



# City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
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**Meeting Date:** 4/26/2011

**Report Type:** Consent

**Title:** Quarterly Audit Activities Report

**Report ID:** 2011-00416

**Location:** Citywide

**Recommendation:** Approve the Auditor's Office Audit Activities Report for the January 2011 to March 2011 period.

**Contact:** Jorge Oseguera, City Auditor, (916) 808-7272, Office of the City Auditor

**Presenter:**

**Department:** Mayor/Council

**Division:** Office of the City Auditor

**Dept ID:**

**Attachments:**

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1-Description/Analysis  
March 2011 Quarterly Report to Council.pdf

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## **City Attorney Review**

Approved as to Form  
Jerry Hicks  
4/21/2011 11:38:19 AM

## **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
4/20/2011 2:46:26 PM

## **Approvals/Acknowledgements**

Department Director or Designee: Jorge Oseguera - 4/20/2011 4:17:13 PM

Assistant City Manager: Cassandra Jennings - 4/21/2011 10:18:43 AM



## 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 third quarter of fiscal year 2010-2011.

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

**Committee/Commission Action:** On April 12, 2011, the Audit Committee unanimously approved a motion to forward the Quarterly Audit Activity Report to the full City Council for approval.

**Environmental Considerations:** None.

**Sustainability Considerations:** None.

**Rationale for Recommendation:** This staff report contains information that is intended to keep the City Council informed of the City Auditor's work.

**Financial Considerations:** The costs of the audits listed in the Quarterly Audit Activity Report are funded out of the fiscal year 2010-2011 Office of the City Auditor Budget.

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



CITY OF SACRAMENTO  
CALIFORNIA

Office of the City Auditor  
Jorge Oseguera, City Auditor

April 12, 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 January through March 2011:

- Issued the first semiannual recommendation follow-up report in February 2011.
- All audit staff received training on the City's new ADRS system.
- Obtained City Council approval for the 2011-12 Audit Plan.
- Performed high-level review of the Utilities Department to identify potential audit areas.
- Toured the Utilities Department water and solid waste facilities and discussed with Utilities staff potential areas of concern.
- Issued an RFP for the Operational and Cost Efficiency Audit of the Utilities Department.
- Performed a comprehensive review and evaluation of the Utilities Audit proposals and determine that the proposal submitted by Public Financial Management, Inc (PFM) was the most responsive to the City's needs.
- Held entrance conferences with PFM and the divisions of the Utilities Department.
- Coordinated two special audit committee meetings to invite residents and business owners to share their views of the Utilities audit.
- Worked with Councilmember Ashby to create an electronic survey to allow for further community input on the Utilities Departments operations.
- Continue to work with the City Attorney to assess options for establishing a City fraud/whistleblower hotline.

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 March, 2011

	Preliminary Survey	Risk Assessment	Audit Fieldwork	Report Writing	Audit Issuance Date
<b>Assignments Completed</b>					
Audit of the Community Development Department	Completed	Completed	Completed	Completed	October 2010
Health Benefits and Public Employees Retirement System (PERS) Contributions	Completed	Completed	Completed	Completed	April 2011
<b>Assignments In Process</b>					
Utilities Department Operational Efficiency Audit	Completed	Completed	In Process		Projected May 2011
Citywide Policy and Procedures Assessment	Completed	Completed	Completed	In Process	Projected June 2011
Revenue Collections	Completed	Completed	Completed	In Process	Projected July 2011
Fleet Management	Completed	Completed	In Process		
<b>Assignments Not Yet Started</b>					
Utilities Billing	Not Started				
City Whistleblower/Audit Hotline	Not Started				
Purchase Cards	Not Started				
Fire Inspection Fees	Not Started				
City Sidewalk Repair Process	Not Started				
311 Call Center	Not Started				

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 Oseguera