

City of Sacramento

Legislation Text

File #: 2019-00784, **Version:** 1

Title:

(Pass for Publication) Ordinance Amending Chapter 2.18 of the Sacramento City Code, Relating to the Office of the City Auditor

File ID: 2019-00784

Location: Citywide

Recommendation:

1) Review an ordinance amending chapter 2.18 of the Sacramento City Code, relating to the office of the city auditor; and 2) pass for publication the ordinance title per City Charter section 32(c), for consideration on June 25, 2019.

Contact: Matthew Ruyak, Assistant City Attorney, (916) 808-5346, Office of the City Attorney; Jorge Oseguera, City Auditor, (916) 808-5442, Office of the City Auditor

Presenter: None.

Attachments:

- 1-Description/Analysis
- 2-Draft Ordinance (redline)
- 3-Draft Ordinance (clean)
- 4-Resolution 2018-0317 (with Measure K language)
- 5-Former Sacramento City Code chapter 2.33 (Independent Budget Analyst's Office)

Description/Analysis

Issue Detail: In November 2018, Sacramento city voters approved Measure K, which was placed on the ballot by the city council. Measure K, also known as the Sacramento City Government Accountability and Efficiency Act, established the city auditor as an officer under the Sacramento City Charter. It also combined the offices and duties of the city auditor and independent budget analyst into one office, to consolidate functions and provide the city auditor more robust resources.

Measure K also superseded certain provisions of the Sacramento City Code relating to the city auditor and independent budget analyst, while enshrining their core functions in the charter, independently assessing and reporting on city operations and services, and assisting the council in the conduct of budgetary inquiries and in the making of budgetary decisions. The measure provided a time to transition between the city auditor appointed under the Sacramento City Code, and the installation of a city auditor as a charter officer, by making the auditor-related charter amendments effective July 1, 2019.

The draft ordinance presented for consideration was constructed from the following building blocks: (1) the express language of new charter section 77 [see Attachment 3]; (2) the current city code chapter covering the city auditor's office (chapter 2.18); and (3) the independent budget analyst's duties under former city code section 2.33.040 [see Attachment 4], which was deleted as a result of Measure K.

The draft ordinance amends chapter 2.18 by augmenting and clarifying the city auditor's functions, while also adding in former independent budget analyst duties. Below is a description of each new or modified section, or subsection, in the proposed amended chapter 2.18.

2.18.010 Subsection A reiterates the purposes of the charter as set forth in section 77(a).

2.18.030 Subsection A: the auditor would like the annual work-plan date changed to better align with office practice and the city's budget cycle. "Audit plan" is changed to "work plan," as now the auditor will do more than just audits.

Subsection B: a specific auditing standard is added to reflect the standards applicable to the auditing profession.

Subsection C: it is standard practice for government auditors to have periodic peer reviews, and this new subsection will ensure the council receives regular reports on those reviews.

2.18.040 Subsection B is added to reflect current practice.

2.18.050 The current city code does not describe the auditor's duties or functions. However, charter section 77 states the auditor's duties will be as described by ordinance, so the duties are listed in this entirely new section.

Subsection A: this subsection reflects the performance-audit functions currently exercised by the city auditor. These are based upon the model legislation drafted by the Association of Local Government Auditors.

Subsection B: under state law and council resolution, the auditor manages the city's whistleblower hotline.

Subsection C: this list is taken almost verbatim from the former independent budget analyst duties listed in chapter 2.33 [see Attachment 4], excepting two items from that list as a result of the city auditor's conversations with councilmembers during his tenure as the interim budget analyst, and some minor language changes.

Subsection D: this subsection ensures council receives information and recommendations resulting from the city auditor's work, and reflects current practice.

Subsection E: the restriction on auditing councilmembers' offices is being carried over from the current code. Only a councilmember can request an audit of that councilmember's own office. If such a request is made, this subsection ensures an outside auditor will investigate, so that the city auditor can maintain independence and avoid real or perceived conflicts of interest.

2.18.060 Subsection B: the city auditor would like to ensure the city is being treated fairly by those who conduct business with the city. This would provide that contractors would be subject to audit, if a contract so provides.

2.18.070 Minor language change for better reading.

Policy Considerations: Independent auditing, research, and budget analysis can provide objective information on the operations and cost-benefit analysis of government programs; assist managers in carrying out their responsibilities; inform better decision-making by elected officials; and help ensure full accountability to the public. The draft ordinance, which flows from the language in charter section 77, sets clear duties for the city auditor.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: On May 14, 2019, the Law and Legislation Committee passed a motion (4-0) to forward the ordinance to the city council.

Rationale for Recommendation: In November 2018, the voters approved an amendment to the Sacramento City Charter, establishing the city auditor as a charter officer. New charter section 77 provides that the city auditor shall have certain powers and duties, including those as may be prescribed by Council, and that the city auditor shall discharge the duties of the office as prescribed by ordinance. The proposed ordinance would implement these charter provisions.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.