

QUARTERLY ACTIVITY REPORT

Third Quarter of Fiscal Year 2024/25

City of
SACRAMENTO
Office of the City Auditor

Introduction

The Quarterly Activity Report highlights the activities of the Office of the City Auditor for the third quarter of fiscal year (FY) 2024/25. This report also identifies the status of the City Auditor's *Fiscal Year 2024/25 Work Plan* projects.

Report Issued During the Third Quarter of Fiscal Year 2024/25

The Office of the City Auditor issued several reports during the third quarter of fiscal year 2024/25.



*The Quarterly
Activity Report for
the period of
October 2024
through December
2024*



*City Auditor's
Proposed Work
Plan for Fiscal
Year 2025/26*



*City Auditor's
Whistleblower
Hotline Activity
Report for the Period
July 2024 through
December 2024*



*City Auditor's
Fiscal Year
2023/2024
Baseline Funding
Verification for
the Sacramento
Children's Fund*



*City Auditor's Fiscal
Year 2023/2024
Audited Cannabis
Business Operations
Tax Amount for the
Sacramento
Children's Fund*



*City Auditor's
Department of
Utilities'
Wastewater
Funds Review*



*City Auditor's
Department of
Utilities' Water
Funds Review*

Other Highlights

The following highlights other activities of the Office of the City Auditor for this reporting period.



Staff Vacancies

After a competitive recruitment, **Kevin Christensen** was promoted to Assistant Director for the Office of the City Auditor.

Recruited for and hired a Fiscal Policy Analyst, **Jessica Lugo**, to work under the Research & Analysis Division.



Diversity Dashboards

The Office met with the Finance Department's Equity Team to discuss potentially creating dashboard(s) for an employee survey they had conducted. Staff presented our diversity dashboards to the Department of Utilities' Policy Team.



DEI Efforts

The Office's Racial and Gender Equity Action Plan (RGEAP) Team continued to work towards the Citywide coordinated strategic work plan focused on workforce equity.



Peer Support

The Office met with staff from the Yolo County Division of Internal Audits to provide whistleblower hotline support and assistance.



Whistleblower Hotline

The Office received a number of whistleblower allegations.



Citywide Risk Assessment

The Office conducted a Citywide, Department of Utilities, and the Office of Cannabis Management risk assessments for our *Fiscal Year 2025/26 Work Plan*.



Measure L Reports Webpage

Jordan Sweeney created a new webpage on the City Auditor's website for Measure L reports.



Initiated a Project

During this quarter, we initiated the *Potential Cost Savings and Revenue Recovery Audit Services – Utility Cost Recovery Audit*.

FY 2024/25 Work Plan Assignments In-Progress

The following highlights the status of the *Fiscal Year 2024/25 Work Plan* assignments in-progress.



Audit of the City's Ethics Commission

During this quarter, the audit is in the final stages of the Reporting Writing phase of the project. A draft was produced and is in the process of being circulated in order to obtain and report the views of management concerning the findings, conclusions, and recommendations. This audit was completed in April 2025.



Audit of Sacramento Police Department Military Equipment Use Policies and Inventory Practices

During this quarter, the audit is in the final stages of the Reporting Writing phase of the project. A draft was produced and is in the process of being circulated in order to obtain and report the views of management concerning the findings, conclusions, and recommendations. This audit was completed in May 2025.



Audit of Fire Department Emergency Medical Services

Although this audit is not on hold, progress during this reporting period has been slower than anticipated due to departmental resource constraints. The audit is currently in the Report Writing phase, and additional analysis is being conducted to incorporate data from the most recent fiscal year.



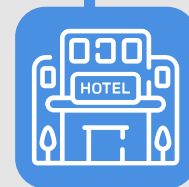
Audit of the City's Animal Care Services

During this quarter, our office engaged a consultant to conduct a performance audit of the Animal Care Services Division. During this quarter, the audit was in the final stages of the Reporting Writing phase. The consultant completed a draft for circulation in order to obtain and report the views of management concerning the findings, conclusions, and recommendations. The audit was completed in April 2025.



Audit of the City's Homeless Response - Motel Shelter Program

This audit is a subset of our first homeless response audit project on Citywide and systemwide strategy and coordination. The audit is currently in the final stages of the Reporting Writing phase of the project. A draft was produced and is in the process of being circulated in order to obtain and report the views of management concerning the findings, conclusions, and recommendations.



Audit of the Transient Occupancy Tax

After being placed on a temporary hold, we resumed this audit late in the quarter. The audit is currently in the Fieldwork phase, with a small number of sub-objectives left to complete. We are assessing the remaining work to ensure alignment with current objectives.

FY 2024/25 Work Plan Assignments In-Progress (Continued)



Audit of the Department of Utilities' Energy Use

This audit is moving into the Fieldwork phase of the project. During the last quarter, we substantially completed the Risk Assessment phase of the project while simultaneously completing our department-wide risk assessment to inform our *Fiscal Year 2025/26 Work Plan*. The Department of Utilities department-wide risk assessment is conducted by our office every four to five years, which involves identifying threats and controls to assess vulnerabilities and determine higher-risk areas to focus our audit attention in the coming years. This included meetings with key stakeholders in the Department of Utilities to understand potential areas of risk and opportunities for improvement. We presented the results of our department-wide risk assessment to the department's executive team.



Audit of the Sacramento Police Department's Property and Evidence Division

Our office re-initiated the *Audit of the Sacramento Police Department's Property and Evidence Division*. During the past quarter, we conducted a walk-through of the property and evidence facility, held interviews with SPD personnel, and performed research on industry best practices to inform our analysis and recommendations.



Audit of the City's Complaint Investigation and Resolution Practices

This audit has been placed on a temporary hold due to department resource constraints. The audit will be re-initiated when sufficient department resources are available.



Potential Cost Savings and Revenue Recovery Audit Services – Utility Cost Recovery Audit

This project was initiated during the quarter and will explore entering into contingency contracts with a vendor to conduct third-party audits to potentially identify cost savings and/or other audits to recover potential past taxes or any other monies or revenue owed to the City that were not properly attributed to the City or were not properly paid/collected and to determine potential future taxes and other monies owed to the City not previously counted.

Based on our initial research and discussions with key stakeholders, we intend the first service to be a Utility Cost Recovery Audit, which will examine the City's electric, gas, propane, and telecommunications (data, internet, land line, cell phones) account invoices for the purpose of securing refunds, credits and cost reductions resulting from discovery of charges or costs in excess of those permitted or allowed by applicable contracts, tariffs, statutes, rules, regulations and/or from overcharges or billing errors. We are currently in the beginning stages of the procurement process to hire a vendor.