



CITY OF SACRAMENTO
CALIFORNIA

News Release

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FOR IMMEDIATE RELEASE

City Audit Committee Invites Public to Join Discussion on the Utilities Audit

*April meeting and survey allows public input on Utilities Department Operational
Efficiency and Cost Savings Audit*

Sacramento, Calif. – The City of Sacramento Audit Committee invites residents and business owners in Sacramento to share their views and opinions of the audit being conducted for the Department of Utilities at its April 4 meeting. The meeting will be held in the Council Chambers, New City Hall, 915 I Street at 7:30 p.m.

Recognizing the importance of public input, Councilmember Angelique Ashby, in coordination with the City Auditor, has also put together a brief seven question survey to allow for further community input. The survey can be accessed by visiting:

<http://www.surveymonkey.com/s/VXPZYVR>

“Public input is vital to this audit and will help rebuild trust in our Utilities Department,” said Council Member Steve Cohn, chairman of the City of Sacramento Audit Committee.

On February 22, 2011, the City Council authorized the City Auditor to execute a Professional Services Agreement with Public Financial Management, Inc. to conduct an operational efficiency and cost savings audit of the Utilities Department. The audit shall be an objective examination of the Utilities Department to evaluate whether the department is managing resources in a responsive, economical and efficient manner. Given the size and complexity of the Utilities Department and the desire to incorporate cost savings and efficiencies into future rate adjustments, the audit will first focus on identifying the three to five best opportunities that may result in immediate cost savings, efficiencies and operational improvement.

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The audit will also include the following components:

- Identification of “best practices” through the comparison of operations with other similar municipalities.
- Identification of alternative service delivery options.
- Identification and recommendations for operational, statutory or regulatory changes to improve service and/or reduce costs.
- Identification of budget or cost implications, anticipated timeline to achieve savings, and challenges/issues relating to implementing each significant recommendation or initiative.

In an effort to further continue operational improvements, the Utilities Department also is performing the following studies that will help to inform the department, City Council and PFM as the Audit Committee moves forward.

- Cost of Service (Rate) Study – FCS Group (Ongoing)
- CIP Programming Guide – FCS Group (Ongoing)
- Infrastructure financing – Treasurer’s Office/Banking Community (Ongoing)

City Council also approved the Auditor’s 2011-12 Audit Plan that includes a billing process audit for the Department of Utilities. This audit will evaluate the department’s system of internal controls, test the accuracy of its bills, and assess the City’s ability to recover billed amounts.

Additional input regarding this item can also be made electronically using the eComment feature at: http://sacramento.granicus.com/ViewPublisher.php?view_id=21.

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