating hiring for an additional analyst in Q1 2026 (focused on improving use of City data). COFA has filled all five budgeted positions as of Q1 2026.*

"In the event of additional available positions, COFA prepared a staffing and growth plan identifying skills and organizational needs to improve analytical capacity. COFA's existing growth plan is focused on mid-term opportunities, with growth up to eight team members, and long-term opportunities, with identified specialization areas and other operational roles with further staffing. COFA can share its growth plan with City Council as requested.

"COFA also developed an onboarding process to ensure timely, comprehensive onboarding for new staff.

3. *"COFA prioritized meeting MCC requirements and timely publication of reports and analysis in 2025. COFA developed an internal publication guide for staff that set standards for rigorous sourcing and citation practices, increased reliance on primary and authoritative data, and adopted a more clearly defined standard for objective, nonpartisan analysis.*

"Expanded staff capacity enabled COFA to improve timeliness of mandatory publications. For example, analyses of rating agency actions lagged by months (e.g., October 2023 Fitch action analyzed March 2024) but in 2025 and 2026, COFA analyses were published within one or two days (e.g., S&P outlook revision release November 5, COFA analysis published November 6; Fitch/KBRA downgrades February 25 & 26, COFA analysis published February 27).

²⁷ See Appendix A for COFA's complete management response.

“COFA is focused on adherence to the publication guide and continued timeliness of publications as the team grows.

4. *“COFA is focused on developing a more systematic way to solicit and document Council input. Fully understanding the Council’s needs will be an ongoing engagement process, though COFA has made progress since 2025.*

“As work quality and timeliness improved over 2025, COFA received more requests from City Council members for analysis in one year than reported in the entire scope of the OIG audit (20 in 2025; 9 as of April 1, 2026). COFA is focused on continued improvement of analytical quality, depth analysis, and internal expertise in 2026. COFA engagement with City Council members through requests will inform understanding of members’ analytical needs.

“Further, COFA set an internal policy to have at least one staff member present in Council meetings. Increased presence can improve familiarity between Council members and COFA staff, increasing the likelihood of engagement and a deeper understanding of Council needs. COFA aims to be available for any City Council member and prioritizes improving member relations.

“COFA welcomes feedback and input from City Council members.

5. *“COFA developed a project tracker in Q1 2026, ensuring full team awareness of ongoing activities and strengthening leadership’s ability to monitor timeliness.*
6. *“COFA will work with City Council members to identify legislative intent of this requirement and reach out to the Mayor’s Intergovernmental Affairs (IGA) team to determine a process for notifying COFA of potential P3 or asset lease agreements.*

“The P3 requirement needs clarification – including related to statutory definition of P3, requirements to inform COFA prior to entering in a P3 agreement, and other expectations from Council related to the required review. While clarity issues remain, COFA initiated a proactive review of existing P3 and asset leases in May 2025. COFA acknowledges smaller, less publicized agreements may exist; since May 2025, COFA reviewed no additional P3 though there may be additional agreements put in place not brought to City Council attention.

7. *“COFA reviewed all shared internal drives and documents, publishing all available analyses, including bond rating agency changes, to its website.*
8. *“As COFA achieves recommendation #4, it is likely City Council members will proactively engage COFA for analysis related to proposed legislation with potential fiscal implications. COFA is focused on building relationships and trust with City Council members.*

“COFA will reach out to the Mayor’s IGA team to develop a notification process related to proposed legislation with fiscal implications from the Mayor’s team.”

Finding 2: COFA May Not Be in Compliance with the Illinois Local Records Act.

COFA stated that, other than the reports provided on its website, it has no other reports or work paper documentation from before 2021. COFA also told OIG that it has no retention schedule for records. A failure to maintain records of COFA's work not only denies City Council and the public the opportunity to benefit from all of COFA's past work, but the practice suggests that COFA may not be in compliance with the Illinois Local Records Act, 50 ILCS 205.

The Local Records Act imposes record-maintenance requirements on public agencies. It provides, in part, that:

all public records made or received by, or under the authority of, or coming into the custody, control or possession of any officer or agency shall not be mutilated, destroyed, transferred, removed or otherwise damaged or disposed of, in whole or in part, except as provided by law.²⁸

The Act further provides for the establishment of processes for agencies to seek permission from their Local Records Commissions to destroy or otherwise dispose of public records. The Local Records Commissions, not the agencies, determine what records may be destroyed or disposed of, and authorize their destruction or disposal.²⁹ The Act also requires the head of each agency to provide its Local Records Commission with a retention schedule for public records "not needed in the current transaction of [the agency's] business" and lacking "sufficient administrative, legal or fiscal value to warrant further preservation."³⁰

Apparently contrary to these legal requirements, COFA has not retained all of its reports, analysis, and other related work papers, nor does it have a retention schedule. COFA stated that it has experienced significant staff and management turnover; this may, in part, explain its apparent lack of adherence to the requirements of the Act.

| Recommendations

9. COFA should work with the Department of Technology and Innovation to determine whether it can find the documents covered by the Illinois Local Records Act in the office's databases. If documents are found, COFA should make all MCC-required reports available on its website.

²⁸ 50 ILCS 205/4(a). The Act defines "public record" as "any book, paper, map, photograph, born-digital electronic material, digitized electronic material, electronic material with a combination of digitized and born-digital material, or other official documentary material, regardless of physical form or characteristics, made, produced, executed or received by any agency or officer pursuant to law or in connection with the transaction of public business and preserved or appropriate for preservation by such agency or officer, or any successor thereof, as evidence of the organization, function, policies, decisions, procedures, or other activities thereof, or because of the informational data contained therein." 50 ILCS 205/3.

²⁹ 50 ILCS 205/7; 50 ILCS 205/10.

³⁰ 50 ILCS 205/10.

10. In accordance with the Act, COFA should notify the Local Records Commission of any failure to retain reports and workpapers from before 2021.
11. COFA should establish a retention schedule, and adopt policies and procedures for complying with it.

| Management Response

9. *“COFA reviewed all shared internal drives and documents, publishing all available analyses to its website. There are missing reports from COFA internal drives, likely lost through staff turnover.*

“COFA is committed to ensuring proper documentation and retention moving forward.

10. *“For documents not identified and published in COFA’s review of all shared internal drives and documents, COFA will notify the Local Records Commission.*

11. *“COFA is currently developing an internal retention policy and documentation process.”*

V | Conclusion

COFA has not consistently provided independent financial analysis to assist City Council and protect the public's interest in the effective and efficient expenditure of City funds. The timing and content of its reports provide limited assistance for City Council to make decisions affecting the City's budget and financial affairs. Moreover, COFA has not consistently provided the reports required by the MCC. In some cases, it did not provide its budget analysis until after City Council had voted on the budget. Notably, the office has not adopted working definitions of the events that trigger the preparation of required reports. Finally, COFA has not retained reports, analysis, and other related work papers from before 2021, and does not have a records retention schedule, in apparent violation of the Illinois Local Records Act.

Appendix A | COFA's Management Response



CITY OF CHICAGO



COUNCIL OFFICE OF FINANCIAL ANALYSIS

TO: City of Chicago Office of Inspector General
FROM: City Council Office of Financial Analysis
RE: Audit of COFA Reporting Requirements; Supplemental Management Response

The City Council Office of Financial Analysis (COFA) appreciates the Office of Inspector General's (OIG) review of COFA's reporting requirements. OIG's work plays an integral role in strengthening government operations and accountability. The OIG's findings and recommendations address critical concerns and provide constructive support that informs COFA's continued improvement.

The audit evaluates COFA's operations over the period of 2015 to 2023, and within that scope, COFA agrees with the audit's findings. Since 2025, COFA has focused on actively addressing many of the challenges reflected in the report, including issues related to analytical quality, timeliness, and consistency with Municipal Code of Chicago (MCC) requirements. See the visual below ("COFA Reporting Compliance and Capacity: 2020-2026") extending the scope of OIG's *Figure 3* (p. 15), providing an overview of COFA's improved compliance with MCC requirements.

While COFA has made progress, we recognize continued improvement is essential and remain focused on advancing this work. In addition to the Management Response matrix, COFA highlights targeted areas of improvements and continued challenges to ensure City Council members COFA remains committed to its core mission: providing the City Council with independent, objective financial analysis to support informed decision-making. Importantly, COFA initiated these efforts in January 2025 – more than a year before this audit's publication – reflecting leadership's independent identification of, and commitment to addressing, the operational challenges the OIG's findings confirm.

Targeted Improvements: FY 2025 and FY 2026

Following formal appointment of COFA leadership in May 2024, COFA undertook an internal assessment of its structure, capacity, and processes, which informed a series of targeted improvements. COFA initiated a coordinated effort to address identified limitations and establish a stronger operational and analytical foundation for the office in January 2025. Efforts focused on strengthening staff capacity, improving the quality and clarity of analytical work, formalizing internal standards and processes, and expanding transparency and accessibility of COFA's products.

This effort has been both iterative and intentional, focusing first on building internal capacity and improving the quality and consistency of COFA's core work products, and then expanding into data access, transparency, and long-term institutional development. In 2026, COFA continues to build on this foundation, enhancing the independence and depth of COFA financial analyses and public resources.

Staff Capacity

A key early step in this process was strengthening the team. Following the addition of two new positions in the FY 2025 budget, COFA assessed internal skill gaps and, in February and March 2025, onboarded two Legislative Budget Analysts: one with expertise in data analysis and visualization and one with experience in nonpartisan policy analysis and research publication processes. These hires allowed COFA to begin addressing longstanding gaps in technical capacity, analytical rigor, and timeliness of statutory obligations. In the fall of 2025, COFA developed a hiring and growth strategy, identifying persisting expertise gaps and opportunities for improvement with increased capacity. COFA initiated an additional hiring effort in Q1 2026 to further expand its data capabilities, reflecting a continued prioritization of technical expertise to support more advanced and independent analysis.

Analytical Quality

With increased capacity in place, COFA's primary focus throughout mid-2025 was improving the quality, consistency, and usability of its publications. Beginning in Q2 2025, the office implemented more rigorous sourcing and citation practices, increased reliance on primary and authoritative data, and adopted a more clearly defined standard for objective, nonpartisan analysis. Reports began to more consistently articulate assumptions, incorporate contextual discussion, and present complex financial information in a more accessible format. COFA also expanded the use of internally developed data visualizations to improve clarity and enhance the value of its analytical outputs.

Further, improvements in internal workflow and prioritization contributed to measurable gains in timeliness over the course of the year. Timeliness gains were most pronounced for time-sensitive reports. For example, in 2025 and 2026, COFA published Rating Agency Action analyses within days of a rating action – a marked improvement from the multi-month lag that characterized prior years.

While COFA gained formal authority to access City data systems (access provided via Business Objects) in FY 2025, COFA found that initial access (staff initial access granted March/April 2025) did not immediately translate into usable analytical outputs due to system complexity and reporting limitations. In response, COFA began coordinating with the Office of Budget and Management (January 2026) and the Department of Finance (February/March 2026) in early 2026 to better understand the structure, limitations, and underlying data architecture of these systems. This work is ongoing and represents a central priority for 2026. The goal of these efforts is to enable more independent, timely, and value-added analysis based on City data.

Internal Standards and Processes

By Q4 2025, COFA formalized certain quality and process standards through the development of core internal guidance and organizational tools. COFA finalized a publication guide to standardize expectations for analytical rigor, sourcing, and tone (October 2025); developed onboarding materials to ensure consistency in training new staff (October 2025); and initiated a strategic plan and hiring framework to guide future growth (November 2025). These efforts marked a transition from ad hoc improvements to more durable, institutionalized practices.

As COFA strengthened its internal practices, the office also undertook a review of its responsibilities under the MCC (Q4 2025, Q1 2026). Through this process, COFA identified areas where past practices – particularly related to the categorization and labeling of Fiscal Impact Statements – were not fully aligned

with statutory definitions. COFA's requirement to review proposed public-private partnerships (P3) also needs clarification. COFA initiated a proactive review of existing P3 and asset leases in May 2025, though COFA's report may not be comprehensive. Statutory definition of P3, requirements to inform COFA prior to entering in a P3 agreement, and other expectations from Council related to the required review can improve COFA's ability to fulfill MCC requirements related to P3. In Q4 and Q1 2026, COFA developed standardized definitions for its work products and incorporated these into its internal publication guidance with the aim of improving consistency and reducing ambiguity. However, COFA recognizes the value of further clarification in this area and is prepared to coordinate with relevant stakeholders, including the OIG, as needed.

COFA continued to formalize its internal operations in early 2026 to support organizational improvements. COFA implemented a centralized project tracker in Q1 2026 that provides greater visibility into workload, timeliness, and project status across the team, supporting improved coordination and accountability. The office is also working to ensure consistent application of its publication standards and internal processes as the team grows.

One area not previously identified internally, but raised through the audit process, is document retention and records management. COFA is taking steps to address this gap, including developing a public-facing archive of historical publications and reviewing prior records to identify any missing materials. Establishing a formal document retention protocol (planned Q2 2026) and ensuring compliance with applicable requirements is a priority moving forward.

Enhancing Transparency

Another area COFA expanded focus on in 2025 was transparency and accessibility. The office redesigned its public-facing website to improve usability (Q2 and Q3 2025) and began systematically publishing all completed work products, establishing a consistent baseline of public access beginning in 2025. COFA also developed supplemental materials – including one-page policy explainers, comparative budget analyses, and data dashboards, among others – to better support both City Council members and the public in understanding key financial issues. These efforts were intended to enhance the accessibility of COFA's work while reinforcing its role as an independent and objective analytical resource.

An additional area of focus in 2026 is establishing a working relationship with New York City's Independent Budget Office (IBO), an office frequently referenced as a model for COFA's long-term development. COFA and IBO met in early 2026 to exchange information on organizational structure and history, analytical approaches, and shared challenges. COFA intends to build on this relationship by identifying opportunities for ongoing collaboration, knowledge-sharing, and professional development.

Continued Challenges

Despite meaningful improvements, COFA still faces certain limitations to fully realizing its mission. As noted in OIG's findings, capacity and data access are long-standing constraints on COFA's ability to fulfill its statutory obligations.

Staff Capacity

PHONE (312) 744-2708 • EMAIL cofa@cityofchicago.org

As of publication, all five positions budgeted are filled. This staffing level enables COFA to meet mandated deadlines and develop supplemental materials beyond the MCC-required reports. However, as COFA expands its analytical depth and builds greater familiarity with City data systems, the office will encounter opportunities for forecasting, revenue modeling, and proactive analysis that exceed what five staff members can sustainably produce. Offices with comparable legislative independence – including New York City's IBO, San Diego's Independent Budget Agency, and the Congressional Budget Office – employ specialists in discrete budget areas, enabling dedicated capacity for pensions, debt, revenue forecasting, and policy-area analysis. COFA's internal staffing and growth plan reflects this model as a long-term aspiration and documents the expertise areas that additional capacity would address. COFA can share this plan with City Council as requested.

Data Usability

Until FY 2025, following the amendment to MCC Chapter 2-53 authorizing COFA's access to read-only data in December 2024, COFA was severely limited in its ability to provide independent analysis into the City's finances. Authorizing COFA's access to City data was a critical step to expanding COFA's ability to fulfill its mandate. Effectively leveraging this access is COFA's top priority for FY 2026 – as noted above and as evidenced through the hiring of an additional data analyst. However, access does not directly translate to usefulness. Access to different reports (e.g., General Ledgers, revenue by source, expenditure, payroll) require individual access request and approval. Data definitions, structure, and system organization differ by report and associated data system (e.g., FMPS, CHIPPS). COFA took key steps in 2025 and Q1 2026 to understand *what* to access and *how* to use the City's reporting system, but COFA's ability to produce independent revenue projects or budget estimates will take time.

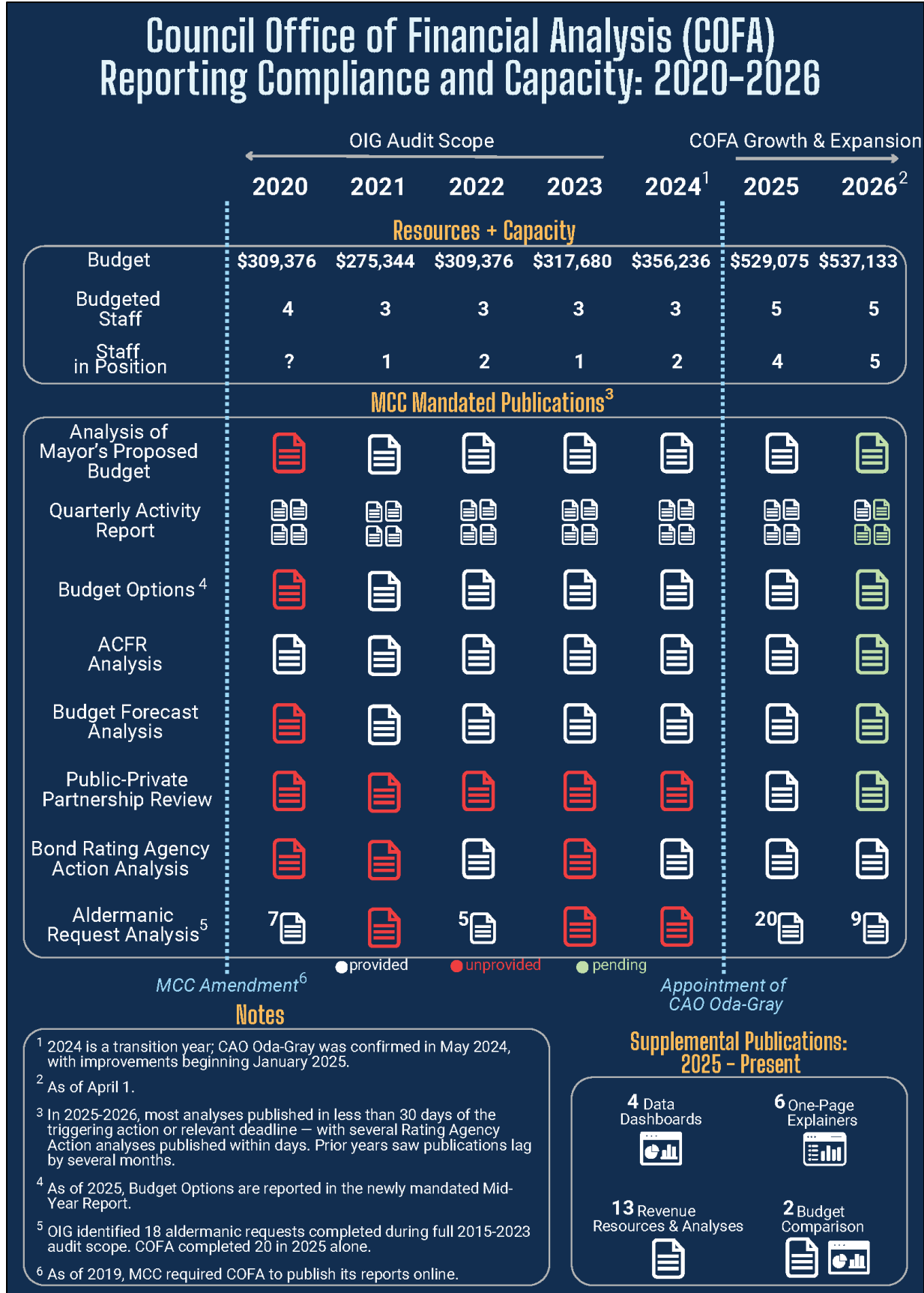
While data remains a limitation for COFA, the limitations are different and less severe. With City Council's support in granting COFA authorization to City data, COFA is now able to move forward and implement its strategy to leverage data directly from City systems to provide City Council members with deeper insight into real-time City finances.

Looking Ahead

COFA recognizes much additional work remains, particularly in fully leveraging City data systems to develop deeper analyses. However, COFA established a clear trajectory of improvement and a stronger foundation to meet its statutory responsibilities and support the City Council as an independent analytical resource. Through a deliberate shift toward more standardized processes, stronger analytical practices, and increased accessibility, COFA aims to rebuild trust with City Council members and become a resource for Alderpersons' policy and budgetary needs.

We look forward to continued engagement with OIG and the City Council to enhance COFA's ability to achieve its mission.

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Deborah Witzburg
Inspector General

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Management Response Form

Project Title: Audit of the City Council's Office of Financial Analysis Reporting Requirements

Project Number: C2023-000000112

Department Name: City Council's Office of Financial Analysis

Date: April 13, 2026

Department Head: Chief Administrative Officer Janice Oda-Gray

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
1. COFA should work with OBM and other City departments to acquire complete and timely access to the data, databases, and reports necessary to conduct the independent analyses required by the MCC, and should develop procedures for notifying City Council in the event it does not receive such access.	Agree	COFA has access to the City's Business Objects (BO) platform, allowing COFA to run reports from individual City data systems. COFA's current access includes CHIPPS (HR, payroll) and FMPS (finance). COFA met with OBM in Q1 2026 to discuss if BO reflects "full access to City data"; OBM confirms it does. However, access to reports must be requested and granted. There are likely reports that COFA will need to use but has not yet identified. Based on demonstrative meetings with the Department of Finance (DOF), COFA can now export historical and real-time revenue and expenditure data. COFA remains in contact with DOF for ongoing learning.	Access: Completed Use: In Progress, Ongoing	COFA; With support as requested, DOF, OBM

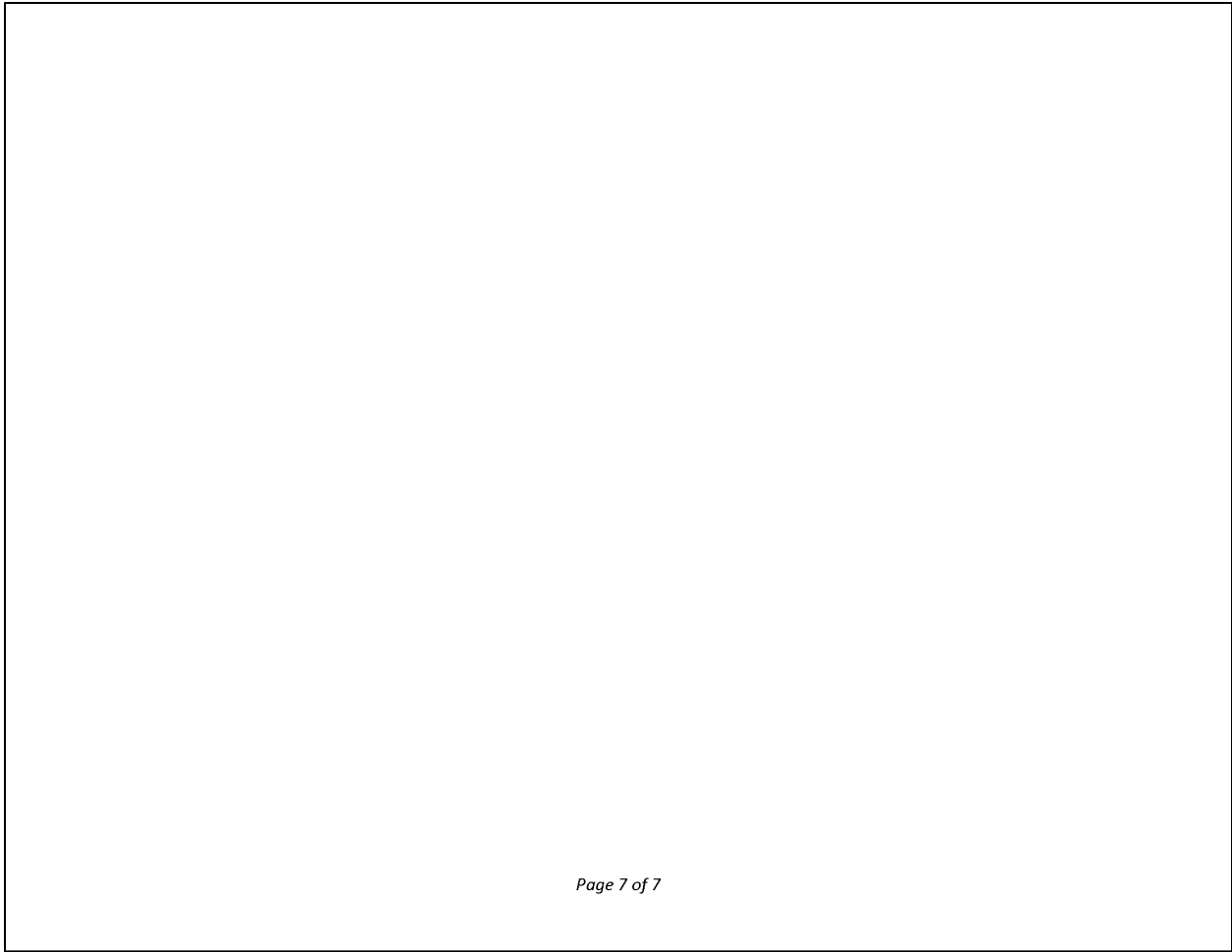
OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		As COFA works with the data and receives requests, access will likely need to expand; having the same level of access as executive branch departments is a long-term, exploratory effort. COFA will meet with OBM, DOF, and other departments as necessary to fully leverage City data and ensure accurate use.		
2. COFA should conduct a staffing analysis to determine the resources necessary for the office to fulfill the requirements defined in the MCC and share the results with City Council to enable it to address those needs.	Agree	<p>In Q4 2024, COFA's CAO conducted a staffing analysis identifying priority skill gaps, with targeted hiring for two analysts in Q1 2025. COFA again assessed persistent staffing needs in Q4 2025, initiating hiring for an additional analyst in Q1 2026 (focused on improving use of City data). COFA has filled all five budgeted positions as of Q1 2026.</p> <p>In the event of additional available positions, COFA prepared a staffing and growth plan identifying skills and organizational needs to improve analytical capacity. COFA's existing growth plan is focused on mid-term opportunities, with growth up to eight team members, and long-term opportunities, with identified specialization areas and other operational roles with further staffing. COFA can share its growth plan with City Council as requested.</p> <p>COFA also developed an onboarding process to ensure timely, comprehensive onboarding for new staff.</p>	Completed	COFA

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
3. COFA should develop procedures for performing the work necessary to meet its MCC requirements, such as ensuring that its reports are published on time, and standardizing its methods for conducting analyses underpinning each category of reports.	Agree	<p>COFA prioritized meeting MCC requirements and timely publication of reports and analysis in 2025. COFA developed an internal publication guide for staff that set standards for rigorous sourcing and citation practices, increased reliance on primary and authoritative data, and adopted a more clearly defined standard for objective, nonpartisan analysis.</p> <p>Expanded staff capacity enabled COFA to improve timeliness of mandatory publications. For example, analyses of rating agency actions lagged by months (e.g., October 2023 Fitch action analyzed March 2024) but in 2025 and 2026, COFA analyses were published within one or two days (e.g., S&P outlook revision release November 5, COFA analysis published November 6; Fitch/KBRA downgrades February 25 & 26, COFA analysis published February 27).</p> <p>COFA is focused on adherence to the publication guide and continued timeliness of publications as the team grows.</p>	Completed	COFA
4. COFA should work with City Council to understand its policy-analysis needs and to ensure that the office's reports meet them.	Agree	<p>COFA is focused on developing a more systematic way to solicit and document Council input. Fully understanding the Council's needs will be an ongoing engagement process, though COFA has made progress since 2025.</p> <p>As work quality and timeliness improved over 2025, COFA received more requests from City Council members for analysis in one year than reported in the entire scope of the OIG audit (20 in 2025; 9 as of April 1, 2026). COFA is focused on continued improvement of analytical quality, depth</p>	Ongoing	COFA; City Council

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		<p>analysis, and internal expertise in 2026. COFA engagement with City Council members through requests will inform understanding of members' analytical needs.</p> <p>Further, COFA set an internal policy to have at least one staff member present in Council meetings. Increased presence can improve familiarity between Council members and COFA staff, increasing the likelihood of engagement and a deeper understanding of Council needs. COFA aims to be available for any City Council member and prioritizes improving member relations.</p> <p>COFA welcomes feedback and input from City Council members.</p>		
5. COFA should develop a process to track aldermanic requests for analysis.	Agree	COFA developed a project tracker in Q1 2026, ensuring full team awareness of ongoing activities and strengthening leadership's ability to monitor timeliness.	Completed	COFA
6. COFA should work with City Council to define Public-Private Partnerships and work with the Mayor's Office to develop a process for proactively identifying such arrangements and providing notice to allow COFA to produce the required analyses in a timely manner.	Agree	<p>COFA will work with City Council members to identify legislative intent of this requirement and reach out to the Mayor's Intergovernmental Affairs (IGA) team to determine a process for notifying COFA of potential P3 or asset lease agreements.</p> <p>The P3 requirement needs clarification – including related to statutory definition of P3, requirements to inform COFA prior to entering in a P3 agreement, and other expectations from Council related to the required review.</p> <p>While clarity issues remain, COFA initiated a</p>	Q4 2026	COFA, Mayor's IGA, City Council

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
		proactive review of existing P3 and asset leases in May 2025. COFA acknowledges smaller, less publicized agreements may exist; since May 2025, COFA reviewed no additional P3 though there may be additional agreements put in place not brought to City Council attention.		
7. COFA should memorialize all analyses, including bond rating agency changes, on its website.	Agree	COFA reviewed all shared internal drives and documents, publishing all available analyses, including bond rating agency changes, to its website.	Completed	COFA
8. COFA should work with City Council and the Mayor's Office to define processes to provide COFA with timely notification of proposed legislation that requires analysis.	Agree	As COFA achieves recommendation #4, it is likely City Council members will proactively engage COFA for analysis related to proposed legislation with potential fiscal implications. COFA is focused on building relationships and trust with City Council members. COFA will reach out to the Mayor's IGA team to develop a notification process related to proposed legislation with fiscal implications from the Mayor's team.	Q4 2026	COFA; Mayor's IGA
9. COFA should work with the Department of Technology and Innovation to determine whether it can find the documents covered by the Illinois Local Records Act in the office's databases. If documents are found, COFA should make all MCC-required reports available on its website.	Agree	COFA reviewed all shared internal drives and documents, publishing all available analyses to its website. There are missing reports from COFA internal drives, likely lost through staff turnover. COFA is committed to ensuring proper documentation and retention moving forward.	Completed	COFA

OIG Recommendation	Agree/ Disagree	Department's Proposed Action	Implementation Target Date	Party Responsible
10. In accordance with the Act, COFA should notify the Local Records Commission of any failure to retain reports and workpapers from before 2021.	Agree	For documents not identified and published in COFA's review of all shared internal drives and documents, COFA will notify the Local Records Commission.	Q2 2026	COFA
11. COFA should establish a retention schedule, and adopt policies and procedures for complying with it.	Agree	COFA is currently developing an internal retention policy and documentation process.	Q2 2026	COFA



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³¹ Page left blank in COFA's original response.



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