

**Meeting Date:** 10/13/2015

**Report Type:** Consent

**Report ID:** 2015-00874

**Title:** City Auditor's Additional Position Request (Adjourned from 10/06/2015)

**Location:** Citywide

**Recommendation:** Pass a Resolution authorizing the City Manager to add a 1.0 FTE Auditor position to the City Auditor's budget, funded by the Utilities Department.

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

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

**Department:** Mayor/Council

**Division:** Office of the City Auditor

**Dept ID:** 01001201

**Attachments:**

1-Description/Analysis

2-Resolution

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#### **City Attorney Review**

Approved as to Form

Sandra Talbott

9/30/2015 11:32:46 AM

#### **Approvals/Acknowledgements**

Department Director or Designee: Jorge Oseguera - 9/29/2015 11:49:15 AM

## **Description/Analysis**

**Issue Detail:** 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. Over the last five years, the City Auditor has performed two audits and several whistleblower investigations of the Utilities Department that have resulted in significant savings and operational efficiencies.

The Utilities Department would like the City Auditor's Office to perform additional audit work. However, due to limited audit resources, the City Auditor cannot fulfil the Utilities Department's request. As a result, the Utilities Department proposes funding an FTE in the City Auditor's Office that will be dedicated to performing audits of the Utilities Department. This position will be funded for one year and at the conclusion of the one year term, the Utilities Department and the City Auditor's Office will assess whether this arrangement should be extended.

**Policy Considerations:** The City Auditor's request to add a limited term 1.0 FTE position to the City Auditor's budget is consistent with the Mayor and City Council's intent to have an independent audit function for the City of Sacramento.

**Economic Impacts:** None

**Environmental Considerations:** None

**Sustainability:** None

**Commission/Committee Action:** None

**Rationale for Recommendation:** The Utilities Department funding of a limited term FTE in the City Auditor's Office will allow the City Auditor to establish a dedicated resource to focus on performing audits of the Utilities Department.

**Financial Considerations:** The total compensation for the Auditor position is approximately \$94,000. The position will be dedicated full time to performing audits on the Department of Utilities. Therefore, the cost of the position will be offset by the Water (Fund 6005), Wastewater (Fund 6006) and the Storm Drainage (Fund 6011) funds.

**Local Business Enterprise (LBE):** None

## Attachment 02 – Budget Adjustment

### RESOLUTION NO.

Adopted by the Sacramento City Council

### APPROVING A FY 2015/16 BUDGET ADJUSTMENT TO THE CITY AUDITOR'S ANNUAL BUDGET

#### BACKGROUND

- A. City Code Section 2.18.010 specifies that the City Auditor shall have such staff and budget as the City Council may prescribe. The City Auditor shall appoint all other members of the City Auditor's Office.
- B. The Office of the City Auditor does not currently have the audit resources needed to perform the audit work requested by the Utilities Department.
- C. The total compensation for the Auditor position is approximately \$94,000. The position will be dedicated full time to performing audits on the Department of Utilities. The cost of the position will be offset by the Water (Fund 6005), Wastewater (Fund 6006) and the Storm Drainage (Fund 6011) funds.
- D. This position will be funded for one year. At the conclusion of the one year term, the Utilities Department and the City Auditor's Office will assess whether this arrangement should be extended.

#### BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager, or authorized designee, is hereby authorized to amend FY 2015/16 Mayor and City Council budget to increase the City Auditor's Office by 1.0 Auditor FTE.
- Section 2. The City Manager, or authorized designee, is hereby authorized to establish reimbursement budgets between the Office of the City Auditor and the Department of Utilities for the cost of the Auditor position.
- Section 3. The City Auditor is directed to return to the City Council, prior to the end of the funding term, to discuss the Auditor position and the Utility Department audit results.