Honorable Members of the Audit Committee

Title: Quarterly Audit Activities Report

Location/Council District: Citywide

Recommendation: Accept the Auditor’s Office Quarterly Audit Activities Report for the April 2011 to June 2011 period and forward to City Council for final approval.

Contact: Jorge Oseguera, City Auditor 808-7270

Presenters: Jorge Oseguera

Department: Office of the City Auditor

Organization No: 01001201

Description/Analysis

Issue: According to Resolution No. 2009-407, the City Council should be kept apprised of the City Auditor's work. The Audit Committee shall receive, review, and forward to the full Council the City Auditor's updates and reports. This report documents the Auditor’s Office activity for the fourth quarter of Fiscal Year 2010-2011.

Policy Considerations: The City Auditor’s presentation of the Quarterly Audit Activities Report is consistent with the Mayor and City Council’s intent to have an independent audit function for the City of Sacramento.

Environmental Considerations: None.

Sustainability Considerations: None.

Rationale for Recommendation: This staff report provides the 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 Quarterly Audit
Quarterly Activity Report for April to June 2011

Activities Report are funded out of the 2010-11 Office of the City Auditor Budget.

**Emerging Small Business Development (ESBD):** No goods or services are being purchased as a result of this report.

Respectfully Submitted by: [Signature]

Jorge Oseguera, City Auditor

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**Attachments**

1. Attachment 1 – Activity Report for April 2011 to June 2011  pg. 3
2. Attachment 2 – FY 2010-11 Adopted Auditor Audit Plan  pg. 5
August 9, 2011

Honorable Members of the Audit Committee
915 I Street - Fifth Floor, New City Hall
Sacramento, CA 95814-2604

Honorable Members of the Audit Committee:

Activity highlights for April through June 2011:

- Issued the *Audit of Employee Health and Pension Benefits*: April 2011.
- Issued letter responding to Council’s request for additional information regarding an *Audit of Employee Health and Pension Benefit*: April 2011.
- Restarted the Fleet Management audit.
- Attended the Association of Local Government Auditor’s training.
- In coordination with the Audit Committee, held two special audit committee meetings in April and May to solicit feedback from the public on the Utilities Audit.
- Presented the results of a survey we performed in coordination with Councilmember Ashby regarding Utilities’ services.
- Issued *Sacramento Utilities Department Operational Efficiency and Cost Savings Audit*: May 2011.
- Began gathering information for the Golf Maintenance 2010-11 shortfall review.
- Held exit conferences for audit for the *Audit of City Revenue Collection* and for the *Audit of Citywide Policies and Procedures*.
- Requested and received Audit Committee direction on issuing a Request For Proposal for the Utility Billing audit.
The following table summarizes the status of the audits adopted on June 22, 2010 for the 2010-2011 Audit Plan and incorporates the additional audits added by the 2011-12 Audit Plan.

### Status of the City Auditor’s FY 2010-11 Work Plan as of June, 2011

<table>
<thead>
<tr>
<th>Assignments Completed</th>
<th>Preliminary Survey</th>
<th>Risk Assessment</th>
<th>Audit Fieldwork</th>
<th>Report Writing</th>
<th>Audit Issuance Date</th>
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<td>Audit of the Community Development Department</td>
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<td>Completed</td>
<td>Completed</td>
<td>October 2010</td>
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<td>Health Benefits and Public Employees Retirement System (PERS) Contributions</td>
<td>Completed</td>
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<td>Completed</td>
<td>Completed</td>
<td>April 2011</td>
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<td>Utilities Department Operational Efficiency Audit</td>
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<td>Completed</td>
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<td>May 2011</td>
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<td>Citywide Policy and Procedures Assessment</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
<td>July 2011</td>
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<tr>
<td>Revenue Collections</td>
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<td>Completed</td>
<td>Completed</td>
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<td>July 2011</td>
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<table>
<thead>
<tr>
<th>Assignments In Process</th>
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<tbody>
<tr>
<td>Fleet Management</td>
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<tr>
<td>Golf Maintenance Shortfall Review</td>
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</table>

<table>
<thead>
<tr>
<th>Assignments Not Yet Started</th>
<th></th>
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<tbody>
<tr>
<td>Fire Inspection Fees</td>
<td>Projected Start Aug 2011</td>
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<tr>
<td>Utilities Billing</td>
<td>Projected Start Sep 2011</td>
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<td>Citywide Employee Supplemental Pay</td>
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<td>City Whistleblower/Audit Hotline</td>
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<td>Purchase Cards</td>
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<td>City Sidewalk Repair Process</td>
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<tr>
<td>311 Call Center</td>
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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 Osegueras