



CITY OF SACRAMENTO
CALIFORNIA

Office of the City Auditor
Jorge Oseguera, City Auditor

To the Honorable Mayor and
Members of the City Council
915 I Street - Fifth Floor, New City Hall
Sacramento, CA 95814-2604

April 3, 2019

At the request of the City Council, the Office of the City Auditor assessed the gender and ethnic diversity of City employees in FY 2016/17 and FY 2017/18. For FY 2018/19, this task was transferred to the City Manager's Office so the newly-hired Diversity and Equity Manager could oversee the results and offer recommendations on improving the City's gender and ethnic diversity. As we had previously performed this analysis, the City Manager's Office requested we provide some feedback on their report. To this end, we provided the City Manager's office with our feedback as drafts of the report were received. As this review was not an "audit", we did not perform this review in accordance with Generally Accepted Government Auditing Standards.

The City Manager's Office retains responsibility for the preparation and presentation of their report; this includes the data analysis, interpretation of the analysis, and resulting recommendations and conclusions. Our review of their work focused on validating the data and methodology. The Office of the City Auditor does not express an opinion on the recommendations and conclusions made by the City Manager's Office.

Based on our review, we have confirmed that the City Manager's Office used the same query the Auditor's Office used to extract employee gender and ethnicity data from the City's human resources system. As we had previously validated this query during our reviews in FY 2016/17 and FY 2017/18, we did not conduct additional data reliability testing.

We should also note that, in some instances, the City Manager's Office took a different approach in how the data was evaluated and presented. The most significant deviation from our methodology was the City Manager's method of identifying "management" employees. In our previous analysis, the Human Resources (HR) Director identified management positions for the City Auditor's Analysis based on their labor classification in eCAPS. Those labor classifications were "Executive Management", "Management Employee", "Management Support", and "Mayor/Council Support". In our previous reports, we acknowledged that some

of the employees in these labor classifications may not be management, and likewise, some of the management employees may not be captured by this methodology.

In the City Manager's analysis, they worked with the HR Director to identify management positions based on the HR Director's experience and knowledge of the various City positions by reviewing only those positions the Auditor's Office had previously identified as management. As a result, there may still be some management employees that were not captured in their analysis. As the City Manager's approach relied on the judgement of the HR Director, we were unable to validate it based on measurable criteria.

We also noted the following instances where their approach varied from ours, where additional context may be helpful to the reader, or where additional analysis could be considered for future iterations:

- More than 900 part-time City employees (such as City Council Members, recreation aides, reserve police officers, and events associates) were excluded from the main analysis. However, a brief analysis of part-time employees is included in Appendix 1.
- The analysis excluded 36 employees that did not have an ethnicity listed and one full-time employee that did not have a gender specified in the human resources software system.
- Specific to the gender gap analysis:
 - The gender gap analysis identifies instances where *more* than a 10% wage gap exists between male and female employees in the same position within the same five-year tenure groups. Wage gaps of *less* than ten percent are not scrutinized but could still result in a substantial pay gap.
 - The gender gap analysis does not account for positions filled exclusively by one gender. As many classifications are staffed by only male (1,298 FTEs) or only female (468 FTEs) employees, 81 percent of classifications and 46.3 percent of employees were not scrutinized.
 - The gender gap analysis only compares employees within the same exact classification and does not account for employees in similar or comparable positions. For example, there are four different classifications of "superintendent" across various departments in the City. Many of these classifications are filled exclusively by one gender (which, as mentioned above, were not examined).
 - Future gender gap analyses could consider including part-time positions and controlling for part-time and full-time equivalent pay by normalizing the part-time positions to full-time equivalent positions.
 - Future gender gap studies may want to address the degree to which women are underrepresented as a proportion of City staff. As mentioned in the report,

women comprise more than half of the City of Sacramento's resident population, but only make up about 30 percent of the City's full-time employees.

As previously stated, although the approach in conducting this analysis differed from the reports issued by our office, the analysis conducted by the City Manager's Office did not appear to contain material computational errors and provides useful information to continue to move the City forward towards developing a workforce that is more reflective of the community.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Jorge Oseguera", with a long horizontal flourish extending to the right.

Jorge Oseguera