City Auditor's Semi-Annual Recommendation Follow-Up Report: July – December 2023

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Interim City Auditor

City of
SACRAMENTO
Office of the City Auditor
March 2024

Our Mission
To provide a catalyst for improvements of municipal operations and promote a credible, efficient, effective, equitable, fair, focused, transparent, and fully accountable City government.

Our Vision
To improve City services by providing independent, objective, and reliable information regarding the City's ability to meet its goals and objectives and establish an adequate system of internal controls, root out improper governmental activities (i.e., fraud, waste, or abuse), and address racial, gender, and ethnic inequities.

Suggest an Audit
The Office of the City Auditor conducts performance audits of the City of Sacramento's operations to determine whether these operations and programs are operating efficiently and effectively. If you would like to offer ideas for audits to save the City money, increase revenues, or improve the efficiency and effectiveness of City operations and programs, please fill out our online form:

https://forms.cityofsacramento.org/f/Suggest_an_Audit_Form

Whistleblower Hotline
In the interest of public accountability and being responsible stewards of public funds, the City has established a whistleblower hotline. The hotline protects the anonymity of those leaving tips to the extent permitted by law. The service is available 24 hours a day, 7 days week, 365 days per year. Through this service, all phone calls and emails will be received anonymously by third party staff.

Report online at http://www.cityofsacramento.ethicspoint.com or call
toll-free: 888-245-8859.

The City of Sacramento's Office of the City Auditor can be contacted by phone at 916-808-1166 or at the address below:

915 I Street
MC09100
Historic City Hall, Floor 2
Sacramento, CA 95814

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Recommendation Follow-Up Process

The Office of the City Auditor (Office) makes recommendations to strengthen accountability and improve the efficiency and effectiveness of City programs. In many cases, this involves verifying compliance with laws and regulations, identifying internal control weaknesses and failures, and assessing whether the City has acquired and used its resources efficiently. Sacramento City Code section 2.18.040 states "[t]he city auditor shall periodically review audit recommendations and investigations as practical to determine if responsive action has been taken. The city auditor may request status reports from audit subjects regarding actions taken to address audit findings and recommendations." The Office monitors the implementation of all recommendations and reports on the status of open recommendations every six months with this semiannual report.

In accordance with the City Auditor's approved Fiscal Year (FY) 2023/24 Work Plan, we have prepared a report on the status of open recommendations for the six-month period ending December 2023. To prepare this report, we met with department staff, reviewed documentation provided by departments, and performed testing to evaluate implementation progress. We would like to express our appreciation to City staff for their cooperation and assistance during our reviews.

Recommendation Progress

We classified recommendations based on the responsible party's progress:

- Not started – The responsible party temporarily postponed implementing the audit recommendation or did not demonstrate sufficient progress toward implementing the recommendation.
- Started – The responsible party began implementing the recommendation, but considerable work remains.
- Partly Implemented – The responsible party satisfied some elements of the audit recommendation, but additional work and testing remains.
- Implemented – The responsible party provided documentation and the Auditor verified the satisfactory implementation of the audit recommendation.
- Dropped – The auditor recommends eliminating the recommendation since a change in circumstances rendered it unnecessary.

Benefits of Implementing Recommendations

One of the goals in performing our work is to identify areas in which the City could reduce expenses or increase revenues. However, in some cases it can be difficult to calculate the financial benefit that a recommendation could produce. For example, it would be difficult to determine avoided costs of potential workers' compensation claims in the future.

While much of our work aims to identify financial benefits, recommendations are not solely focused on identifying savings. Sometimes they focus on areas that identify key benefits that are not easily quantifiable. For example, it could be difficult to quantify the value of increased

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residents' satisfaction with City services due to implementation of recommendations, or the benefits of having policies in place that reduce the City's overall risk.

We expect that most of our work will yield both financial and non-financial benefits. Some examples of benefits captured include identifying revenue the City should have collected, errors that led the City to overpay expenses, and potential savings by modifying practices or agreements. Figure 1 illustrates the potential financial benefits identified in our reports as well as the estimated realized financial benefits resulting from the implementation of all recommendations made by the Office of the City Auditor.

Figure 1: Potential Financial Benefit Identified and Estimated Financial Benefit Realized Since Establishment of the Office of the City Auditor

Potential Benefit
$98 Million

Realized Benefit
$41.9 Million
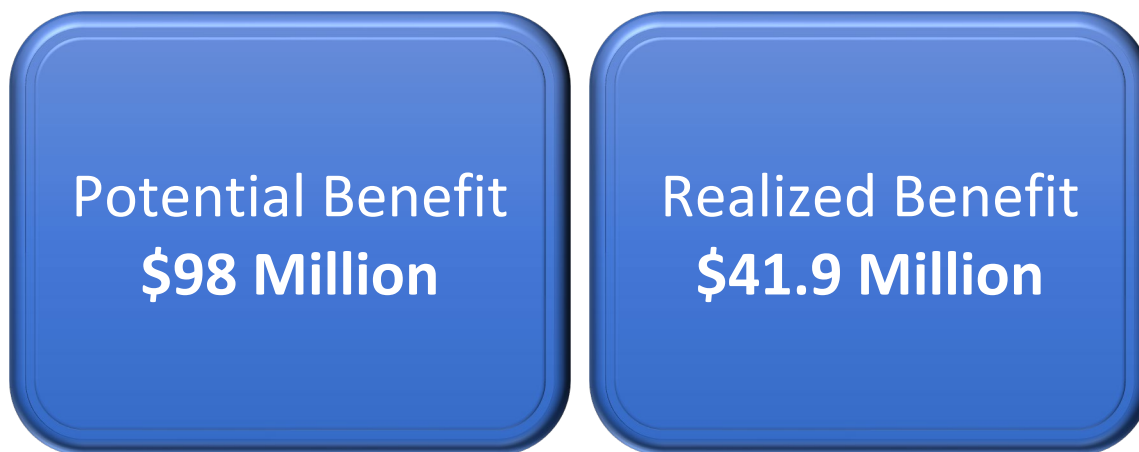
Source: Auditor generated.

As the figure above covers various types of potential benefits and relies on decisions and agreements that may or may not be made, it does not represent an expectation that the City will necessarily save or recover the full amount identified. For example, although the *Audit of the Community Development Department* identified $2.3 million in fees that the City did not collect, recovering those fees may prove difficult due to barriers to collection.

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Implementation Progress of Recommendations

84% of All Recommendations Have Been Closed

Since the establishment of the Office of the City Auditor in 2010, the Office has issued over 75 reports and made 735 recommendations. At the end of this recommendation follow-up period, 618 (84%) of total recommendations had been closed. Figure 2 illustrates the number of recommendations open compared to the number of recommendations closed as of December 31, 2023.

Figure 2: Recommendation Status
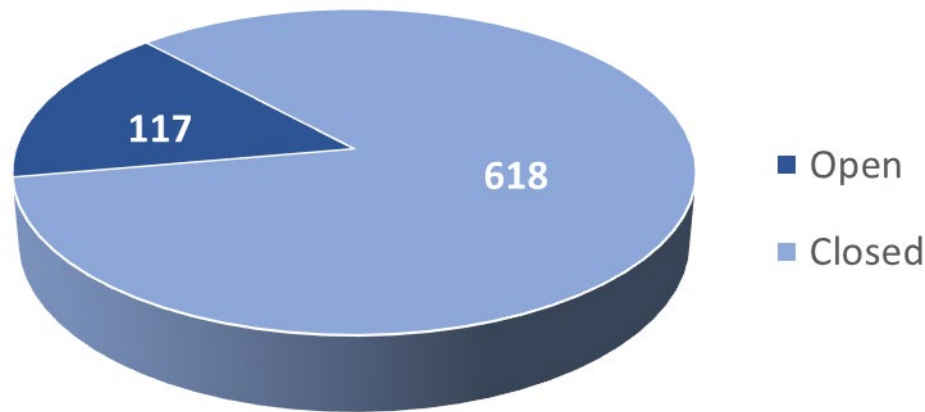
Source: Auditor generated.

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23 Recommendations Were Closed During the Reporting Period

During this reporting period, 23 recommendations were closed. Of these, 21 recommendations were implemented and 2 recommendations were dropped. Figure 3 illustrates the number of recommendations implemented and dropped during the reporting period.

Figure 3: Recommendations Closed During the Reporting Period
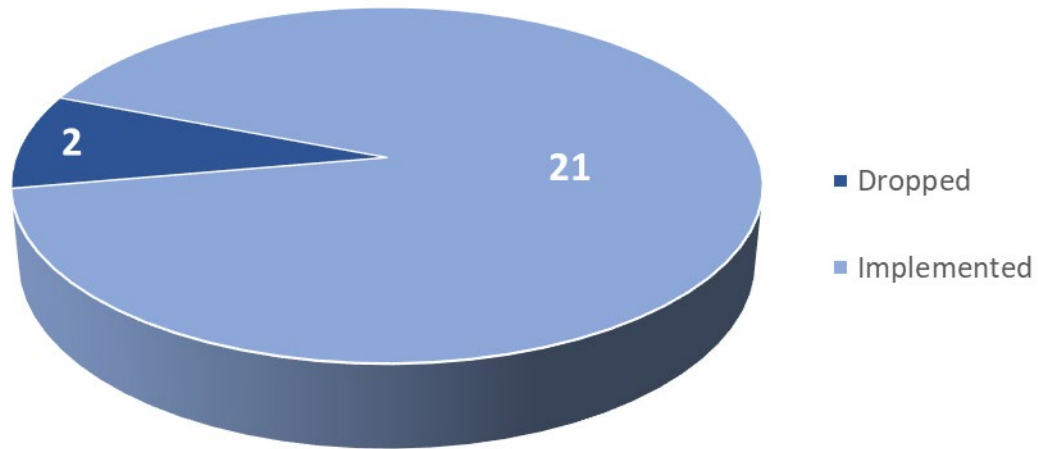
Source: Auditor generated.

Status of Open Recommendations

Open recommendations are classified based on the responsible party's progress towards implementation. Figure 4 illustrates the progress of all open recommendations. During the reporting period, the City made notable new progress towards implementing 50 of these recommendations.

Figure 4: Status of Open Recommendations

Source: Auditor generated.

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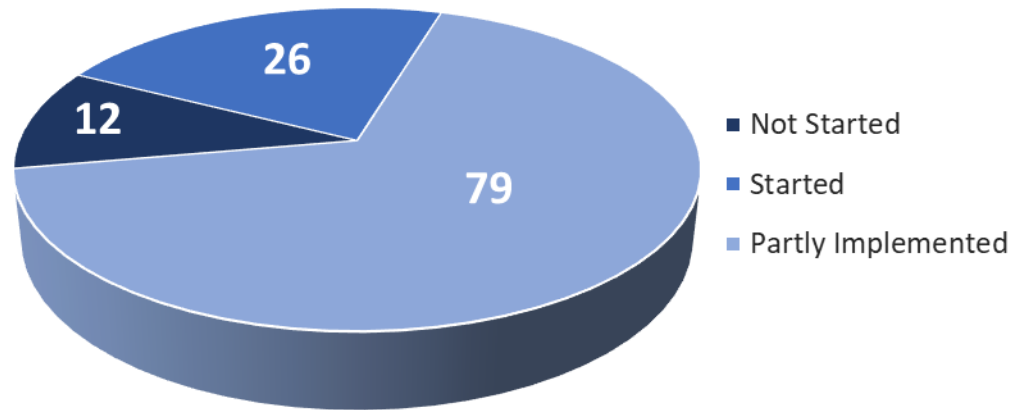
The Number of Recommendations Issued and Closed Per Year

Figure 5 illustrates the number of recommendations issued and closed in the last nine fiscal years. The average number of recommendations closed per year is 52.

Figure 5: Recommendations Issued Compared to Recommendations Closed by Fiscal Year
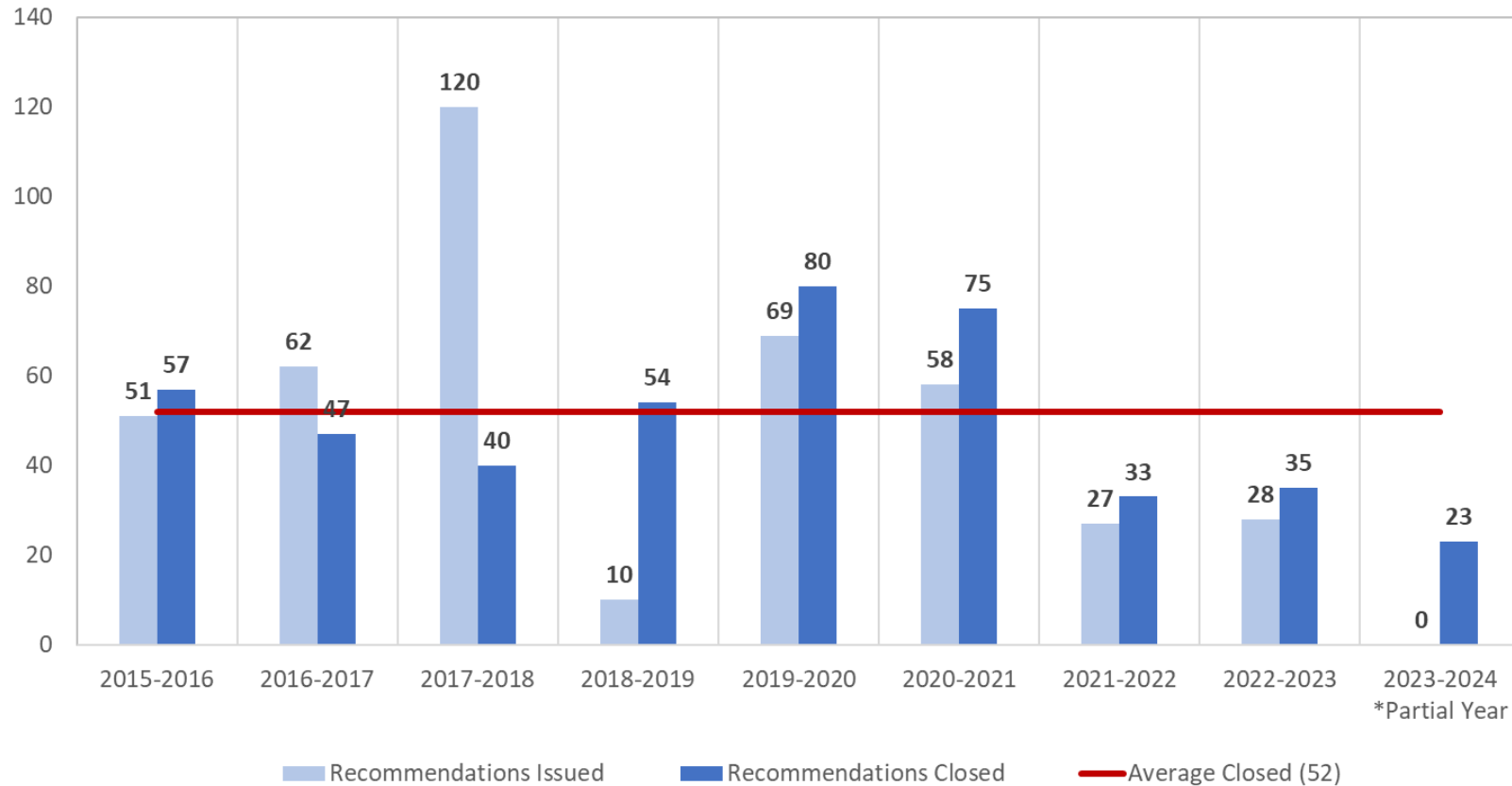
Source: Auditor generated.

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Open Recommendations by Department

Recommendations made by the Office of the City Auditor are directed towards specific departments or entities. In some cases, implementation requires extensive coordination between multiple parties. Recommendations directed towards multiple parties are listed under the lead department. Figure 6 illustrates the outstanding recommendations by department. For context, the number of closed and total recommendations issued to each department is also listed.

Figure 6: Recommendations by Department

Department	Open	Closed	Total	% Closed
City Attorney	0	1	1	100%
City Clerk	0	1	1	100%
City Council	14	8	22	36%
City Manager	21	31	52	60%
Community Development	1	50	51	98%
Finance	15	86	101	85%
Fire	10	48	58	83%
Human Resources	7	103	110	94%
Information Technology	2	46	48	96%
Non-City Organization	0	33	33	100%
Office of Cannabis Management	2	26	28	93%
Police	2	11	13	85%
Public Works	22	60	82	73%
Sacramento Housing and Redevelopment Agency	0	12	12	100%
Utilities	13	91	104	88%
Youth, Parks, and Community Enrichment	8	11	19	58%
Grand Total	**117**	**618**	**735**	**84%**

Source: Auditor generated.

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Post Audit Recommendation Follow Up Status by Audit

The following tables provide the status of audit recommendations, by audit report, generally in the order the audits were issued. Please note that recommendations closed in a prior period are not listed.

Audit of City Policies and Procedures

Report #2011-04

Finding	#	Recommendation	Status	Update
While the City has a System for Establishing Policies & Procedures, it is Generally Circumvented	5	Update AP-1001 to clearly describe the mechanism for updating Administrative Policies.	Implemented	AP-1001 has been archived and replaced with the Policy Process Workflow, which requires department directors and division managers to meet with Labor Relations during policy development to review the concept/draft policy and discuss the steps necessary to move the policy forward through the approval process.
The Inventory of Citywide Policies Could be More Complete and Organized	10	Strengthen the language in AP-1001 to require department directors and division managers who manage citywide processes to establish Administrative Policies over key operational areas.	Dropped	AP-1001 has been archived and replaced with the Policy Process Workflow, which requires department directors and division managers to meet with Labor Relations during policy development to review the concept/draft policy and discuss the steps necessary to move the policy forward through the approval process.
The Inventory of Citywide Policies Could be More Complete and Organized	14	Update PR-1001-01 to include a clear description of how Administrative Policies and Procedures are integrated and accessed in CCM.	Partly Implemented	Labor Relations is working with Information Technology to update their access to upload policies in CARA. With the assistance from Information Technology, Labor Relations received a listing of policies in CARA so that Labor Relations can conduct an audit of policies that need to be updated or uploaded into CARA. City staff can access policies on the City's website.
The Inventory of Citywide Policies Could be More Complete and Organized	17	Design a control to ensure outdated policies and procedures are removed from CityNet and the City's public website.	Partly Implemented	No progress was made during the reporting period. Internal discussions within the Human Resources Department are pending.

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Audit of City Light-Duty Vehicle Use

Report #2011-05

Finding	#	Recommendation	Status	Update
The lack of a detailed City take-home vehicle policy has allowed the City to approve almost 250 take-home vehicles, resulting in a substantial cost	10	Revise the City's transportation policy to consolidate City direction and enhance criteria for allocating take-home vehicles.	Started	No progress was made during the reporting period. The policy is still with Labor Relations for Review.
The lack of a detailed City take-home vehicle policy has allowed the City to approve almost 250 take-home vehicles, resulting in a substantial cost	11	Require employees who receive a take-home vehicle to maintain a log of call back events.	Partly Implemented	No progress was made during the reporting period. A meeting is scheduled for the Auditor's Office and the Labor Relations Division to collaborate on implementing this recommendation.
The lack of a detailed City take-home vehicle policy has allowed the City to approve almost 250 take-home vehicles, resulting in a substantial cost	13	Work towards incorporating into all City labor agreements language that clearly states the City's rights and authority over vehicle assignments and removals.	Started	The Labor Relations Division has added this item to the proposal list for potential negotiation with SPOA and SCXEA when those contracts open. SPOA's contract is set to open in January 2025 and SCXEA's contract is set to open in September 2025.
The lack of a detailed City take-home vehicle policy has allowed the City to approve almost 250 take-home vehicles, resulting in a substantial cost	14	Enforce the current take-home vehicle distance limitation that restricts take-home vehicle assignments to employees that live within thirty-five (35) air miles from the freeway interchange at W-X, 29th-30th Streets.	Started	No progress was made during the reporting period. A meeting is scheduled for the Auditor's Office and the Labor Relations Division to collaborate on implementing this recommendation.

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Audit of Citywide Purchase-Card Use

Report #2012-06

Finding	#	Recommendation	Status	Update
While transactions reviewed did not reveal extensive personal purchases, some charges violated policy and lacked complete support	3	Establish a consistent form and guidance to departments for processing lost receipt justifications.	Partly Implemented	The department is in the process of developing a Purchasing Card Procedure Manual to serve as a guidance for processing lost receipt justifications.
The purchase card program lacked complete policy guidance and oversight	5	Update the Purchasing Card Policy to make it consistent with other City policies.	Partly Implemented	The Purchasing Card Policy has been updated and approved by all affected labor unions. It is being reviewed and edited by the City Attorney's Office before being officially approved and adopted.
The purchase card program lacked complete policy guidance and oversight	6	Create an authoritative document that clearly states what types of purchasing card transactions are allowable and prohibited, and distribute it to all cardholders and approving officials.	Partly Implemented	The Purchasing Card Policy has been updated with allowable and prohibited purchases and has been approved by all affected labor unions. It is being reviewed and edited by the City Attorney's Office before being officially approved and adopted. The department has also updated the Purchasing Card Procedure Manual to reflect the types of transactions that are allowable and prohibited. It is currently undergoing final review. Once the handbook is formally adopted, it will be distributed to all cardholders and approving officials.
The purchase card program lacked complete policy guidance and oversight	7	Ensure that the document is updated annually to reflect policy changes.	Partly Implemented	The Purchasing Card Policy has been updated and approved by all affected labor unions. It is being reviewed and edited by the City Attorney's Office before being officially approved and adopted.
The purchase card program lacked complete policy guidance and oversight	8	Provide mandatory annual purchasing card-use training for cardholders and require them to sign a form agreeing to program terms and acknowledging their responsibilities.	Partly Implemented	Updated training has been uploaded to Acumen, the City's training portal. The Procurement Division is working with the Human Resources Department to determine how to assign training to cardholders annually.

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Finding	#	Recommendation	Status	Update
The purchase card program lacked complete policy guidance and oversight	9	Provide mandatory annual purchasing card-approval training for approving officials and require them to sign a form agreeing to program terms and acknowledging their responsibilities	Partly Implemented	Updated training has been uploaded to Acumen, the City's training portal. The Procurement Division is working with the Human Resources Department to determine how to assign training to cardholders/approvers annually.

Audit of City Employee Supplemental Pay

Report #2013-03

Finding	#	Recommendation	Status	Update
Controls Over Employee Time Reporting Must be Improved	9	Create a policy and procedure for recording supervisor approval of individual employee time.	Partly Implemented	No progress was made during the reporting period.
Controls Over Employee Time Reporting Must be Improved	10	Discontinue allowing any employee to have administrative access to both Telestaff software and server, and create a policy to prevent it in the future.	Implemented	According to the Fire Department, Telestaff has been updated and is now hosted on the cloud and there is no longer server access. In addition, access to the software as an administrator has been reduced to only key individuals.
Controls Over Employee Time Reporting Must be Improved	11	Develop controls to monitor the activity of those provided with administrative rights to Telestaff.	Implemented	According to the Information Technology (IT) staff in the Public Safety IT Division, an audit report could be executed if anyone with administrative access is suspected of improper use but the Telestaff reporting is inadequate as it was not designed for detailed payroll reporting. However, other controls implemented by the Fire Department including limiting the number of individuals with administrative access and migrating the payroll reporting of administrative staff to eCAPS has reduced the risk identified in this recommendation.

Audit of the Fire Department Inventory Systems & Narcotics - Part 2 of 2

Report #2014-02

Finding	#	Recommendation	Status	Update
The Fire Department should implement inventory management best practices to improve accountability and accuracy	1	Assign responsibility for managing inventory and develop policies to provide clear and consistent direction.	Partly Implemented	No progress was made during the reporting period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	6	Develop a process to track actual usage of supplies.	Partly Implemented	No progress was made during the reporting period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	7	Work with the IT Department to implement system access best practices, including the concept of "least privileges."	Partly Implemented	No progress was made during the reporting period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	8	Develop a formal process for approving new user access and changes to access levels.	Partly Implemented	No progress was made during the reporting period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	9	Perform ongoing reviews of system access.	Partly Implemented	No progress was made during the reporting period.

Audit of Citywide Wireless Communications

Report #2014-03

Finding	#	Recommendation	Status	Update
Wireless Device Policies are Insufficient	15	Submit a new wireless communication device request form for all existing employees with City-issued devices.	Partly Implemented	According to the Information Technology Department, workflow and vendor integration with the Telecom Expense Management System (TEMS) vendor is behind schedule. The Department expects to launch by the end of January. At that time the approver and justification will be stored with the telecom record in the TEMS.
Inventory Records are Incomplete and Inconsistent	18	Update inventory records and ensure complete and up-to-date inventory is maintained.	Implemented	The Information Technology (IT) Department imports service records with hardware information from the Telecom Expense Management System (TEMS) into the IT Asset Management System (ITAM) on a scheduled basis. Assets are periodically reviewed for accuracy. This process will be automated when the integration with the TEMS vendor goes live.

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Audit of the Department of Utilities Labor Reporting

Finding	#	Recommendation	Status	Update
Policies Can Be Improved and Opportunities for Cost Savings Through Renegotiation Exist	8	Review the existing employee user access to pay types and restrict access to only those pay types for which an employee is eligible.	Started	No progress was made during the reporting period.
Policies Can Be Improved and Opportunities for Cost Savings Through Renegotiation Exist	14	Review and update all Department of Utilities internal policies related to labor reporting.	Partly Implemented	There were some additional changes made to the Water, Wastewater and Drainage Policy and Procedures Manuals. They are with Labor Relations for review.
The Finance Department Uses an Excessive Number of Time Reporting Codes and Earn Codes as well as Complex Calculation Methodologies and Distribution Methods for Supplemental Pay that May Not Align with Labor Agreements or Tax Laws	24	Review the labor agreements and update the calculation methodology for the appropriate supplemental pay types so that they are compounded correctly, if necessary.	Partly Implemented	No progress was made during the reporting period. The Payroll Division is awaiting renegotiation of some union contracts to implement potential changes.
The Finance Department Uses an Excessive Number of Time Reporting Codes and Earn Codes as well as Complex Calculation Methodologies and Distribution Methods for Supplemental Pay that May Not Align with Labor Agreements or Tax Laws	25	Review and update which pay types should have compounding pay components.	Partly Implemented	No progress was made during the reporting period. The Payroll Division is awaiting renegotiation of some union contracts to implement potential changes.

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The Finance Department Uses an Excessive Number of Time Reporting Codes and Earn Codes as well as Complex Calculation Methodologies and Distribution Methods for Supplemental Pay that May Not Align with Labor Agreements or Tax Laws	26	Establish written policies and procedures for periodically reviewing and updating the earn codes and time reporting codes, checking for duplicates and active earn codes that should be deactivated.	Implemented	The Payroll Division has established written procedures for the annual review of time reporting codes and earn codes. Based on their most recent review, they deactivated a number of codes that are no longer in use.

Audit of the City's Risk Management Division

Report #2016-05

Finding	#	Recommendation	Status	Update
The City May Reduce Risk and Liability by Making Improvements to Some Programs and Policies	13	Consider monitoring the drivers' licenses of all employees that drive City vehicles or receive City vehicle allowances.	Partly Implemented	According to the Risk Management Division, employees that receive a vehicle allowance were assigned, through Acumen, to confirm that they have and will maintain adequate vehicle insurance and a valid driver's license if they operate a vehicle for City purposes. This assignment will be assigned annually. Employment and Classification is now in charge of implementing Acumen. They are preparing to send the assignment for this year. The Risk Management Division will implement pull notice monitoring for non-commercial drivers upon adoption of the Transportation Policy (should this requirement be agreed upon during negotiations), which still has not been implemented and is in the review process.
The City May Reduce Risk and Liability by Making Improvements to Some Programs and Policies	16	Continue to work towards implementing the updated draft of the Transportation Policy to increase the insurance requirement of employees driving their personal vehicles for City business.	Partly Implemented	According to the Risk Management Division, the Transportation Policy is still being reviewed in preparation for negotiations with the unions.

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Audit of Fire Department Overtime Use

Report #2017-01

Finding	#	Recommendation	Status	Update
Negotiated Overtime and Incentive Provisions May Have Unintentionally Increased Payroll Costs	6	Evaluate the necessity of Primary Paramedic Pay.	Implemented	The primary paramedic pay was removed by letter of understanding that was approved by the City Council on November 20, 2023.
The Fire Department Lacks Sufficient Controls Over the Administration and Use of Overtime	7	Establish policies on the administration and use of overtime.	Started	No progress was made during the reporting period.
The Fire Department Lacks Sufficient Controls Over the Administration and Use of Overtime	8	Document the purpose for overtime use in a consistent and retrievable format.	Partly Implemented	According to the Fire Department, the purpose of overtime use is now consistently documented in Telestaff. A review and confirmation by the City Auditor's Office is pending and if confirmed, this recommendation will be implemented in the next reporting period.
The Fire Department Lacks Sufficient Controls Over the Administration and Use of Overtime	9	Document supervisory approval of overtime use in a consistent and retrievable format.	Partly Implemented	According to the Fire Department, the purpose of overtime use, including identifying the supervisor that approved the overtime, is now consistently documented in Telestaff. A review and confirmation by the City Auditor's Office is pending and if confirmed, this recommendation will be implemented in the next reporting period.
The Fire Department Lacks Sufficient Controls Over the Administration and Use of Overtime	12	Strengthen controls to monitor the use of timecodes to prevent and detect errors, fraud, and abuse.	Partly Implemented	According to the Fire Department, a directive was sent out a few years ago informing staff that they should not be entering their own overtime in Telestaff. In addition, access to the Advance Staffer level was cleaned up and the number of individuals with the access declined significantly. A review and confirmation by the City Auditor's Office is pending and if confirmed, this recommendation will be implemented in the next reporting period.

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Audit of the Department of Utilities Inventory

Report #2017-04

Finding	#	Recommendation	Status	Update
Strengthening the Physical Security of Department of Utilities Inventory Could Reduce the Risk of Fraud, Waste, and Abuse	3	Review the number and appropriateness of employees with access to the inventory warehouse and formalize which positions can be granted access to each warehouse in the inventory policies.	Partly Implemented	The draft site plan was updated to address drainage issues; the Department now estimates that the Building 18 project will be completed in September 2024. The draft policy remains with Labor Relations for review.
Strengthening the Physical Security of Department of Utilities Inventory Could Reduce the Risk of Fraud, Waste, and Abuse	5	Establish a policy that prohibits employees from borrowing City-owned tools and equipment for personal use and document employee acknowledgement.	Partly Implemented	No progress was made during the reporting period. The draft Inventory Policy remains with Labor Relations for review.
While the Department of Utilities' Inventory Count Procedures Appear Robust, the Execution Breaks Down	7	Develop a process to ensure all warehouses are included in the inventory counts.	Partly Implemented	No progress was made during the reporting period. The draft Inventory Policy remains with Labor Relations for review.
While the Department of Utilities' Inventory Count Procedures Appear Robust, the Execution Breaks Down	9	Formalize specific count methodologies in a written policy.	Partly Implemented	No progress was made during the reporting period. The draft Inventory Policy remains with Labor Relations for review.
While the Department of Utilities' Inventory Count Procedures Appear Robust, the Execution Breaks Down	11	Formalize a procedure for accurately recording inventory count adjustments in a written policy.	Partly Implemented	No progress was made during the reporting period. The draft Inventory Policy remains with Labor Relations for review.
While the Department of Utilities' Inventory Count Procedures Appear Robust, the Execution Breaks Down	13	Add an additional step to the water meter serial number count that reconciles the Water Meter Receipt and Issue Log with Cityworks.	Partly Implemented	No progress was made during the reporting period. The draft Inventory Policy remains with Labor Relations for review.

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While the Department of Utilities' Inventory Count Procedures Appear Robust, the Execution Breaks Down	14	Review, update, and enforce inventory policies related to the tracking of water meters.	Partly Implemented	No progress was made during the reporting period. The draft Inventory Policy remains with Labor Relations for review.
The Department of Utilities Lacks Formal User Access Policies and Procedures Regarding Their Inventory Systems	22	Formalize logical access to the inventory systems in a written policy.	Partly Implemented	No progress was made during the reporting period. The draft Inventory Policy remains with Labor Relations for review.

Audit of Procurement for Services of $25,000 or Less

Report #2017-05

Finding	#	Recommendation	Status	Update
Procurement Guidance and Training were Insufficient to Ensure Employees Properly Procured Services on Behalf of the City	2	Update EBO policies, templates, and other guidance for accuracy and consistency.	Started	The Procurement Division is continuing to work with the City Attorney's Office to address EBO discrepancies with the Procurement Modernization package, which is tentatively scheduled to go to City Council in March or April 2024.
Procurement Guidance and Training were Insufficient to Ensure Employees Properly Procured Services on Behalf of the City	3	Develop processes to ensure EBO analysis and reports are completed as required by City policy.	Not Started	With the City Attorney's recommendation to keep the EBO City Code and policy, the Procurement Division will review the EBO policy and recommend changes as no EBO reporting is currently available or performed.
Procurement Guidance and Training were Insufficient to Ensure Employees Properly Procured Services on Behalf of the City	4	Determine the City's intent regarding bid protests and update policies, templates, and other guidance for consistency.	Implemented	Bid protest directions have been clarified in updated solicitation templates, which have been uploaded to the City's internal site. The Bid Protest Procedure also contains clarified directions and is available on the City's public website.
Procurement Guidance and Training were Insufficient to Ensure Employees Properly Procured Services on Behalf of the City	5	Define and publish specific roles and responsibilities of procurement stakeholders.	Partly Implemented	The role of the Department Contract Administrator, a procurement stakeholder within the City, has been clarified and published in the Procurement Best Practice Manual, which is currently undergoing legal review.
Procurement Guidance and Training were Insufficient to Ensure Employees Properly Procured Services on Behalf of the City	12	Determine the intent and purpose of purchase orders, and clarify their requirements and use in City guidance and templates.	Partly Implemented	Purchase orders have been clarified and published in the Procurement Best Practice Manual, which is currently undergoing legal review.

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Audit of the Department of Parks and Recreation's Strategic Planning and Part-time Employee Benefits Management

Report #2017-08

Finding	#	Recommendation	Status	Update
The Department of Parks and Recreation Has Not Updated Key Strategic Planning Guidance	1	Update the Parks and Recreation Master Plan.	Started	The Parks Plan 2040 is currently being drafted. In October 2023, the City approved a contract amendment to add funds to the project and adjust the schedule caused by the delay and new content in the Draft General Plan and Master Environmental Impact Report, which triggered revisions to the Parks Plan data and schedule. The expected release of the public draft of the Parks Plan 2040 is Spring 2024.
The Department of Parks and Recreation Has Not Updated Key Strategic Planning Guidance	6	Define when it is appropriate to use the "General Info" or "Other" call categories.	Partly Implemented	No updated was received during the reporting period.
Developing a Formal Cost Recovery Philosophy May Help the Department of Parks and Recreation Better Align Its Pricing Practices with Its Mission and Core Values	9	Develop department-specific policies and procedures.	Started	No updated was received during the reporting period.
Developing a Formal Cost Recovery Philosophy May Help the Department of Parks and Recreation Better Align Its Pricing Practices with Its Mission and Core Values	10	Define the department's cost recovery goals and objectives.	Started	No updated was received during the reporting period.

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Developing a Formal Cost Recovery Philosophy May Help the Department of Parks and Recreation Better Align Its Pricing Practices with Its Mission and Core Values	11	Evaluate the department's fees and charges to determine if they are in alignment with the department's mission, vision, and cost recovery goals.	Started	No updated was received during the reporting period.
Developing a Formal Cost Recovery Philosophy May Help the Department of Parks and Recreation Better Align Its Pricing Practices with Its Mission and Core Values	12	Comply with the Citywide Fees and Charges Policy by establishing cost recovery goals and identifying cost recovery levels.	Started	No updated was received during the reporting period.
Developing a Formal Cost Recovery Philosophy May Help the Department of Parks and Recreation Better Align Its Pricing Practices with Its Mission and Core Values	14	Consider updating the fee structure for some programs and services to include a non-resident fee.	Started	No updated was received during the reporting period.
Nearly Half of the Supervisors Responsible for Administering and Monitoring Part-Time Employee Hours and Benefits Have Not Received Labor Relations Training	18	Develop policies and procedures on part-time employee reporting, responsibility, and training.	Partly Implemented	No updated was received during the reporting period.

Audit of the Department of Utilities Workplace Safety

Report #2018-02

Finding	#	Recommendation	Status	Update
The Department of Utilities Lacks Sufficient Controls Over the Administration and Use of Safety and Personal Protective Equipment	1	Review and update existing policies and procedures concerning safety and personal protective equipment to fill in gaps and clarify its appropriate use.	Partly Implemented	The Department has developed a continuous process to review and update Standard Operating Procedures, including a review of safety. Additionally, the Water, Wastewater, and Drainage draft Policies and Procedures manuals have been updated and are with Labor Relations for review.
The Department of Utilities Lacks Sufficient Controls Over the Administration and Use of Safety and Personal Protective Equipment	8	Perform periodic audits of gas monitoring data to ensure employees use gas monitors in accordance with departmental policies.	Partly Implemented	Some changes were made to the Combined Atmospheric and Gas Monitor SOP which are currently under review.
The Department of Utilities Should Implement Health and Safety Best Practices to Reduce Risks and Improve Accountability	21	Develop a formal management of change process.	Partly Implemented	No progress was made during the reporting period. The draft Management of Change procedure remains with Labor Relations for review.
The Department of Utilities Should Implement Health and Safety Best Practices to Reduce Risks and Improve Accountability	22	Review and update departmental safety policies and procedures.	Partly Implemented	The Department has developed a continuous process to review and update Standard Operating Procedures, including a review of safety. Additionally, the Water, Wastewater, and Drainage draft Policies and Procedures manuals have been updated and are with Labor Relations for review.

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Audit of On-Street Parking Meters

Report #2018/19-07

Finding	#	Recommendation	Status	Update
Improving Vehicle-Detection Sensor Accuracy Rates and Meter Battery Life Could Reduce the Potential for Erroneous Citations and Slow the Rate of Incoming Citation Disputes	1	Continue to work with the vendor to achieve contracted vehicle-detection sensor accuracy rates or consider switching to a vendor that will meet the desired standard.	Partly Implemented	The Parking Division finalized their battery replacement plan to perform continuous replacement, ahead of dome sensor batteries being depleted. However, due to staffing shortages, the Parking Division has not yet been able to implement this plan. The Parking Division is working with the vendor to replace current non-reporting inventory; the vendor has committed to completing 1,100 battery replacements by April 30, 2024. The Parking Division is also working through the procurement process for additional batteries that will need replacement while recruitments take place to fill vacancies.
Improving Vehicle-Detection Sensor Accuracy Rates and Meter Battery Life Could Reduce the Potential for Erroneous Citations and Slow the Rate of Incoming Citation Disputes	3	Address deficiencies identified with parking meter sensor-accuracy and battery life to improve the customer service experience and reduce the number of incoming citation disputes.	Partly Implemented	The Parking Division finalized their battery replacement plan to perform continuous replacement, ahead of dome sensor batteries being depleted. However, due to staffing shortages, the Parking Division has not yet been able to implement this plan. The Parking Division is working with the vendor to replace current non-reporting inventory; the vendor has committed to completing 1,100 battery replacements by April 30, 2024. The Parking Division is also working through the procurement process for additional batteries that will need replacement while recruitments take place to fill vacancies.

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Audit of Retiree Health Benefits

Report #2019/20-04

Finding	#	Recommendation	Status	Update
Recordkeeping of Retiree Benefit Eligibility and Elections Could be Strengthened	3	Work with the IT department to identify and resolve eCAPS health benefit report errors for retirees.	Started	The Human Resources and Information Technology Departments were unable to resolve this issue during the reporting period.
Performing Dependent Verifications Ensures Qualified Dependents are Enrolled in City-Sponsored Health Plans and Could Save the City up to $600,000 Annually	6	Establish a process to perform regular dependent eligibility verification reviews that includes procedures on how to address instances of non-compliance with verification requests.	Not Started	No progress was made during the reporting period.
Performing Dependent Verifications Ensures Qualified Dependents are Enrolled in City-Sponsored Health Plans and Could Save the City up to $600,000 Annually	7	Review and address HMS' active employee dependent eligibility verification results.	Not Started	No progress was made during the reporting period.
Performing Dependent Verifications Ensures Qualified Dependents are Enrolled in City-Sponsored Health Plans and Could Save the City up to $600,000 Annually	8	Perform a retiree dependent verification review for participants of City-sponsored plans.	Started	No progress was made during the reporting period.

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Audit of the 911 Emergency Communications Center

Report #2019/20-05

Finding	#	Recommendation	Status	Update
Finding 1: Call Answer Times Have Improved and Are Exceeding State Standards	2	Consider improving the supervisor-to-dispatcher ratio to provide better supervisory coverage.	Partly Implemented	The Sacramento Police Department (SPD) was able to add Supervising Dispatcher and Dispatcher III FTE's during the most recent budget cycle. They recently identified the individual who would be promoted in early 2024 to fill the Supervising Dispatcher position. The Dispatcher III FTE position remains frozen due to SPD being critically short staffed at the Dispatcher III rank. SPD needs to delay filling this position and is looking to fully improve the supervisor-to-dispatcher ratio until their staffing improves. SPD hopes to accomplish these goals in 2024.
Finding 2: Quality Assurance and Disaster Preparedness Could Be Improved by Adopting Industry Best Practices	7	Develop and document a continuous quality assurance program based on industry standards that includes reviewing a percentage of all calls and incorporates an evaluator calibration process.	Partly Implemented	The Sacramento Police Department was able to add a Dispatcher III FTE to supervise this program during the most recent budget cycle. The position remains frozen due to the department's staffing shortages at the Dispatcher II rank. The filling of this position and the implementation of the Quality Assurance program will be delayed until staffing improves.

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Audit of the Department of Utilities Vehicle Fleet

Report #2018/19-11

Finding	#	Recommendation	Status	Update
The Department of Utilities Can Realize Cost Savings Through Improved Management of Their Vehicle Fleet	8	Formalize the Fleet Engine Idling Limit Policy and post the policy on the City's Policies and Procedures webpage.	Partly Implemented	No progress was made during the reporting period. The policy remains with the Labor Relations Division for review.
System Access and Data Quality Could Be Improved to Better Enable Management to Perform Analyses and Identify Trends	19	Review the data captured by the M5 system, determine key data fields, and implement controls to ensure these fields contain accurate and complete information.	Partly Implemented	The Fleet Management Division continues to review information in M5 to correct and verify accuracy. The Fleet Management Division will come up with a list of key fields and provide to the Auditors Office to review and spot check fields for accuracy.
System Access and Data Quality Could Be Improved to Better Enable Management to Perform Analyses and Identify Trends	20	Establish a process to verify the accuracy of vehicle and GPS unit device ID assignments in the GPS tracking systems.	Partly Implemented	The Fleet Management Division receives a report each month for Samsara device health. They will be placing work requests in the Fleet Management system to alert shop staff that the Samsara device must be tested and replaced, if needed, when the vehicle goes to the shop for maintenance or repair. The Fleet Management Division anticipates completing this recommendation by the end of the next reporting period.
The City Can Mitigate Risk by Better Documenting and Tracking Employee Licensure, Certifications, and Insurance Information	24	Revise the City Employee's Transportation Policy and Procedures to require employees to provide proof of licensure when using pool vehicles.	Partly Implemented	No progress was made during the reporting period. The policy is still with Labor Relations for review.

Audit of City-Owned and Leased Real Property

Report #2019/20-02

Finding	#	Recommendation	Status	Update
The City Has Potential Surplus and Remnant Parcels That Could Be Leveraged to Achieve A Variety of City Goals	1	Review all City-owned property and work with the City's asset-managing departments and divisions to identify and track the City's surplus property.	Implemented	In 2022, the Real Estate Services Section brought to the City Council seven parcels for 'Exempt Surplus' designation and three parcels for 'Surplus' designation. In 2023 four parcels were brought to Council for 'Exempt Surplus' designation. The Real Estate Section will continue to identify and bring forward Surplus and Exempt Surplus properties to the City Council for approval, and work to sell parcels already declared Surplus or Exempt Surplus.
The City Has Potential Surplus and Remnant Parcels That Could Be Leveraged to Achieve A Variety of City Goals	2	Develop policies and procedures to provide guidance on how asset-managing departments should ensure all City-owned properties are appropriately secured and maintained.	Not Started	According to the Real Estate Services Section, progress on this recommendation has not yet started due to continued staffing and project workloads.
The City Has Potential Surplus and Remnant Parcels That Could Be Leveraged to Achieve A Variety of City Goals	3	Identify City-owned surplus and remnant parcels and consider selling, disposing, or re-purposing the parcels to reduce liability and utility and weed abatement costs.	Implemented	The Real Estate Services Section now identifies City-owned surplus and remnant parcels and considers whether selling, disposing, or re-purposing the parcels to reduce liability and utility and weed abatement costs is warranted. The sale of the Exempt Surplus parcel at Freeport Blvd. and 10th Ave was completed in August 2023. The Notice of Availability for the surplus parcel at Fair Oaks Blvd and Howe Ave was sent out on December 15, 2023, in accordance with the Surplus Land Act. This started the sale process for this surplus property. The Real Estate Services Section brought to City Council four parcels for 'Exempt Surplus' designation, which was approved on November 14, 2023. The Real Estate Services Section will continue to bring forward Surplus and Exempt Surplus properties to Council for approval as they are

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				identified, and work to sell parcels already declared Surplus or Exempt Surplus.
The City Has Potential Surplus and Remnant Parcels That Could Be Leveraged to Achieve A Variety of City Goals	4	Work with the City's asset-managing departments to identify alternative uses for the City's undesirable or unsellable surplus property.	Implemented	The Real Estate Services Section has continuously worked with the City Manager's Office to help identify vacant or underutilized City owned parcels which can be used for homeless shelter sites. The property at 3615 Auburn Blvd has been repurposed into the Auburn Blvd Outreach & Engagement Center (respite center). The property at 3900 Roseville Rd has been repurposed into the Roseville Rd Campus (non-congregate shelter). The Real Estate Services Section will continue to help identify alternative uses for underutilized City owned property as needs and programs arise.
The City Has Potential Surplus and Remnant Parcels That Could Be Leveraged to Achieve A Variety of City Goals	5	Consider selling some of the City's surplus property to generate onetime revenue to achieve other City goals	Implemented	Over the past few years, the Real Estate Services Section has been disposing of surplus and exempt surplus parcels, most recently with the sale of the exempt surplus parcel at Freeport Blvd. and 10th Ave., which was completed in August 2023. The Notice of Availability for the surplus parcel at Fair Oaks Blvd and Howe Ave was sent out on December 15, 2023, in accordance with the Surplus Land Act. This started the sale process for this surplus property.
The City Has Potential Surplus and Remnant Parcels That Could Be Leveraged to Achieve A Variety of City Goals	6	Conduct a staffing analysis to determine whether resources need to be added to the Real Estate Services Section to implement the recommendations made in this report.	Not Started	No progress was made during the reporting period.
The City's Real Property Management Is Decentralized and Would Benefit from Detailed Policy Development	7	Review the Lease Centralization Plan and determine whether the Real Estate Services Section should manage all real property lease management as outlined in the Lease Centralization Plan.	Started	No progress was made during the reporting period.

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The City's Real Property Management Is Decentralized and Would Benefit from Detailed Policy Development	8	Work with the City Attorney's Office to create lease contract templates that include key contract provisions to ensure consistency in City lease contracts.	Not Started	No progress was made during the reporting period.
The City's Real Property Management Is Decentralized and Would Benefit from Detailed Policy Development	10	Develop a process to regularly review City-leased property to determine whether it is an ongoing need and City-owned property is available to use instead.	Implemented	The Real Estate Services Section regularly considers City owned property as an alternative to outside leasing when an existing lease approaches renewal or extension. This is also true whenever new lease requests are received.
The City's Real Property Management Is Decentralized and Would Benefit from Detailed Policy Development	11	Work with the Finance Department to establish a uniform policy that provides the process and steps required for acquisition and disposition of City-owned properties. Procedures should include details regarding compliance with Sacramento City Code and California State Law, financial reporting standards between the Real Estate Service Section and the Department of Finance, and the method of storing documents and financial records.	Started	No progress was made during the reporting period.
Appropriate Management of City-Owned and Leased Real Property Is Required to Ensure Financial Statements Comply with the Government Accounting Standards Board	15	Work with other City departments to identify data elements that may be helpful or necessary in decision making or reporting purposes and develop a process to collect and document the new data elements in the Asset Database.	Started	The Real Estate Services Section met with the Information Technology Department and other departments in Q4 2023 to discuss which important data elements to include in the new InforEAM Real Estate Database. The Real Estate Services Section is expected to begin implementation/programming with the Information Technology in Q1 2024.

Appropriate Management of City-Owned and Leased Real Property Is Required to Ensure Financial Statements Comply with the Government Accounting Standards Board	16	Work with other City departments to identify real property tracking needs and utilize a Citywide software program or develop another platform to centralize the management of the City's real property	Started	No progress was made during the reporting period.
Appropriate Management of City-Owned and Leased Real Property Is Required to Ensure Financial Statements Comply with the Government Accounting Standards Board	17	Centralize City lease inventory and document clear processes for all City departments to follow to standardize maintenance of City lease inventory, including utilizing the Asset Database or new platform used for real property inventory to ensure consistent tracking and consolidation of Citywide lease inventory.	Started	The Real Estate Service Section met with the Information Technology Department and other departments in Q4 2023 to discuss creating a leasing section within the new InforEAM Real Estate database. The schedule is set to program this aspect in Q4 2024.
Appropriate Management of City-Owned and Leased Real Property Is Required to Ensure Financial Statements Comply with the Government Accounting Standards Board	18	Work with the City's Finance Department to develop policies and procedures on lease revenue billing and collection processes	Started	The Real Estate Services Section is currently working with the Finance Department to send out collection notices to all Public Works Department lease tenants in order to catch up on past due billing in accordance with the Council approved COVID-19 rental adjustment framework.

Audit of the City's Green Efforts

Report #2020/21-04

Finding	#	Recommendation	Status	Update
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	4	Require post-completion monitoring for all applicable sustainability projects, programs, and initiatives.	Dropped	The Sustainability Dashboard summarizes overall energy use and other Citywide measures at a high level. The City's sustainability staff is unlikely to require post-completion monitoring of projects due to limited staff resources and funding. Instead, staff anticipates using alternate top-down methods to track performance. Given the stated resource constraints, we are dropping this recommendation.
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	5	Develop a procedure that ensures internal stakeholders are involved in or made aware of relevant goals and performance measures.	Implemented	The Office of Climate Action and Sustainability (OCAS) continues to convene the Green Team to share information on sustainability goals, projects, and opportunities. Staff launched the Climate Action Task Force (CATF), with the first meeting taking place in two parts in October and November 2023. The CATF will support performance measurement and implementation.
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	6	Develop and track performance measures as they relate to published sustainability goals.	Partly Implemented	The team continues to maintain the Sustainability Dashboard online. Development of performance measures is ongoing and will be completed in conjunction with the Climate Action & Adaptation Plan (CAAP), which is scheduled for adoption in early 2024. The CAAP includes proposed performance measures, and a strategy for monitoring and tracking progress. The consultant team will prepare a monitoring tool in conjunction with finalization of the CAAP.

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Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	7	Ensure sustainability reports consistently track and report progress over time.	Partly Implemented	Staff plan to report and evaluate progress with the Green Team, as well as the forthcoming work through the Task Force.
Centralized Management and Oversight of the City's Sustainability Efforts May Better Position the City to Establish Sustainability as an Organizational Priority and Core Value	12	Develop guidance on prioritizing Citywide sustainability goals.	Partly Implemented	Staff launched the Climate Action Task Force (CATF), with the first meeting taking place in two parts in October and November 2023. The CATF will support performance measurement and implementation. Staff are preparing an optional sustainability training for City staff to provide context and details around City sustainability goals and to connect sustainability to staff roles in the City.
Centralized Management and Oversight of the City's Sustainability Efforts May Better Position the City to Establish Sustainability as an Organizational Priority and Core Value	13	Establish a Citywide internal communication strategy and accountability mechanism for sustainability goals and priorities.	Partly Implemented	Staff plan to develop additional resources and tools with City staff through the Climate Action Task Force.
Centralized Management and Oversight of the City's Sustainability Efforts May Better Position the City to Establish Sustainability as an Organizational Priority and Core Value	16	Review City projects that may have immediate environmental savings and cost avoidance that currently lack funding, such as retrofitting the remaining streetlights to LED, and assist with identifying funding sources.	Implemented	Staff continue to seek grant opportunities and continue to implement projects with projected cost-savings as funding becomes available.
Centralized Management and Oversight of the City's Sustainability Efforts May Better Position the City to Establish Sustainability as an Organizational Priority and Core Value	17	Implement outreach efforts and programs to City employees to improve the City's sustainability culture.	Partly Implemented	The Office of Climate Action and Sustainability (OCAS) has a CivicSpark AmeriCorps Fellow for an 11-month period. The CivicSpark Fellow will create an optional sustainability training for City staff to provide context and details around City sustainability goals and to connect sustainability to staff roles in the City. The deployment of the staff sustainability training will include internal outreach and

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				engagement to encourage participation and improve the City's sustainability culture.
Centralized Management and Oversight of the City's Sustainability Efforts May Better Position the City to Establish Sustainability as an Organizational Priority and Core Value	18	Assist other City departments and offices with incorporating sustainability into their department-level operations through the creation, implementation, and tracking of specific performance goals.	Partly Implemented	The Climate Action & Adaptation Plan includes proposed performance measures, and a strategy for monitoring and tracking progress. Staff will revisit these department sustainability performance goals through the Climate Action Task Force, after the Climate Action & Adaptation Plan has completed public and Council review.
Centralized Management and Oversight of the City's Sustainability Efforts May Better Position the City to Establish Sustainability as an Organizational Priority and Core Value	19	Evaluate whether more formalized Citywide green teams may be beneficial for supporting the City's sustainability culture, programs, and goals.	Implemented	Staff launched the Climate Action Task Force (CATF), with the first meeting taking place in two parts in October and November 2023.
Awareness of and Compliance with Sustainable Policies, Procedures, and Plans Could Be Strengthened	20	Develop a process for notifying City employees of changes to Citywide sustainability policies, procedures, and plans and document their acknowledgement of these changes.	Partly Implemented	Work is ongoing. Staff will collaborate with the Green Team, Climate Action Task Force, and department staff to determine additional tools and resources for training and documentation. Elements may be incorporated into the optional staff sustainability training.
Awareness of and Compliance with Sustainable Policies, Procedures, and Plans Could Be Strengthened	23	Identify instances of non-compliance with the Fleet Engine Idling Limit Policy and hold employees accountable.	Implemented	Idling reports are automatically sent each Monday to specified people in each department since February 2023. Departments should use the reports to correct behavior and coach staff that drive City vehicles.
Awareness of and Compliance with Sustainable Policies, Procedures, and Plans Could Be Strengthened	24	Review and update the Sustainable Purchasing Policy.	Partly Implemented	The Sustainable Purchasing Policy has been updated and is undergoing final approval.

| Awareness of and Compliance with Sustainable Policies, Procedures, and Plans Could Be Strengthened | 25 | Develop a process for improving accountability with the Sustainable Purchasing Policy. | Implemented | The Sustainable Purchasing Policy (SPP) has been updated and is in the process of receiving final approval to post on City sites. The Procurement Division is using a program called Recyclist to track compliance with SB1383 and solicitation templates and bid evaluation worksheets have been updated with SPP information and evaluation preference points to encourage sustainable purchasing. |

Audit of the Cannabis Storefront Dispensary Permitting Process
Report #2020/21-09

Finding	#	Recommendation	Status	Update
Ownership of Cannabis Dispensary Operating Permits were Transferred Between Individuals and Corporate Entities as a result of Ambiguity in the City Code and an Evolving Regulatory Environment	1	Seek direction from City Council to determine whether dispensary transfers should be allowed. The Office of Cannabis Management in conjunction with the City Attorney's Office should then propose a City Code update that clearly articulates the policy and legal goals of the City Council, that are in conformance with State law.	Partly Implemented	The Office of Cannabis Management plans to present the dispensary transfer code modification to both the Law and Legislation committee and the City Council in 2024, as an integral part of a comprehensive code refinement initiative.
The City Needs to Better Define Ownership if it Expects to Enforce City Code Restrictions on Ownership and Manage who is Truly Behind its Permitted Cannabis Related Businesses	3	Seek direction from City Council to determine standards and definitions of ownership of cannabis dispensaries in the City. At minimum, these discussions should include a definition of clear ownership and limits on ownership for all cannabis dispensary owners. The Office of Cannabis Management in conjunction with the City Attorney's Office should then propose a City Code update that articulates the ownership policy and goals of the City Council, that are in conformance with State law.	Partly Implemented	The Office of Cannabis Management plans to present the dispensary ownership code modification to both the Law and Legislation committee and the City Council in 2024, as an integral part of a comprehensive code refinement initiative.

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Finding	#	Recommendation	Status	Update
The City Needs to Better Define Ownership if it Expects to Enforce City Code Restrictions on Ownership and Manage who is Truly Behind its Permitted Cannabis Related Businesses	4	In consultation with the Attorney's Office, design and implement an internal control framework over the cannabis permit application and renewal process based on best practices. This should include establishing an organizational structure, segregate duties, and assign responsibilities for the Office of Cannabis Management to carry out the program objectives. The internal control system should also be documented and communicated to those responsible for performance and training should be provided.	Implemented	The Office of Cannabis Management has a well-defined organizational structure with designated roles and responsibilities aimed at achieving program objectives. Staff members undergo training to ensure a clear understanding of their duties and responsibilities. The internal control system is documented in internal policies and procedures, and it is effectively communicated to those accountable for their execution.

Continuous Review of Cannabis Policymaking, Education & Community Outreach
Report #2020/21-16

Finding	#	Recommendation	Status	Update
The Revenue Division Should Expand BOT Compliance Audits to Consider All Cannabis Businesses in the City to Reduce the Risk of Noncompliance.	12	Develop and implement a risk-based approach to selecting cannabis businesses for BOT compliance audits.	Partly Implemented	The City's Revenue Division, along with Avenu Insights and Analytics, selects Cannabis Business Operations Tax (CBOT) audit subjects based on factors such as tax payments, tax reporting history, statute of limitations status, and occasional random selection. The selection process incorporates a risk-based component, prioritizing businesses with problematic tax reporting and consistent variances. Avenu Insights and Analytics is currently conducting CBOT audits using the previous method; however, the Revenue Division intends to fully implement the described process for the next round of audits.

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Audit of the Sacramento Community Police Review Commission

Report #2021/22-06

Finding	#	Recommendation	Status	Update
The Lack of Clearly Defined Roles and Responsibilities has Led to Confusion and Frustration	1	The City Council should clarify the purpose, powers, and duties of the Sacramento Community Police Review Commission and how it interacts with other City departments to achieve its objectives. The City Council should memorialize the specific purpose, powers, and duties, through resolution, ordinance, or codifying the changes in the City Code.	Started	The audit was presented to the Law and Legislation Committee October 3, 2023. Councilmember Jennings suggested a joint workshop with the Commission, a letter from the Mayor and Law and Legislation committee members was added to the commission's agenda for consideration. At the October 9th meeting the Sacramento Community Police Review Commission approved participating in such a workshop.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	2	The City Council should determine the staffing needs and responsibilities, and funding for the Sacramento Community Police Review Commission. The City Council should memorialize the specific role of staff provided, the funding source, and what City office or department will house the position, through resolution or codifying the changes in the City Code.	Started	The audit was presented to the Law and Legislation Committee October 3, 2023. Councilmember Jennings suggested a joint workshop with the Commission, a letter from the Mayor and Law and Legislation committee members was added to the commission's agenda for consideration. At the October 9th meeting the Sacramento Community Police Review Commission approved participating in such a workshop.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	3	The City Council should determine the training curriculum that SCPRC Commissioners should be required to complete and potential remedies if training is not completed.	Started	No progress was made during the reporting period.

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The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	4	The City Council should codify the training requirements for the Sacramento Community Police Review Commission in, at minimum, City Council ordinance. The Sacramento Community Police Review Commission also should include the training requirements in its policies and procedures.	Not Started	No progress was made during the reporting period.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	5	Identify resources to provide the Sacramento Community Police Review Commission with an increased internet presence.	Not Started	No progress was made during the reporting period.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	6	Work with the Sacramento Community Police Review Commission, the City Manager's Office and City Council to develop policies and procedures for communicating with the public.	Not Started	No progress was made during the reporting period.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	7	Clarify whether the Sacramento Community Police Review Commission is responsible for issuing its own annual report. The clarification should specify the agency required to complete the report, the frequency of the report production and provide direction on the information that should be included in the report, such as recommendations, plans for the upcoming year, and information about public outreach.	Started	No progress was made during the reporting period.

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The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	8	Identify key performance indicators to gauge the effectiveness of the Sacramento Community Police Review Commission in meeting its purpose and objectives.	Not Started	No progress was made during the reporting period.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	9	Provide secure email accounts for Sacramento Community Police Review Commission Commissioners and require the use of these email addresses to conduct Commission-related business.	Started	Discussions between the Office of the Mayor, the City Clerk, and the City Attorney are ongoing about how these email accounts will be provided.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	10	Develop and implement policies for email use and provide training to the Sacramento Community Police Review Commissioners.	Started	Discussions between the Office of the Mayor, the City Clerk, and the City Attorney are ongoing about how these email accounts will be provided.
The Sacramento Community Police Review Commission Requires Resources and Investment from the City to Effectively Achieve its Objectives.	11	Determine the level of access to information across City government needed by the Sacramento Community Police Review Commission to fulfill its City Code mandated duties. The City Council should memorialize the Sacramento Community Police Review Commission's access to information in either resolution, ordinance, or in the City Code.	Not Started	No progress was made during the reporting period.

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The Sacramento Community Police Review Commission is in Need of a Recommendation and Follow-Up Process to Ensure the Recommendations are Documented, Presented to the City Council, and Recommendations that are Approved are Implemented by the Relevant Department.	13	Determine whether the Sacramento Police Department should provide written responses to Sacramento Community Police Review Commission recommendations. This dialogue should identify the form the response will be provided in. Finally, the City Council should consider memorializing the process in resolution or ordinance.	Implemented	The Sacramento Police Department has created a form that was approved by the City Clerk. According to the City's liaison to the Commission, the Commission also approved the form. The form is now in use.
The Sacramento Community Police Review Commission is in Need of a Recommendation and Follow-Up Process to Ensure the Recommendations are Documented, Presented to the City Council, and Recommendations that are Approved are Implemented by the Relevant Department.	14	Determine whether the City Council should vote on SCPRC recommendations. This dialogue should identify a process for the presentation of the recommendations and vote. Finally, the process should be presented to City Council to be memorialized in City Council resolution or ordinance.	Not Started	No progress was made during the reporting period.
The Sacramento Community Police Review Commission is in Need of a Recommendation and Follow-Up Process to Ensure the Recommendations are Documented, Presented to the City Council, and Recommendations that are Approved are Implemented by the Relevant Department.	15	Determine whether the City should track and report on the implementation status of Sacramento Community Police Review Commission recommendations. The City Council should consider adopting a process to track and report on the implementation status of SCPRC recommendations that includes the department responsible. Finally, the City Council should consider whether to memorialize the requirement and process in resolution or ordinance.	Partly Implemented	The Sacramento Police Department has created a form that was approved by the City Clerk. The Commission also approved the form. The form is now in use. The forms have been posted to the Police Department's website. Discussions are ongoing about methods for tracking and reporting on the implementation of recommendations.

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Finding	#	Recommendation	Status	Update
The Sacramento Community Police Review Commission is in Need of a Recommendation and Follow-Up Process to Ensure the Recommendations are Documented, Presented to the City Council, and Recommendations that are Approved are Implemented by the Relevant Department.	16	Determine whether to provide resources for making SCPRC recommendation responses and implementation status publicly available in a transparent and timely manner. The City Council should identify additional funding for the tracking process. Finally, the City Council should consider whether to memorialize the funding provision in resolution or ordinance.	Partly Implemented	The Sacramento Community Police Review Commission recommendation forms and the Sacramento Police Department responses are now on the Police Department's website.

Vendor Audit of Wide Open Walls

Report #2022/23-01

Finding	#	Recommendation	Status	Update
Executing A Contract with the Wrong Entity and Awarding Funding Without Written Agreements Compromised the City's Ability to Audit Wide Open Walls and David Sobon Events	1	Update the Grant Distribution Policy to clarify that sponsorships should also have written agreements documenting the intended use of City funds, the requirement for recipients to document the appropriate use of funds, and expectations that such records will be made available to assess compliance in a timely manner.	Partly Implemented	The Information Technology Department deployed the Grants Management System in August 2023, after which the City Manager's Office initiated the revision process for the City's Grant Distribution Policy. The policy is currently in the drafting phase and has a specific section that is intended to implement this recommendation. They are still in the process of incorporating and synthesizing feedback on the draft policy from staff who manage grants and anticipate finalizing the policy in early 2024.

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Language Access Gap Analysis, Survey Results, and Policy Recommendations

Report #2022/23-05

Finding	#	Recommendation	Status	Update
Policy recommendations from gap analysis	1	Establish and maintain robust language access capabilities for Spanish speaking LEP residents.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will specifically expand and proactively translate documents into Spanish, within reason and to the extent funding is available. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	2	Evaluate whether any department programs serve a significantly higher LEP population than that of the overall City-wide population and apply more robust language services towards those programs.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states an individual City department or office that services an LEP group whose population differs substantially from the City-wide population may elect to proactively translate content into languages other than Spanish if they have reason to believe that said group meets the threshold of a substantial number of LEP individuals, or to achieve departmental outreach objectives. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	3	The City should refer to the U.S. Census and Language Link usage data from the City's 311 and 911 departments to regularly evaluate the number and proportion of LEP individuals and use this information in assessing the sufficiency of the City's language access services.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will refer to the data provided by the U.S. Census Bureau, as well as usage data from Language Link (or any other contractors the City engages for providing language access), and data from the City's 311 and 911 departments, to evaluate the number and proportion of LEP individuals. The policy is currently in the drafting phase.

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Policy recommendations from gap analysis	4	Provide guidance on whether programs should perform additional outreach to LEP persons to increase the frequency of contact with LEP language groups.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will appoint a City-wide LEP coordinator to ensure the effective implementation of this policy and program. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	5	Provide guidance on whether programs that interact frequently with LEP individuals should provide meaningful language access services at a broader scale than departments who have infrequent encounters.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that addresses the meaningful language access services that will be available to a threshold of a substantial number of LEP individuals. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	6	Evaluate whether funding for language services is sufficient based on the volume of LEP individuals that interact with City departments or programs and the relative importance of the services they provide.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will appoint a City-wide LEP coordinator to ensure the effective implementation of this policy and program. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	7	Train City staff on language access procedures. This training may include the process for arranging interpreters where appropriate, the list of providers the City currently contracts with and what services they provide, and the differences between translation and interpretation services.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will ensure that employees receive training for successful interactions with LEP individuals. The policy is currently in the drafting phase.

Policy recommendations from gap analysis	8	Provide guidance and train staff on how to respond in situations where a minor or family member is asked to serve as an interpreter.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will take measures to ensure that minor children or other family members of the LEP individuals are not used as interpreters in any situations that have the potential to affect the LEP individual's rights, health, safety, or concern benefits or services that the individual is entitled to. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	9	Provide direction on how and when bilingual staff are used for translation services and when professional translators should be used for vital documents, website content, and for lengthy documents.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states a professional interpreter will be utilized if there is any doubt that a bilingual staff member is sufficiently skilled in interpretation or possesses the necessary knowledge of terminology. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	10	We recommend the City leverage the resources and best practices on the LEP.gov website in developing the Citywide language access policy, to ensure the City's websites are accessible and that the use of machine translation is accurate.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will provide automated or machine-translated technologies to translate the City's website. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	11	Develop guidance for City departments to identify their vital documents and determine how to provide robust language services for those documents.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will appoint a City-wide LEP coordinator to ensure the effective implementation of this policy and program. The policy is currently in the drafting phase.

Policy recommendations from gap analysis	12	Train City employees on how to determine if an individual is LEP and how and when to offer language assistance.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will ensure that employees receive training for successful interactions with LEP individuals. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	13	Employ additional means to proactively notify LEP individuals of the availability of language services.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City may elect to employ certain means to proactively notify individuals that language services are available. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	14	Develop a mechanism that allows LEP individuals to file a complaint to provide feedback about the City's language access services.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City will post a form on its website that allows LEP individuals to file a complaint concerning the City's provision of language services and the form will also be posted on the City's website and marketed. The policy is currently in the drafting phase.
Policy recommendations from gap analysis	15	Consider providing on-going funding for citywide language access marketing, so that more community members are aware of the language access services provided by the City.	Party Implemented	The City Manager's Office has drafted a Language Access Policy that states the City may elect to employ certain means to proactively notify individuals that language services are available such as phone menus, multilingual posters, multilingual notices of vital documents, email and social medial campaigns, website posts, 'I Speak' cards, and the use of the Office of Community Engagement to foster civic engagement with LEP groups. The policy is currently in the drafting phase.

| Policy recommendations from gap analysis | 16 | Consider appointing a citywide LEP coordinator or a working group of individuals from different departments to regularly monitor/update the agency's response to LEP needs. | Party Implemented | The City Manager's Office has drafted a Language Access Policy that states the City will appoint a City-wide LEP coordinator to ensure the effective implementation of the policy and program. The policy is currently in the drafting phase. |

Audit of the Cannabis Code Enforcement Unit
Report #2022/23-06

Finding	#	Recommendation	Status	Update
Two Cannabis Businesses Were Not Being Regularly Inspected and Some Inspections Were Not Performed Timely.	2	Revise its inspection schedule to include cannabis manufacturing businesses.	Implemented	Cannabis Code Enforcement Unit (CCEU) management has added cannabis manufacturing business as a business type in Citizenserve. Additionally, CCEU management has implemented a tool within Citizenserve to automate scheduling of subsequent inspections when an inspection activity is completed. CCEU management has also updated internal policies and procedures to memorialize the inspection schedule for all business types, including manufacturing businesses.
Inspection Processes Could be Strengthened with the Use of Checklists During the Inspection and by Having Written Standardized Practices.	5	Standardize and document its procedures for conducting inventory inspections including how products are selected, what is reviewed, and how results are documented.	Implemented	Cannabis Code Enforcement Unit (CCEU) management has developed and implemented a standardized inventory audit procedure and memorialized it into CCEU internal policy and procedures under section 6.6 - Inventory Audit.

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Management Could Promote Efficiency and Effectiveness Through the Use of Performance Metrics and Documented Reviews.	9	Establish performance metrics to evaluate the effectiveness of the cannabis code enforcement program.	Partly Implemented	On January 29, 2024, we met with Cannabis Code Enforcement Unit (CCEU) management to discuss recommendation follow-up. It is our understanding that the CCEU intends to focus on the timeliness of inspections and completeness of inspections documentation as the basis of their performance measures. Once the performance measures are developed, they will be memorialized in internal policies and procedures and tracked on a quarterly basis.

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