



## Budget and Audit Committee Report

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Sacramento, CA 95814

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**File ID:** 2018-00883

June 12, 2018

**Consent Item 01**

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**Title:** City Auditor's Activity Report for 3rd Quarter of Fiscal Year 2017/18

**Location:** Citywide

**Recommendation:** Pass a Motion: 1) accepting the City Auditor's Activity Report for the 3rd Quarter of Fiscal Year 2017/18; and 2) forwarding to City Council for final approval.

**Contact:** Jorge Oseguera, City Auditor, (916) 808-7270, Office of the City Auditor

**Presenter:** None

**Attachments:**

1-Description/Analysis

2- City Auditor's Activity Report for 3rd Quarter of Fiscal Year 2017/18

## Description/Analysis

**Issue Detail:** According to the City Council Rules of Procedures, the Budget and Audit Committee shall receive, review, and forward to the council as appropriate, reports, recommendations, and updates from the City Auditor. This report documents the Auditor's Office activity for the 3rd Quarter of Fiscal Year 2017/18.

**Policy Considerations:** The City Auditor's presentation of the Activity Report is consistent with the Mayor and City Council's intent to have an independent audit function for the City of Sacramento

**Economic Impacts:** None.

**Environmental Considerations:** None.

**Sustainability:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** This staff report provides the Budget and Audit Committee with information that may be used to meet its responsibility to provide oversight and supervision of the City Auditor.

**Financial Considerations:** The costs of the audits listed in the Activity Report were funded out of the 2017/18 Office of the City Auditor Budget.

**Local Business Enterprise (LBE):** Not applicable.



June 12, 2018

Honorable Members of the Budget and Audit Committee:

Activity highlights for January through March 2018:

- Our *Audit of Fire Department Overtime Use* was awarded the prestigious 2017 Exemplary Knighton Award for best performance audit in the Medium audit shop category by the Association of Local Government Auditors (ALGA). The report was judged on several key elements, such as the potential for significant impact, the persuasiveness of the conclusions, the focus on improving government efficiency and effectiveness, and its clarity, conciseness and innovation. Judges specifically liked how the report looked beyond the administrative and financial impacts of overtime and considered the causes and effects of how working excessive hours can harm the fire employees themselves.
- The City Auditor was appointed Interim Independent Budget Analyst.
- The City Auditor proposed and received City Council approval for the 2018/19 audit plan.
- The City Auditor presented its audit of the City's Marijuana Dispensaries to the Bay area Local Government Auditor's
- City Auditor presented to Golden State California Certified Fraud Examiners as an expert on how to manage and operate a successful whistleblower hotline.
- The Office of the City Auditor issued an *Audit of Ethnic and Gender Diversity*.
- The Office of the City Auditor issued the Quarterly Activity Report for October through December 2017.
- The Office of the City Auditor issued the Recommendation Follow-up Report for the Six-Month Period Ending December 31, 2017.
- The Office of the City Auditor initiated an *Audit of the City's Retirees Benefits*.
- The Office of the City Auditor initiated an *Audit of City-Owned and Leased Property*.
- The Office of the City Auditor investigated a number of whistleblower allegations.

## Status of the City Auditor's FY 2017/18 Audit Plan as of March 2018

	Preliminary Survey	Risk Assessment	Audit Fieldwork	Report Writing	Audit Issuance Date
<b>Assignments Completed</b>					
An Audit of the Utilities Inventory System	Completed	Completed	Completed	Completed	Jul 2017
City Procurement of Small Contracts	Completed	Completed	Completed	Completed	Sep 2017
An Audit of the City's Medical Marijuana Dispensaries	Completed	Completed	Completed	Completed	Oct 2017
An Audit of City's Parks and Recreation Department	Completed	Completed	Completed	Completed	Nov 2017
ESC Local Hiring and Business Involvement (Phase II)	NA	NA	Completed	Completed	Dec 2017
An Audit of Ethnic and Gender Diversity	NA	NA	Completed	Completed	Jan 2018
<b>Assignments In Process</b>					
Preliminary Review of Parking Meters	Completed	NA	Completed	Completed	Apr 2018
An Audit of the Utilities Department Workplace Safety	Completed	Completed	Completed	In Progress	May 2018
An Audit of the City's Retirees Benefits	Completed	In Progress			
An Audit of City-Owned and Leased Property	Completed	In Progress			
An Audit of the 911 Call Center	In Progress				
<b>Assignments Not Yet Started</b>					
Department of Utilities Vehicle Fleet	Not Started				
An Audit of Emergency Medical Services (EMS)	Not Started				

On behalf of the Auditor's Office, I would like to express my appreciation to the City staff for their cooperation and assistance during our reviews.

Respectfully submitted,

Jorge Oseguera