

*City of*  
**SACRAMENTO**  
Office of the City Auditor

Personnel and Public  
Employees Committee  
Presentation

July 30, 2024

Farishta Ahrary  
Interim City Auditor



Fiscal Year  
2024  
Annual  
Report



# AGENDA

Overview, City Charter, and City Code

Mission, Philosophy, and Vision

Office of the City Auditor Team and Demographics

Fiscal Year 2024 Work Plan

Other Office Activities

Key Deliverables and Performance Goals

Fiscal Year 2025 Strategic Goals and Objectives

# OVERVIEW

The Office of the City Auditor provides independent, objective, and reliable information regarding the City's ability to meet its goals and objectives and establish an adequate system of internal controls. In many cases, this involves verifying compliance with laws and regulations, assessing the efficiency and effectiveness of the City's operations, and identifying opportunities for internal control improvements.

# CITY CHARTER

With the passing of Measure K in 2018, the City Auditor was established as a charter officer.

The duties of the City Auditor and the Independent Budget Analyst were combined.

Section 77 of the City Charter states the City Auditor “shall independently assess and report on City operations and services; shall assist the council in the conduct of budgetary inquiries and in the making of budgetary decisions; and shall have such other powers and duties as may be prescribed by state law and by ordinance or resolution of the city council.”

# CITY CODE

Sacramento City Code Section 2.18.050 outlines the duties of the City Auditor. Some of the outlined duties include:

- Conducting audits of City departments, offices, boards, commissions, and committees as directed by the Council.
- Managing the City's Whistleblower Hotline and determining if allegations of fraud, waste, abuse, or illegal acts need further investigation.
- Assisting in the Council's budgetary inquiries and budgetary decisions as directed by the City Council.
- Making recommendations to the City Council in connection with the City Auditor's audits, investigations, analyses, studies, and reports.
- If requested by an individual Councilmember, auditing that Councilmember's own office through an independent outside auditor.

# CITY CODE

## 2.18.060 Access to Information

- Outlines the City Auditor's access to all sources of information, property, and personnel relevant to the performance of an audit, unless restricted or prohibited by law.
- If a City contract so provides, access to the contracting party's records related to the service or goods provided under the contract.

## 2.18.070 Noninterference with City Auditor

- Prohibits any person from directly or indirectly coercing or attempting to coerce the City Auditor relative to the City Auditor's examinations, audits, or appointment or removal of any employee by the City Auditor.

## OFFICE MISSION

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The Office of the City Auditor's mission is to provide a catalyst for improvements of municipal operations and promote a credible, efficient, effective, equitable, fair, focused, transparent, and fully accountable City government.

# PHILOSOPHY

## Independence

- In fact and appearance and free from impairments to ensure impartiality.

## Objectivity

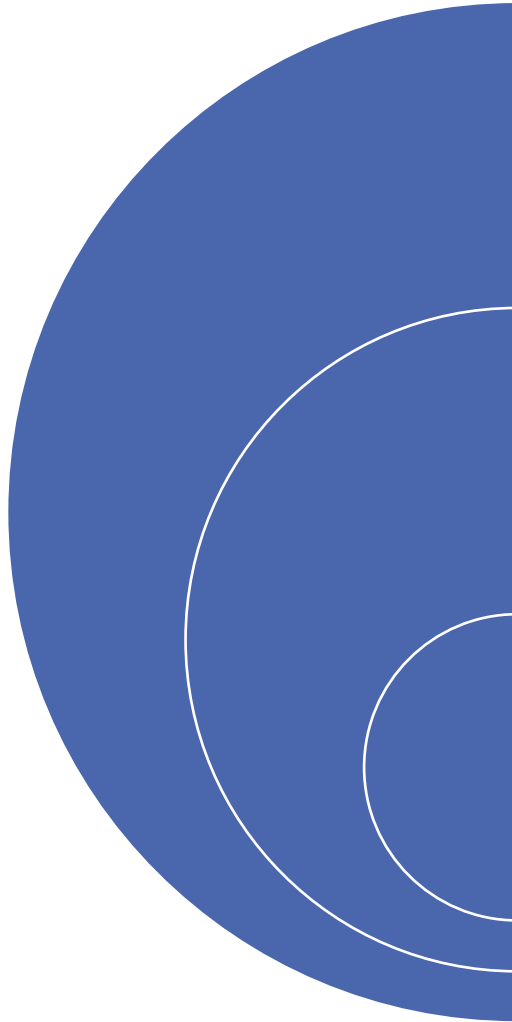
- In projects and without preconceived ideas or biases.

## Technical Accuracy

- By utilizing strict quality assurance programs to ensure due professional care and sufficient and compelling evidence to support any statements of fact in reports.



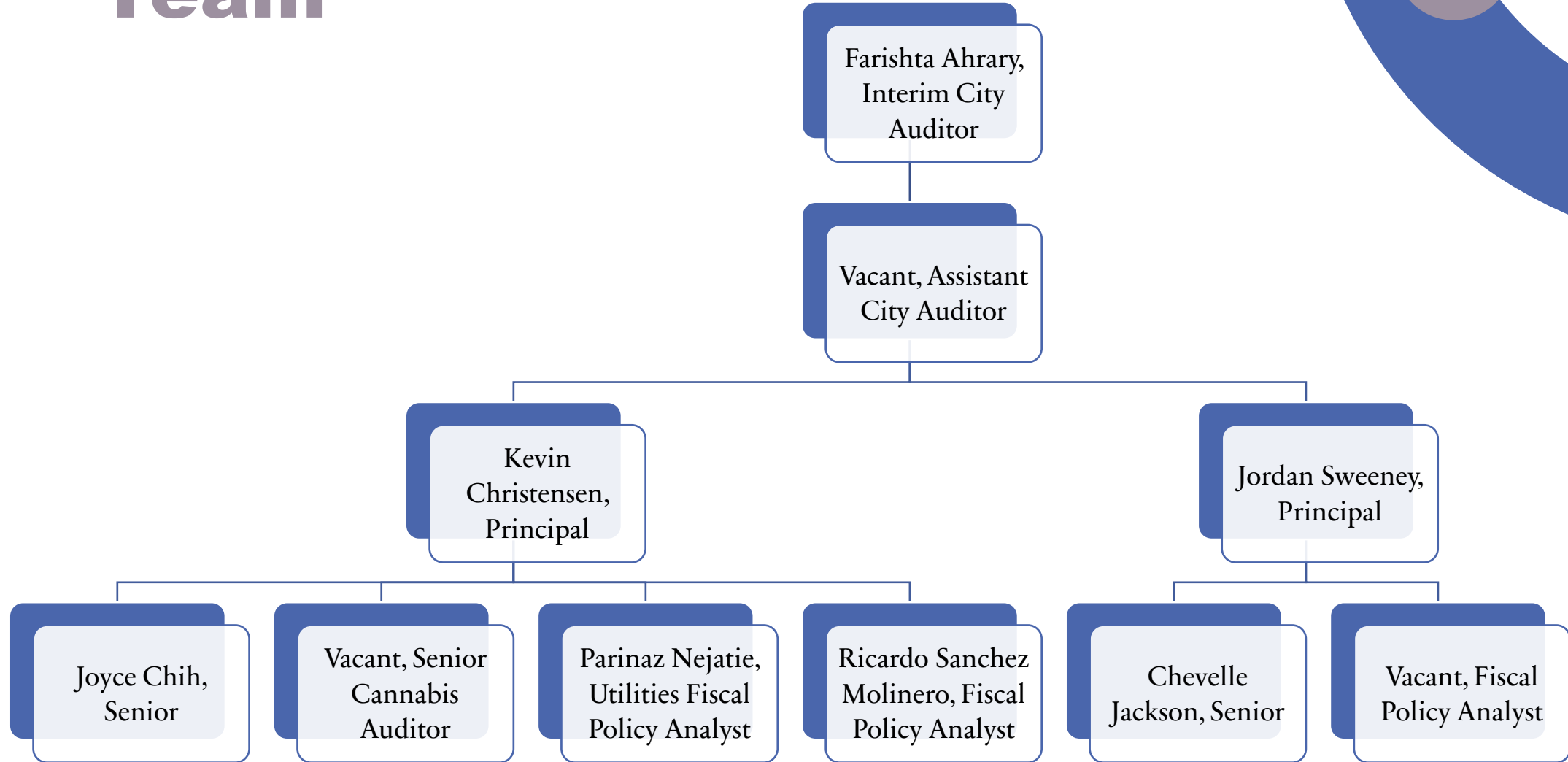
# VISION



<h2>Improve City Services</h2>	<ul style="list-style-type: none"><li>• Provide independent, objective, and reliable information regarding the City's ability to meet its goals and objectives and establish adequate internal control systems.</li></ul>
<h2>Mitigate Fraud</h2>	<ul style="list-style-type: none"><li>• Root out improper governmental activities (i.e. fraud, waste, or abuse)</li></ul>
<h2>Address Inequities</h2>	<ul style="list-style-type: none"><li>• Address racial, gender, and ethnic inequities.</li></ul>



# Office of the City Auditor Team



# OFFICE OF THE CITY AUDITOR DEMOGRAPHICS

## Office of the City Auditor Gender Diversity

	<b>Male</b>	<b>Female</b>	<b>Total Population</b>
2022 City Population	49%	51%	523,600
City Auditor's Office 2021	40%	60%	10
City Auditor's Office 2022	44%	56%	9
City Auditor's Office 2023	50%	50%	10
City Auditor's Office 2024	29%	71%	7

# OFFICE OF THE CITY AUDITOR DEMOGRAPHICS

## Office of the City Auditor Ethnic/Racial Diversity

	White	Hispanic	Asian	Black or African American	Two or More Races	Middle Eastern or North African	Filipino	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Total Population
2022 City Population	31%	29%	16%	12%	6%	0%	3%	0%	2%	523,600
City Auditor's Office 2021	30%	30%	10%	10%	10%	10%	0%	0%	0%	10
City Auditor's Office 2022	33%	33%	11%	11%	0%	11%	0%	0%	0%	9
City Auditor's Office 2023	20%	40%	20%	10%	0%	10%	0%	0%	0%	10
City Auditor's Office 2024	14%	29%	29%	14%	0%	14%	0%	0%	0%	7

# FISCAL YEAR 2024 WORK PLAN

On May 9, 2023, the City Council approved the City Auditor's Fiscal Year 2023/24 Work Plan which included work under the Office's three divisions:

- Performance Audits
- Research and Analysis
- Whistleblower Hotline

## 2023/24 WORK PLAN

Office of the City Auditor



### INSIDE

#### Our Mission

Performance Audit Plan

Cannabis Compliance Audit Plan

DOU Audit Plan

Research & Analysis Work Plan

Whistleblower Investigative Audits

Audit Selection Process

Auditor's Authority



# COMPLETED PROJECTS

During Fiscal Year 2024, the Office of the City Auditor completed eight projects:

Audit of the Sacramento Police Department's Evidence and Property Division – Sexual Assault Evidence Kits

Preliminary Report on the City's Homeless Response

Audit of Department of Utilities Supervisory Control and Data Acquisition (SCADA) System

Assessments of Revenues and Expenses Associated with the City's COVID-19 Response – Report No. 5

City Auditor's Baseline Funding Calculation for the Sacramento Children's Fund

Diversity Review of City Employment Applications, Hires, and Separations: February 1, 2021, through January 31, 2024

2022 Audit of City Board, Committee, and Commission Diversity

2023 National Community Survey

# ACTIVITY REPORTS

The Office of the City Auditor also provided the City Council with the following activity reports:

## Quarterly Activity Reports

- April through June 2023
- July through September 2023
- October through December 2023
- January through March 2024

## Semi-Annual Recommendation Follow-Up Reports

- January through June 2023
  - July through December 2023
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# STATUS OF PROJECTS IN PROGRESS

Project	Preliminary Survey	Risk Assessment	Fieldwork	Report Writing
Audit of the City's Ethics Commission	Complete	Complete	Complete	In Progress
Audit of Emergency Medical Services	Complete	Complete	Complete	In Progress
Water and Wastewater Funds Review	Complete	Complete	Complete	In Progress
Audit of Complaint Investigation and Resolution Practices	Complete	Complete	On Hold	
Audit of Evidence and Property – Part 2	Complete	Complete	On Hold	
Audit of Homeless Response – Part 1	Complete	Complete	In Progress	
Audit of Military Equipment Use Policies and Inventory Practices	Complete	Complete	In Progress	
Audit of the Transient Occupancy Tax	Complete	Complete	On Hold	
Audit of Animal Care Services	In Progress			
Audit of Cannabis Business Operations Tax Amount for Children's Fund	In Progress			
Audit of Utilities' Energy Use	In Progress			



# PROJECTS NOT YET STARTED

The City Auditor's Work Plan is designed to be flexible, adjusting to new risks and changing priorities. Annually, we review and reprioritize projects to determine their relevance for the upcoming year. Consequently, some projects are deferred to the next year's Work Plan, while others may be re-assessed and excluded. This ensures that our efforts are consistently aligned with the City's most pressing needs.

## Projects Carried Over to the Fiscal Year 2025 Work Plan

Audit of  
Pedestrian  
Safety

Audit of  
the  
Planning  
Division

Audit of  
Illegal  
Cannabis  
Cultivation

# OFFICE DASHBOARDS

To promote transparency and accountability, the Office maintains several dashboards that City Council, City employees, and the public can use to analyze certain information. The Office maintains the following dashboards:

Recommendation  
Follow-Up

Whistleblower  
Hotline

Community  
Survey

Gender and Ethnic  
Diversity

2022 Diversity &  
Workplace Climate  
Survey Results

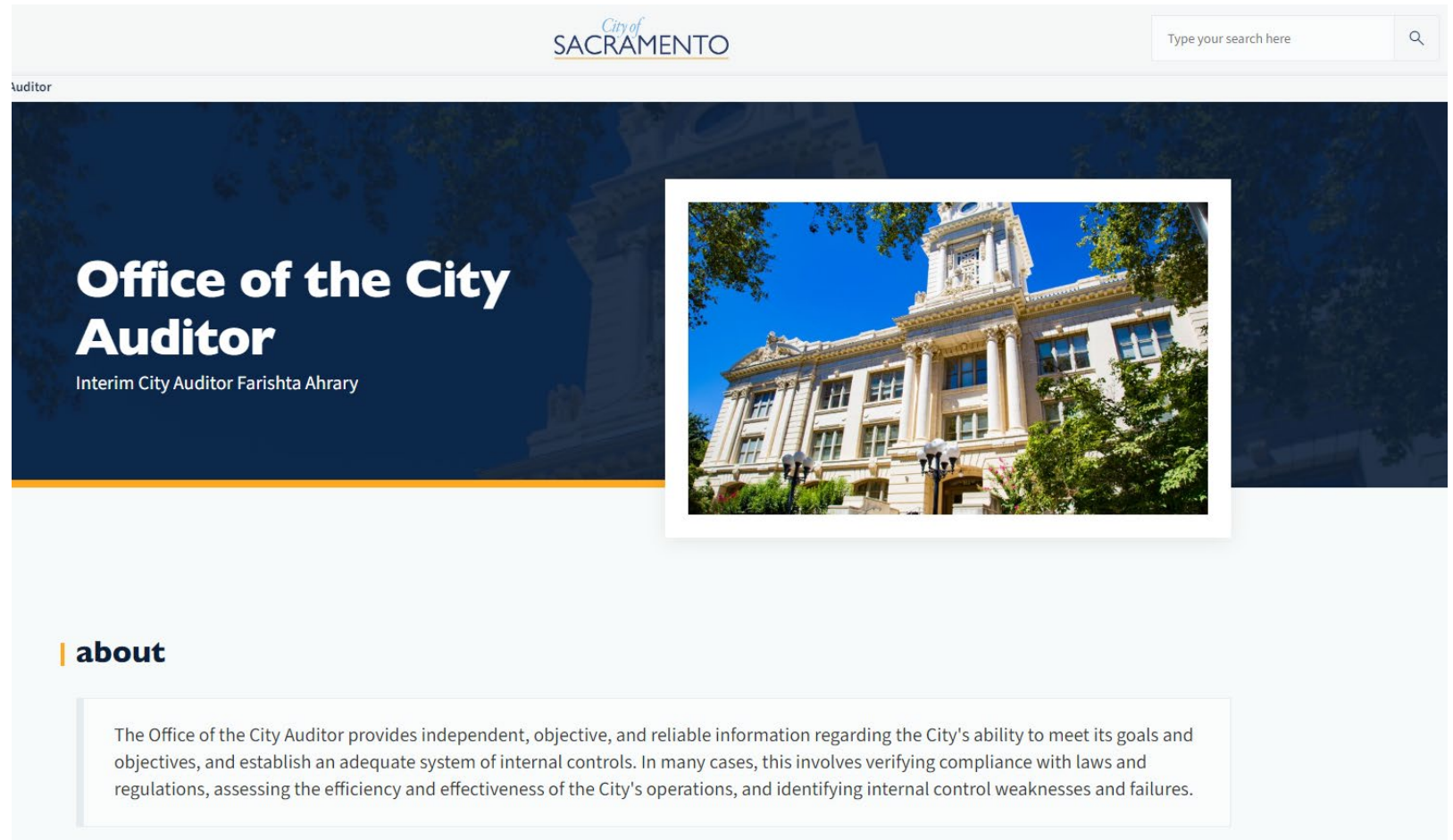
NEW: Diversity of  
City Applicants

NEW: Diversity of  
City Hires

NEW: Diversity of  
City Separations

# CITY AUDITOR'S WEBSITE MIGRATION

The Office of the City Auditor participated in the Citywide website migration efforts and redesigned the Office's public-facing website. The website can be accessed at:  
[www.cityofsacramento.gov/auditor](http://www.cityofsacramento.gov/auditor)



# AUDIT REPORT WINS NATIONAL RECOGNITION

The Office of the City Auditor was awarded a 2023 Distinguished Knighton Award for best performance audit among local government audit organizations of similar size across the U.S. and Canada. This national award from the Association of Local Government Auditors (ALGA) recognized excellence in local government performance audits among its 300 member organizations.

## Audit of the Sacramento Police Department's Evidence and Property Division – Sexual Assault Evidence Kits

Report # 2023/24-04 | September 2023

Sacramento Police Department had not Previously Taken Steps to Comply with a Recent California Law Related to the Auditing and Reporting of Untested Sexual Assault Evidence Kits.

Opportunities Exist for the Sacramento Police Department to Update Evidence Procedures Related to Sexual Assault Evidence as Recommended by Best Practices.

Opportunities Exist for the Sacramento Police Department to Seek Various Grants to Assist in Processing Untested Sexual Assault Evidence Kits.



City of  
**SACRAMENTO**  
Office of the City Auditor  
*Performance Audit Division*

Jorge Oseguera, City Auditor  
Farishta Ahrary, Assistant City Auditor  
Kevin Christensen, Principal Fiscal Policy Analyst  
Chevelle Jackson, Fiscal Policy Analyst

# KEY DELIVERABLES

Key deliverables tracked for Fiscal Year 2024 include:



Certificate of Compliance with Generally Accepted Government Auditing Standards within the last three years



Present proposed Work Plan by April 15



Provide the City Council with activity reports regarding audits, recommendations, and whistleblower tips and investigations

# PERFORMANCE GOALS

During Fiscal Year 2024, the Office of the City Auditor exceeded most of its performance goals:

**100%**

- CPE Compliance

**100%**

- Management Agreement

**70%**

- Work Plan

**100%**

- Audit Findings Acceptance

**100%**

- Recommendations Acceptance



# FY25 STRATEGIC GOALS AND OBJECTIVES

For Fiscal Year 2025, we are excited to work with the City Council and City management to continue managing the City's Whistleblower Hotline and auditing City operations and services to identify opportunities for enhanced efficiency and effectiveness. We will also be focused on internal improvements including:

Enhancing Collaboration and Communication

Promoting Operational Efficiencies

Completing Recruitment Efforts

Complying with Upcoming Changes to Standards

# THANK YOU

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