

# City of Sacramento

## Legislation Details (With Text)

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**File #:** 2019-00369    **Version:** 1    **Name:**  
**Type:** Consent Item    **Status:** Agenda Ready  
**File created:** 3/6/2019    **In control:** City Council - 5PM  
**On agenda:** 4/2/2019    **Final action:** 12/31/2023  
**Title:** City Auditor's Proposed Audit Plan for Fiscal Year 2019/20  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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**Title:**  
**City Auditor's Proposed Audit Plan for Fiscal Year 2019/20**

File ID: 2019-00369

**Location:** Citywide

**Recommendation:**

Adopt a Resolution approving the City Auditor's Proposed Audit Plan for Fiscal Year (FY) 2019/20.

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

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Resolution
- 3-City Auditor's 2019/20 Audit Plan
- 4-City Auditor's 2019/20 Tentative Audit Order

**Description/Analysis**

**Issue Detail:** City Code Section 2.18.030 requires that the City Auditor submit an Annual Workplan to the City Council for approval. This report sets forth the City Auditor's Annual Workplan for

FY2019/20.

**Policy Considerations:** The City Auditor's presentation of the Annual Workplan is consistent with the Mayor and City Council's intent to have an independent audit, research, and analysis function for the City of Sacramento.

**Economic Impacts:** None.

**Environmental Considerations:** None.

**Sustainability:** None.

**Commission/Committee Action:** On March 5, 2019, the Budget and Audit Committee voted unanimously to forward the Annual Workplan to the full City Council for approval.

**Rationale for Recommendation:** This staff report provides the City Council with an opportunity to approve the City Auditor's Annual Workplan or to provide comments and feedback for modification of the scheduled projects for FY2019/20.

**Financial Considerations:** The costs of the projects listed in the proposed 2019/20 Workplan will be funded out of the Office of the City Auditor FY2019/20 Budget.

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

**Background:** The Office of the City Auditor is an essential element of the City of Sacramento's public accountability. The mission of the Office of the City Auditor is "To provide a catalyst for improvements of municipal operations, and promote a credible, efficient, effective, fair, focused, transparent, and fully accountable City Government."

On March 27, 2018, City Council passed Resolution No. 2018-0108 appointing Jorge Oseguera as the Interim Independent Budget Analyst while continuing to serve as the City Auditor. The Research & Analysis Division has been established within the Office of the City Auditor to perform the work of the Office of the Independent Budget Analyst. The Research & Analysis Division may analyze fiscal data and information, engage in forecasting and planning, analyze the City's past, current, and proposed revenues and expenditures, and may also prepare such other reports relating to budgetary and legislative policy concerns. The City Auditor's FY2019/20 Annual Workplan incorporates projects for the Performance Audit Division and the Research & Analysis Division.

In developing the annual workplan, the City Auditor uses a number of techniques and input sources to identify areas of high audit potential that can be completed or initiated during FY2019/20 with the resources available. For example, in order to identify and prioritize potential audits and research projects based on the level of risk to the City, the City Auditor's Office may complete a Citywide Risk

Assessment. The City Auditor's Office may also solicit suggestions from the Mayor, City Council members, City management, and City staff. Additionally, the City Auditor may identify potential audit and research areas by reviewing City financial information, reports, policies, procedures, ordinances, and regulations. Finally, the City Auditor may rely on professional experience and expertise to identify areas of high audit potential.

By considering a wide variety of information sources, the intent is to submit to the City Council for its approval an Annual Workplan that promotes fairness and ensures that the City Auditor's Office will continue to be value-added for the City of Sacramento by focusing its resources on areas with the highest audit potential. The results of this process form the basis for the City Auditor's Annual Workplan for FY2019/20.

Given limited audit resources and the workload associated with the management and operation of a whistleblower hotline, four "Priority 1" audits are being carried over from the FY2018/19 workplan. Five Priority 1 projects are being added to the proposed FY2019/20 workplan and every effort will be made to complete or significantly complete Priority 1 audits during FY2019/20. An Audit of Recycling and Solid Waste is included as a Priority 1 audit, should Council desire to provide funding for consultants to complete this audit as the City Auditor has identified a potential personal impairment in conducting this engagement.

Audits labeled "Priority 2" are audits that are desirable but that the Auditor's Office lacks resources to complete. Priority 2 audits include an anticipated cost should the Council provide funding for consultants to complete Priority 2 audits on behalf of the Sacramento City Auditor.

According to City Code Section 2.18.030, "the Annual Audit Plan may be amended during the year with the approval of the city council. The council may, by resolution, authorize a committee, charter officer, or an individual councilmember with respect to the councilmember's own office, to request additional audits."

### **Audit Process**

To ensure that audits are responsive to the City Council's needs, as part of the normal audit process, the City Auditor will request input from each Council Member at the start of each audit.

The City Auditor will present completed audit reports to the Budget and Audit Committee, which will also hear testimony from the audited entity and other interested parties. The Budget and Audit Committee will report at a subsequent City Council meeting the results of the Committee's review of the audit report and its recommendations. The City Auditor may present an audit report directly to the City Council when the City Council directs the City Auditor to do so.