

# City Auditor's Semi-Annual Recommendation Follow-Up Report: July – December 2021

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*City of*  
**SACRAMENTO**  
Office of the City Auditor  
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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. The Office monitors the implementation of all recommendations, and reports on the status of open recommendations every six months with a semiannual report.

In accordance with the City Auditor's approved Fiscal Year (FY) 2021/22 Audit Plan, we have prepared a report on the status of open recommendations for the six-month period ending December 2021. 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.

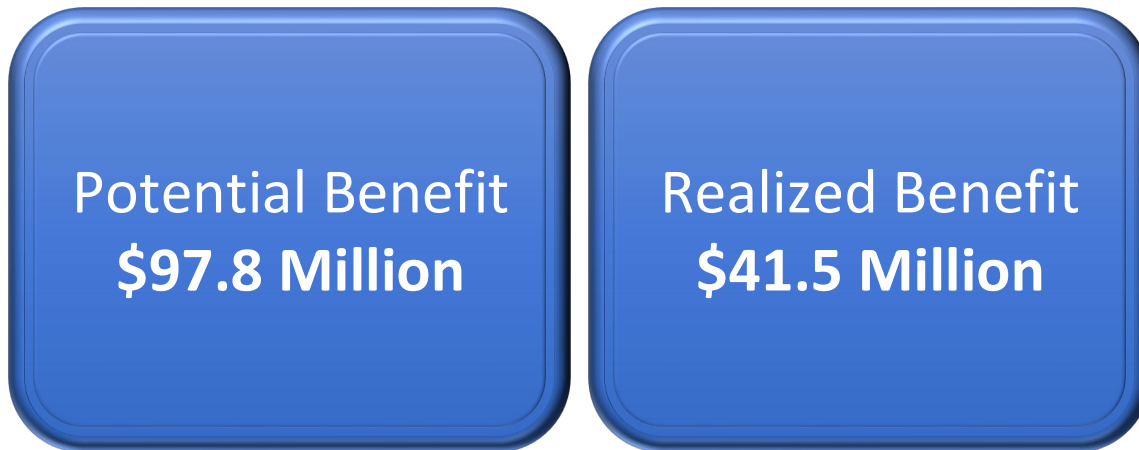
While much of our work aims to identify financial benefits, recommendations are not solely focused on identifying savings. Sometimes they focus on areas that identify key benefits that are not easily quantifiable. For example, it could be difficult to quantify the value of increased residents' satisfaction with City services due to implementation of recommendations, or the benefits of having policies in place that reduce the City's overall risk.

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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**



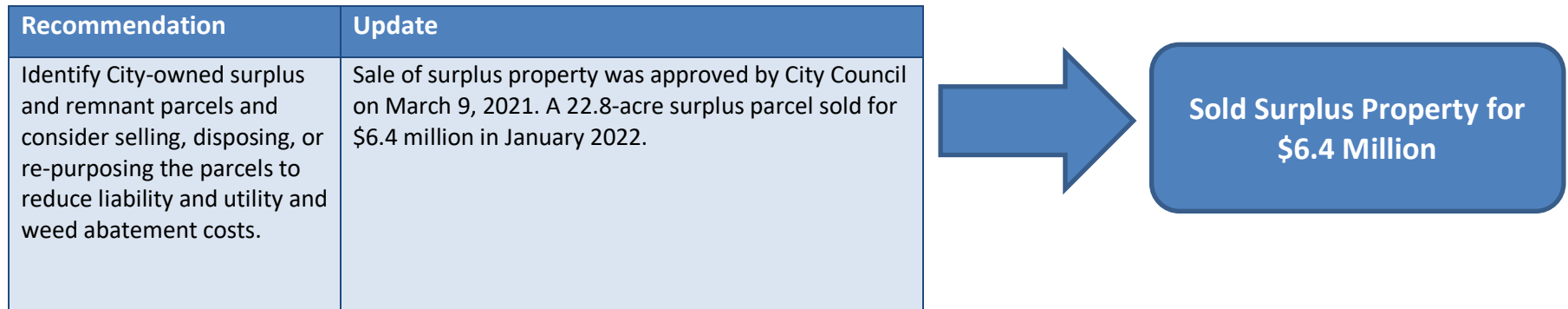
Source: Auditor generated.

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.

## Recommendations that Resulted in Cost Savings During This Follow Up Period

Figure 2 summarizes audit recommendations that resulted in cost savings identified during this follow up period. The *Audit of City-Owned and Leased Real Property* identified that better controls were needed over surplus property tracking. The audit recommended identifying City-owned surplus and remnant parcels and consider selling, disposing, or re-purposing the parcels to reduce liability and utility costs. In January 2022, Council approved the sale of a vacant property for \$6.4 million.

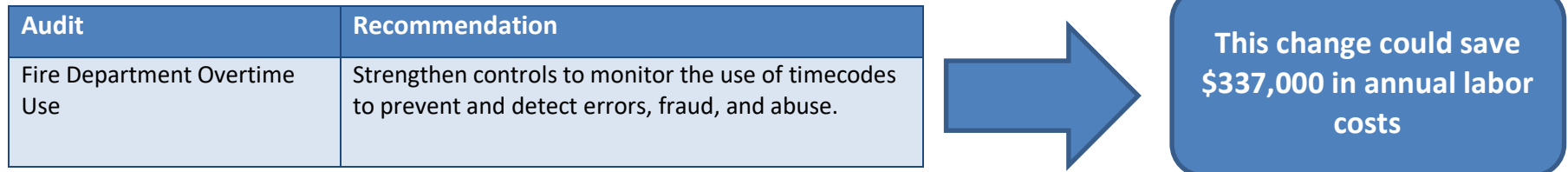
**Figure 2: Summary of Cost Savings Recognized During this Follow Up Period**



## Recommendation that Would Result in Cost Savings, If Implemented

Figure 3 highlights an audit recommendation that, if implemented, would result in cost savings for the City. The *Audit of Fire Department Overtime Use* identified considerable weaknesses in the Fire Department’s tracking and monitoring of overtime. Strengthening accountability of overtime use should result in significant cost savings.

**Figure 3: Implementing This Recommendation Would Result in Cost Savings**



## Recommendations that Would Improve Administration of Citywide Policies

In 2011, our office issued the *Audit of Citywide Policies and Procedures* report which contained recommendations for improving the administration of citywide policies and procedures. Although the recommendations were issued over ten years ago, some recommendations are still outstanding, and the risks identified are still present. Recently, the responsibility for managing citywide policies has moved from the City Clerk’s Office to the Human Resources Department. The Labor Relations Division in the Human Resources Department oversees the citywide policy program and is currently assessing their policy approval process. Figure 4 highlights three audit recommendations that, if implemented, would improve administration of citywide policies and procedures.

**Figure 4: Recommendations to Improve Administration of Citywide Policies**

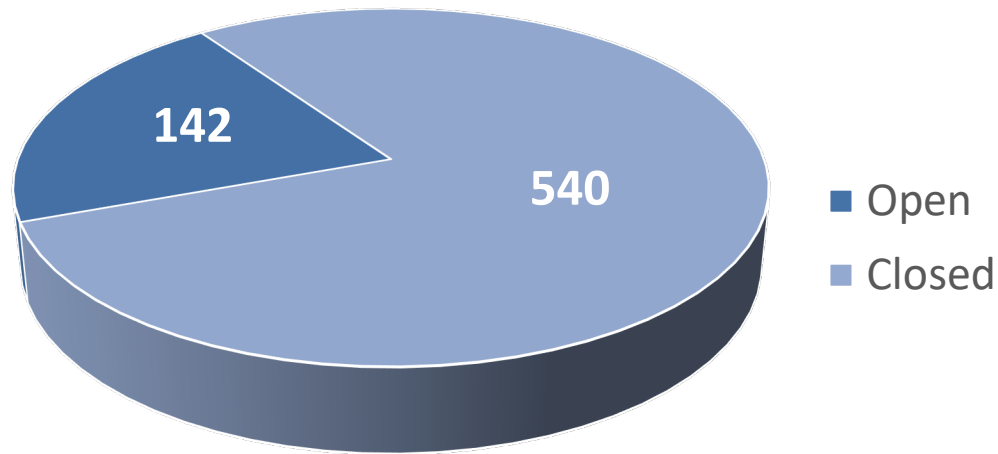
Original Recommendation	Benefit
Strengthen the language in AP-1001 to require department directors and division managers who manage citywide processes to establish Administrative Policies over key operational areas.	An adequate body of administrative policies and administrative procedures that address key areas of operations and employer expectations is essential to the effective management of any organization. Additionally, employees can be held accountable for their responsibilities and duties if administrative policies and administrative guidelines exist.
Formally document the roles, responsibilities and processes of area experts.	Assign roles and responsibilities to employees that oversee Citywide policy approval processes. By developing and documenting the roles and responsibilities of these employees, they will have a consistent body of information to turn to and rely less on trainings, phone calls and e-mails to understand or explain processes. Furthermore, failing to document the roles and responsibilities of these positions exposes the City to unnecessary losses of institutional knowledge.
Design a control to ensure outdated policies and procedures are removed from CityNet and the City’s public website.	Outdated policies and procedures put the City at risk of inconsistent direction, miscommunications, and wasting time looking for the current policy.

# Implementation Progress of Recommendations

## 79% of All Recommendations Have Been Closed

Since the establishment of the Office of the City Auditor in 2010, the Office has issued over 60 reports and made 682 recommendations. At the end of this recommendation follow-up period, 540 (79% of) recommendations had been closed. Figure 5 illustrates the number of recommendations open compared to the number of recommendations closed as of December 31, 2021.

Figure 5: Recommendation Status



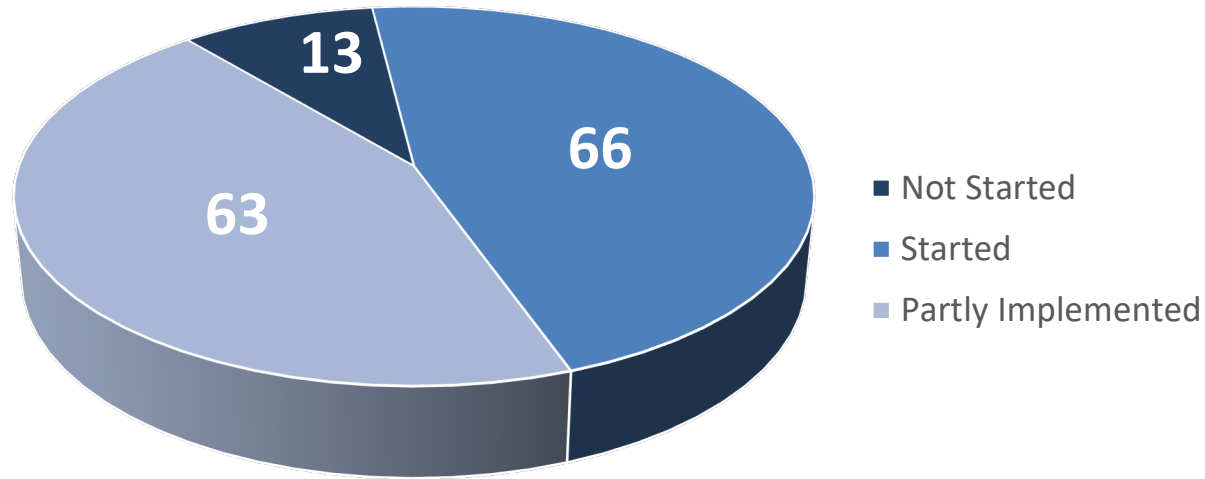
Source: Auditor generated.



## Status of Open Recommendations

Open recommendations are classified based on the responsible party's progress towards implementation. Figure 6 illustrates the progress of all open recommendations.

Figure 6: Status of Open Recommendations



Source: Auditor generated.

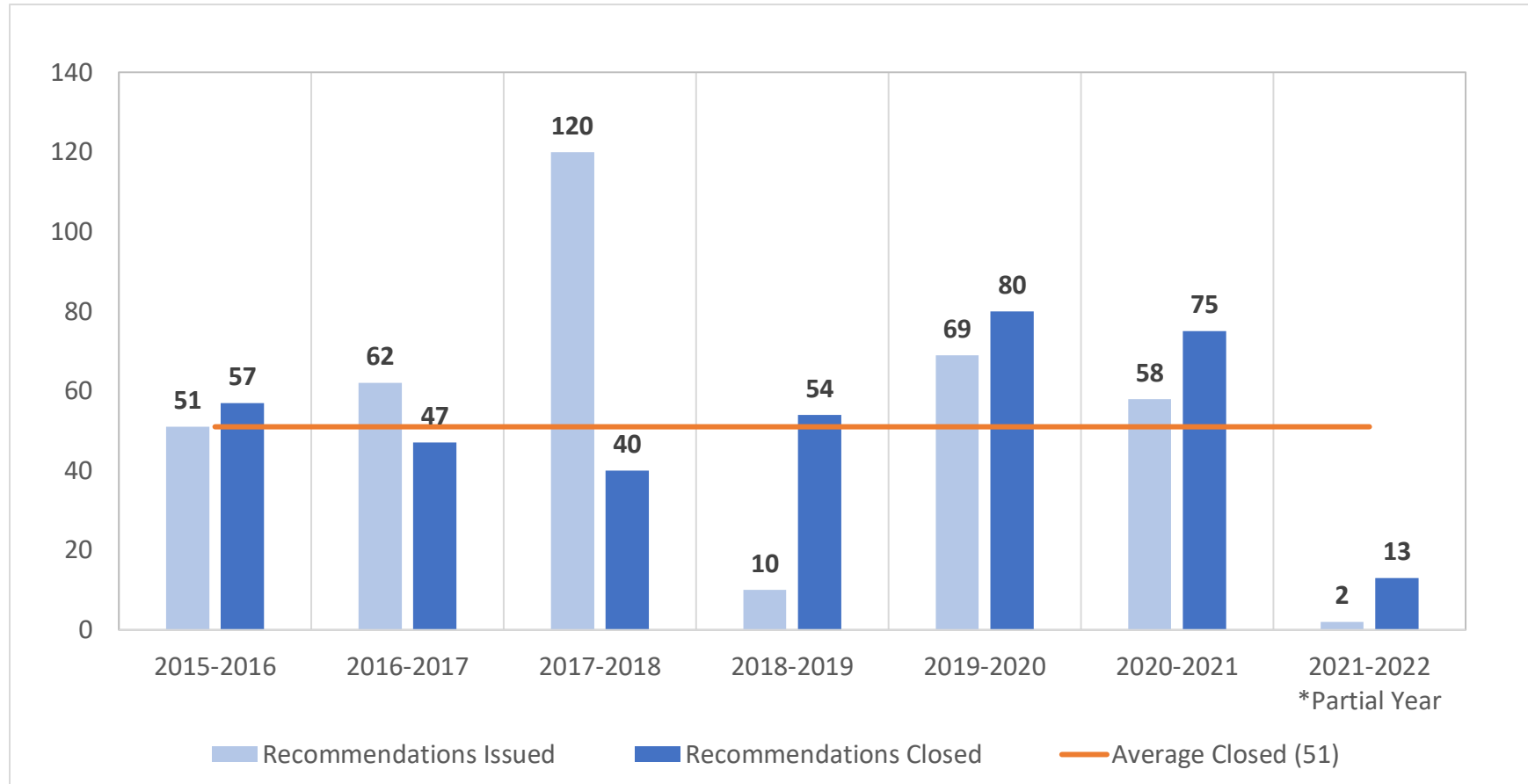
In addition to reporting on the current progress of open recommendations, our Office tracks whether notable new progress has been made towards implementing recommendations during the review period.

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## The Number of Recommendations Issued and Closed Per Year

Figure 7 illustrates the number of recommendations issued and closed in the last seven fiscal years. The average number of recommendations closed per year is 51. It is commendable that in FY2020/21 City Departments closed 75 audit recommendations, despite the ongoing COVID-19 pandemic.

**Figure 7: 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 8 illustrates the outstanding recommendations by department. For context, the number of closed and total recommendations issued to each department is also listed.

**Figure 8: Recommendations by Department**

Department	Open	Closed	Total	% Closed
Public Works	29	37	66	56%
City Manager	37	48	85	56%
Youth, Parks, and Community Enrichment	8	11	19	58%
Fire	17	41	58	71%
Police	3	10	13	77%
Finance	19	73	92	79%
Roberts Family Development Center*	2	11	13	85%
Utilities	14	90	104	87%
Human Resources	10	94	104	90%
Information Technology	3	45	48	94%
Downtown Streets Team, Inc.*	0	5	5	100%
Golden 1 Center*	0	7	7	100%
City Attorney	0	1	1	100%
City Clerk	0	1	1	100%
City Council	0	6	6	100%
Community Development	0	40	40	100%
Sacramento Housing and Redevelopment Agency	0	12	12	100%
Sacramento Region Sports Education Foundation	0	8	8	100%
<b>Total</b>	<b>142</b>	<b>540</b>	<b>682</b>	<b>79%</b>

Source: Auditor generated.

\*Not a City Department or Division

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# Post Audit Recommendation Follow Up Status by Audit

The following tables provide the status of audit recommendations, by audit report, 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

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	Partly Implemented	During this period, no progress was made since Labor Relations was inundated with the citywide COVID-19 framework.
While the City has a System for Establishing Policies & Procedures, it is Generally Circumvented	7	Formally document the roles, responsibilities and processes of area experts.	Partly Implemented	During this period, no progress was made since Labor Relations was inundated with the citywide COVID-19 framework.
While the City has a System for Establishing Policies & Procedures, it is Generally Circumvented	8	Analyze roles and access privileges of area experts to determine whether any are incompatible with others, to ensure segregation of duties and prevent conflicts of interest.	Partly Implemented	During this period, no progress was made since Labor Relations was inundated with the citywide COVID-19 framework.
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.	Partly Implemented	During this period, no progress was made since Labor Relations was inundated with the citywide COVID-19 framework.
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	During this period, no progress was made since Labor Relations was inundated with the citywide COVID-19 framework.

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	During this period, no progress was made since Labor Relations was inundated with the citywide COVID-19 framework.
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## Audit of City Light-Duty Vehicle Use

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 period. The Transportation Policy is in the approval process.
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.
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 did not respond with a status update for 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	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	The Labor Relations Division did not respond with a status update for 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	15	Work towards reducing the allowable distance for assigning a take-home vehicle so as to promote reasonable response times to emergency call backs.	Started	The Labor Relations Division did not respond with a status update for this recommendation.
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## Audit of Citywide Purchase-Card Use

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 developing a Purchasing Card Procedure Handbook 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 update is under development and will be consistent with other City policies.
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 department is updating the Purchasing Card Procedure Handbook to reflect the types of transactions that are allowable and prohibited. 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, once formally adopted, will be reviewed annually to reflect applicable policy changes.
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	Training has been updated and is being provided to new cardholders. Once the new Purchasing Card Manual is complete and published, the training will be pushed to the City's training system and cardholders will be required to complete it annually.

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	Training has been updated and is being provided to new cardholders. Once the new Purchasing Card Manual is complete and published, the training will be pushed to the City's training system and cardholders will be required to complete it annually
The purchase card program lacked complete policy guidance and oversight	12	Strengthen controls that are already in place and consider adding controls that are in line with best practices.	Partly Implemented	Clarification on allowable charges has been included in new training material and is included in the Purchasing Card Policy draft. Code restrictions on merchant categories were implemented to restrict purchases from vendors that there would not typically be a business purpose to purchase from.

### Audit of City Employee Supplemental Pay

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 made during this recommendation follow up 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.	Partly Implemented	No progress made during this recommendation follow up period.
Controls Over Employee Time Reporting Must be Improved	11	Develop controls to monitor the activity of those provided with administrative rights to Telestaff.	Started	No progress made during this recommendation follow up period.

## Audit of the Fire Department Inventory Systems & Narcotics

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 made during this recommendation follow up period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	2	Establish performance goals to determine if the system is functioning properly.	Started	No progress made during this recommendation follow up period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	3	Determine a schedule for regular and random inventory counts to ensure accuracy and identify outages.	Partly Implemented	No progress made during this recommendation follow up period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	4	Require supervisory approval of inventory count adjustments and document the cause of the variance.	Started	No progress made during this recommendation follow up period.
The Fire Department should implement inventory management best practices to improve accountability and accuracy	5	Develop a mechanism to track discarded or expired medication.	Partly Implemented	No progress made during this recommendation follow up 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 made during this recommendation follow up 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 made during this recommendation follow up 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.	Started	No progress made during this recommendation follow up 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 made during this recommendation follow up period.

## Audit of Citywide Wireless Communications

Finding	#	Recommendation	Status	Update
Wireless Device Policies are Insufficient	14	Update and utilize the wireless communication device request form for all employees issued City devices. The request form should include a written justification for the device, anticipated use, and plan type with supervisory approval and stored for as long as the employee is assigned the device	Implemented	The Information Technology Department has implemented a new Mobile Device Request form that includes the justification for the device, anticipated use, and plan type that will be retained for the life of the service.
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 IT Department, this will be implemented once the integration between the Telecom Expense Management Systems (TEMS) and ServiceNow is completed. The project was started in January 2022.
Inventory Records are Incomplete and Inconsistent	18	Update inventory records and ensure complete and up-to-date inventory is maintained.	Partly Implemented	According to the IT Department, a project was initiated in January 2022 with the Telecom Expense Management (TEM) vendor to build application integration between TEM and ServiceNow to ensure records in both systems match. The new integration will eliminate manual processes that lead to discrepancies between the asset inventory system (ServiceNow) and the TEM system (CLM).

## Audit of the City's 311 Call Center

Finding	#	Recommendation	Status	Update
Additional Technological Enhancements May Help the 311 Call Center Improve Performance	15	Integrate data from Cisco, Siebel or new CRM system, and Witness to better analyze 311 Call Center data and develop processes to improve customer service.	Implemented	Since the audit recommendation, there have been multiple technology upgrades including the replacement of Oracle Service Cloud with Salesforce, Verba call recording replaced Witness and Verba has now been replaced with Calabrio Quality Management (call recordings). Cisco has been upgraded with department specific call queues for better reporting and a Google Dialogflow virtual agent has been implemented to offer self-service options as well as collect caller data prior to transferring to an agent. Cisco has also been integrated with Salesforce to provide a seamless handoff to our agents. Salesforce is now integrated with all the major systems used by the division and the new citizen web portal and mobile app are also built on Salesforce which provides easy reporting on the various communication channels.

## 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	Due to COVID-19, no progress was made during this 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	No progress was made. Policies and Procedures manuals are still with Labor Relations.

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	The City's Payroll Division reviewed calculation methodologies for compliance with labor agreements. While it appeared most calculations were correct, some inconsistencies were identified and forwarded to Labor Relations for resolution.
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	The City's Payroll Division reviewed calculation methodologies for compliance with labor agreements. While it appeared most calculations were correct, some inconsistencies were identified and forwarded to Labor Relations for resolution.
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.	Partly Implemented	According to the Finance Department, they were not able to fully execute procedures due to staffing issues. Estimated completion is now June 2022.

## Audit of the City's Risk Management Division

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.	Started	According to the Human Resources' Risk Management Division, the Transportation Policy has not yet been adopted. In the mean time, an assignment on Sum Total is being finalized for employees who receive a car allowance. The assignment will ask employees to certify they have a valid drivers license, and will maintain the license, while employed. There will also be a section requiring the employee to certify they have, and will maintain, insurance in an amount at least as high as the financial responsibility requirements in California.
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.	Started	According to the Human Resources' Risk Management Division, the Transportation Policy has not yet been adopted.
The City May Reduce Risk and Liability by Making Improvements to Some Programs and Policies	17	Work together to develop a monitoring mechanism to ensure employees maintain the required minimum insurance coverage when receiving a vehicle allowance.	Started	According to the Human Resources' Risk Management Division, the Transportation Policy has not yet been adopted. In the mean time, an assignment on Sum Total is being finalized for employees who receive a car allowance. The assignment will ask employees to certify they have a valid drivers license, and will maintain the license, while employed. There will also be a section requiring the employee to certify they have, and will maintain, insurance in an amount at least as high as the financial responsibility requirements in California.

## Audit of Fire Department Overtime Use

Finding	#	Recommendation	Status	Update
Negotiated Overtime and Incentive Provisions May Have Unintentionally Increased Payroll Costs	6	Evaluate the necessity of Primary Paramedic Pay.	Not Started	No progress made during this recommendation follow up period.
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 made during this recommendation follow up 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.	Started	No progress made during this recommendation follow up 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.	Started	No progress made during this recommendation follow up period.
The Fire Department Lacks Sufficient Controls Over the Administration and Use of Overtime	11	Develop, document, and enforce system access controls for Telestaff users.	Started	No progress made during this recommendation follow up 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.	Started	No progress made during this recommendation follow up period.

## Audit of the Department of Utilities Inventory

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	To reduce badge access, the Department is relocating inventory items from Yard 22 to Building 18. A Capital Improvement Project with partial funding for this effort has been identified. Estimated completion is now June 2022.

Strengthening the Physical Security of Department of Utilities Inventory Could Reduce the Risk of Fraud, Waste, and Abuse	4	Establish and implement consistent procedures for the tracking of tools and equipment, including establishing and applying clear criteria for assigning asset identification numbers.	Implemented	The Department has completed the two remaining water plant inventory audits.
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. Policy is still with Labor Relations.
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. Policy is still with Labor Relations.
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. Policy is still with Labor Relations.
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. Policy is still with Labor Relations.
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. Policy is still with Labor Relations.
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. Policy is still with Labor Relations.
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. Policy is still with Labor Relations.

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

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 City's EBO policy is a duplication of the State of California's Equal Benefits Ordinance, which was adopted in 2007. The Procurement Division will be working with the City Attorney's Office to determine how to reduce redundancies between State laws and City policies.
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.	Started	The City's EBO policy is a duplication of the State of California's Equal Benefits Ordinance, which was adopted in 2007. The Procurement Division will be working with the City Attorney's Office to determine how to reduce redundancies between State laws and City policies.
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.	Partly Implemented	Bid protests have been clarified and published in the Procurement Policy Manual, which is currently undergoing legal review. After review, the Procurement Policy Manual will be submitted for formal adoption as a city policy.
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 Policy Manual, which is currently undergoing legal review. After review, the Procurement Policy Manual will be submitted for formal adoption as a city policy.
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 Policy Manual, which is currently undergoing legal review. After review, the Procurement Policy Manual will be submitted for formal adoption as a city policy.

## Audit of YPCE's Strategic Planning and Part-time Employee Benefits Management

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	YPCE is currently working with a third-party vendor to develop a Master Plan. The expected completion date is Spring 2022.
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	YPCE has defined an appropriate use of the 'General Info' call category and has bi-monthly check-ins with the 311 Manager. Call staff at 311 will be trained on categorizing calls rather than choosing 'General Info' as a catch all category.
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	A new Support Services Manager has been hired and is currently reviewing draft policies and working on developing additional policies.
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	A new Support Services Manager has been hired. YPCE is developing a comprehensive scope of work for a fees and charges study. One of the goals of the study is to establish cost recovery objectives.
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	YPCE is developing a comprehensive fees and charges study which will help them to better align their fees with their mission, vision, and cost recovery goals



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	YPCE plans to establish cost recovery goals after the fee and charges study is concluded.
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	A fees and charges study is being developed. Once the study is completed, YPCE will have the tools necessary to update the fee structure and guidelines.
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.	Started	The newly hired Support Services Manager is reviewing the developed procedures for part-time employee reporting and is currently refining an accompanying policy. YPCE is working with the Human Resources Department to develop and implement formal training for supervisory staff.

## Audit of the Department of Utilities Workplace Safety

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 of Utilities will be hiring a consultant to assist in the 170 remaining Standard Operating Procedures that still need review.
The Department of Utilities Lacks Sufficient Controls Over the Administration and Use of Safety and Personal Protective Equipment	2	Establish policies and procedures concerning safety and personal protective equipment where none currently exist.	Partly Implemented	New hire orientation in DOU now includes trainings with personal protective equipment components. We attempted to validate that new hires were completing these trainings. However, due to a mixture of in-person and virtual trainings as well as a new learning management system, not all training records have been uploaded into the new system.

The Department of Utilities Lacks Sufficient Controls Over the Administration and Use of Safety and Personal Protective Equipment	4	Consider negotiating a more restrictive and thorough reimbursement or other process for providing PPE in all of the City's labor agreements.	Started	The Labor Relations Division did not respond with a status update for this recommendation.
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	According to the Department, reports have been created and the Department is working on refining the reports.
The Department of Utilities Can Enhance Compliance with City Safety Policies, State Laws, and Federal Regulations	14	Establish written procedures for the control of hazardous energy (lockout/tagout).	Implemented	According to the Environmental Health and Safety Specialists who oversee the Department of Utilities, the work order system has been configured to require LOTO procedures when none exist. The Department will continue to create procedures as they perform maintenance.
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	According to the Department, the Management of Change policy is almost completed. It will then be sent to Labor Relations for assessment of meet and confer.
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	No progress was made. Policies and Procedures manuals are still with Labor Relations.

## Audit of On-Street Parking Meters

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.	Started	Sensor accuracy testing has been delayed due to the COVID-19 pandemic.
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	Approximately 2,600 sensor dome batteries have been replaced. Due to the shortage in battery supply the project has slowed. Vendor is sending additional batteries as they become available.
Some Meter Configurations in the Data Management System User Interface Are Not Reliable	6	Require that the information in the data management system user interface be the most accurate and up-to-date information.	Implemented	Configuration data is now viewable unless the meter is down or offline.

## Audit of Retiree Health Benefits

Finding	#	Recommendation	Status	Update
Recordkeeping of Retiree Benefit Eligibility and Elections Could be Strengthened	1	Develop a process to ensure compliance with the City's Records Management Policy that maintains complete personnel information for all retirees.	Implemented	The Human Resources Department updated their retiree checklist to include scanning and indexing paperwork. We tested a random sample of 10 recent retiree's enrollment documentation and found the enrollment forms and the checklist were present for all 10.
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	Human Resources and IT were unable to resolve this issue during the reporting period. Human Resources hopes to have the IT Consultant working on another eCAPS project assess this issue.

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 on this item 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 on this item 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 on this item during the reporting period.

## Audit of the 911 Emergency Communications Center

Finding	#	Recommendation	Status	Update
Call Answer Times Have Improved and Are Exceeding State Standards	2	Consider improving the supervisor-to-dispatcher ratio to provide better supervisory coverage.	Started	Improving the supervisor-to-dispatcher ratio remains a priority of the 911 Communication Center. The 911 Communications Center will continue to request additional Dispatcher III (Supervisor) positions in the future.
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.	Started	Progress remains slow in this area due to the 911 Communication Center's ability to commit the two supervisors working on this program full time. The 911 Communication Center will continue to seek additional supervisor positions.

Quality Assurance and Disaster Preparedness Could Be Improved by Adopting Industry Best Practices	10	Establish the 911 Center as a Critical Facility on Sacramento County's Local Hazard Mitigation Plan.	Partly Implemented	The City Council passed a critical infrastructure list in July 2021 that included Police Communications Facilities. As a result, the 911 Communications Center should be included in the County's next update.
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## Audit of the Department of Utilities Vehicle Fleet

Finding	#	Recommendation	Status	Update
The Department of Utilities Can Realize Cost Savings Through Improved Management of Their Vehicle Fleet	3	Perform an analysis to determine which, if any, of the identified potentially underutilized vehicles should be kept as part of the department's vehicle fleet. Consider mileage reimbursements, vehicle allowances, and shared vehicles as alternatives.	Implemented	As of the most recent underutilization report, 83 units were reported as underutilized. The Department submitted justifications to keep these vehicles citing vacancies, response criteria, and COVID-19 as the cause for many of the underutilized vehicles. When operations return to normal, DOU will annually evaluate vehicle allowances, rentals, and shared vehicles to reduce their vehicle fleet.
The Department of Utilities Can Realize Cost Savings Through Improved Management of Their Vehicle Fleet	5	Develop a process to periodically review vehicle usage for take-home vehicles to ensure operational utilization meets the City's utilization criteria.	Dropped	This recommendation focuses on operational mileage of DOU superintendents; however DOU has determined that, regardless of usage, it is critical to its mission and operation to have superintendents take home vehicles to enable them to respond to emergencies as needed.
The Department of Utilities Can Realize Cost Savings Through Improved Management of Their Vehicle Fleet	6	Work with the Civil Service Board to review an update Section 13.3 of the City of Sacramento's Rules and Regulations of the Civil Service Board. Specifically, determine the appropriate radius to ensure 'effective response capability to emergencies' in statute miles.	Started	The Labor Relations Division did not respond with a status update for this recommendation.

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.	Started	No progress was made during this period. The policy is still in the approval process.
Excessive Access to the City's Fueling Islands Created Data Integrity Issues and May Have Allowed for Fraud	10	Work with AssetWorks to identify and resolve or minimize system issues related to fuel transactions.	Started	No progress was made during this period.
Excessive Access to the City's Fueling Islands Created Data Integrity Issues and May Have Allowed for Fraud	15	Limit the number of active badges each employee can use to access the fueling islands.	Started	Due to COVID-19, no progress was made during this period.
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	No progress was made during this period.
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	No progress was made during this period.
System Access and Data Quality Could Be Improved to Better Enable Management to Perform Analyses and Identify Trends	22	Work with the Department of Utilities to identify generators that do not meet the definition of a fleet asset, such as stationary generators, and remove them from the M5 system.	Implemented	Fleet has removed stationary generators from the M5 system.
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 this period. The policy is still in the approval process.

The City Can Mitigate Risk by Better Documenting and Tracking Employee Licensure, Certifications, and Insurance Information	26	Develop a detailed insurance verification process for employees receiving a vehicle allowance.	Started	No progress was made during this period. The Transportation Policy is still in the approval process.
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## Audit of City-Owned and Leased Real Property

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.	Not Started	According to the Real Estate Services Section, progress on this recommendation has not started due to staffing and project load. The hiring freeze appears to have been lifted and the Section is taking steps to fill the vacancy.
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 staffing and project load.
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.	Started	The City Council approved the sale of a 22.81-acre property for \$6.4 million.
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.	Not Started	According to the Real Estate Services Section, progress on this recommendation has not yet started due to staffing and project load.

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	Started	The City Council approved the sale of a 22.81-acre property for \$6.4 million.
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	According to the City Manager's Office, no progress has been made during this reporting period because of staffing changes.
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	The City Manager's Office has reviewed the Lease Centralization Plan and is evaluating additional resources needed to implement the plan.
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	According to the Real Estate Services Section, progress on this recommendation has not yet started due to staffing and project load.
The City's Real Property Management Is Decentralized and Would Benefit from Detailed Policy Development	9	Work with departments leasing non-City property to identify whether the departments can leverage City-owned property instead of leasing.	Started	The Real Estate Services Section met with Convention and Cultural Services (CCS) to discuss leasing additional space at McClellan for City archives and artifacts from the Crocker art collection.



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.	Started	No additional progress has been made on this recommendation during the review period, according to the Real Estate Services Section.
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	The Real Estate Services Section has created an eight-step chart illustrating the process to dispose of surplus property. It is a start in fulfilling the recommendation and progress has been made this 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.	Not Started	According to the Real Estate Services Section, progress on this recommendation has not yet started due to staffing and project load.

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	According to the Information Technology Department (IT), a staffing change has put the project on temporary hold. The IT department anticipates restarting work on this project in the second quarter of 2022.
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	According to the Real Estate Services Section, no progress has been made on this recommendation since the prior reporting period.
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	Not Started	According to the Real Estate Services Section, no progress has been made during this reporting period.

## Citywide Innovation and Efficiency Assessment

Finding	#	Recommendation	Status	Update
Innovation and Efficiency Strategies	1	Monitor recommendations identified in the innovation and efficiency assessment.	Implemented	On April 7, 2021, the City Manager provided the City Council a memo that provided an update to the Citywide Innovation and Efficiency Assessment, Potential Strategies report. In the memo, the City Manager's Office identified 6 recommendations as implemented, 4 recommendations as potential in the coming fiscal years, 12 recommendations that need further study, 5 recommendations that need additional Council direction, and 7 recommendations that staff do not recommend pursuing. As of February 2022, the City Manager's Office had not received additional direction on how to proceed with the recommendations from the City Council and has considered the remaining recommendations as dropped.

## Audit of the City's Green Efforts

Finding	#	Recommendation	Status	Update
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.	Partly Implemented	The newly formalized Office of Climate Action & Sustainability continues to convene the Green Team to ensure coordination and promote awareness of goals and sustainability initiatives.. An array of staff across departments have participated. Topics included the Climate Action & Adaptation Plan and 2040 General Plan updates, sustainability performance monitoring, shared GIS resources, community engagement, and State funding opportunities.

Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	10	Develop and implement a process to reconcile our internal streetlights dataset with SMUD to ensure that the City is correctly billed.	Started	Discussions with SMUD regarding the reconciliation of streetlight data have been initiated.
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	1	Evaluate whether more consistent LEED certification is beneficial to the City's reputation as a sustainability leader.	Started	The Facilities Division has hired a new Energy Manager to lead energy initiatives, as identified in the approved Midyear 2020/21 budget, which also included a one-time \$1.2 million augmentation for the Energy Investment CIP. Evaluation of initial opportunities is underway.
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	2	Develop a process to monitor completed LEED buildings post-completion to accurately capture the benefits of building to LEED standards and to quantify their value to the City's overall sustainability objectives.	Started	The Facilities Division has hired a new Energy Manager to lead energy initiatives, as identified in the approved Midyear 2020/21 budget, which also included a one-time \$1.2 million augmentation for the Energy Investment CIP. Evaluation of initial opportunities is underway.
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	3	Consider participating in the U.S. Green Building Council's LEED recertification option for certified LEED buildings.	Started	The Facilities Division has hired a new Energy Manager to lead energy initiatives, as identified in the approved Midyear 2020/21 budget, which also included a one-time \$1.2 million augmentation for the Energy Investment CIP. Evaluation of initial opportunities is underway.
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.	Started	Coordination between the newly hired Facilities Division Energy Manager and the Office of Climate Action & Sustainability staff is underway. The Office of Climate Action & Sustainability is leading the development of a platform and performance indicators to monitor sustainability of municipal operations across departments.

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.	Started	Preliminary indicators to track municipal operations sustainability have been identified with departments. Data collection and creation of PowerBI dashboards is in process with the assistance of Fleet, DOU, YPCE, Facilities, and IT staff.
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.	Started	Once the internal tool for tracking performance measures is finalized, the Office of Climate Action & Sustainability will work with departments to ensure consistent annual updates and assess feasibility of more frequent updates. The Office of Climate Action & Sustainability is also continuing quarterly updates on the 2021 Climate Work Plan. CAPDash is also under development to track implementation of the Climate Action and Adaptation Plan.
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	8	Develop a process to check for duplicated data when it is uploaded to EnergyCAP, monitor the data for discrepancies, and notify users of issues in or changes to the data in the EnergyCAP system.	Started	The Energy Manager has developed a procedure to evaluate EnergyCAP errors at different points in reporting.
Improved Monitoring and Reporting of Sustainability Data, Progress, and Outcomes Is Essential for Tracking Impacts and Realizing the Intended Benefits	9	Review the data captured by the GIS streetlights system, determine key data fields, implement controls to ensure these fields contain accurate and complete information, and reconcile the various internal sources of streetlight counts.	Started	Public Works' Engineering Services successfully completed the current phase of streetlight retrofits. 2,450 streetlights have been installed. Engineering Services worked with the GIS team to track the project status. The data for retrofitted streetlights is available in the City's OneMap Viewer. Updates in the GIS database to this first set of streetlights is a step towards reviewing and correcting existing GIS data. An additional 2,450 post top streetlights have been identified for retrofit.

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<https://www.cityofsacramento.org/Auditor/Reports/Recommendation-Follow-Ups>

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.	Started	Work on this item is ongoing and in process through continued meetings of the Green Team. With the hiring of a new team member to the City Manager's Office, the team is building capacity to develop new policies and procedures, based on input from key staff and sustainability goals.
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.	Started	The Office of Climate Action & Sustainability staff continues to convene the Green Team and utilizes the Microsoft Teams 'Green Team' channel to distribute internal information on sustainability goals and priorities. More work is outstanding to create additional resources, such as a Nexus webpage, or new staff report guidance for the 'Sustainability Section' of staff reports. Furthermore, staff outlined a plan for external climate-focused community engagement with input from the Community Engagement Manager and Diversity, Equity, and Inclusion Manager.
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	15	Evaluate new funding strategies and consider whether additional funding support can be provided during the City's budgeting process.	Partly Implemented	City staff continue to evaluate funding options, including State and Federal grant programs, to support sustainability projects. The Climate Action Lead convened staff across departments to identify and track priority State and Federal funding opportunities and coordinate applications. In September 2021, staff applied for but did not receive State technical assistance funding through the BOOST Program. Furthermore, the draft Climate Action and Adaptation Plan (in process) includes cost estimates for key climate action measures, which staff presented to City Council in October 2021.

<p>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</p>	<p>16</p>	<p>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.</p>	<p>Started</p>	<p>The Facilities Division has hired a new Energy Manager, as identified in the approved Midyear 2020/21 budget, which also included a one-time \$1.2 million augmentation for the Energy Investment CIP. The Energy Manager convened an initial discussion between City and SMUD staff to prioritize City buildings for cost-effective energy-saving and electrification retrofits. Development of a formal process to establish a project pipeline are ongoing. Streetlight retrofits to LED are ongoing, with an additional 2,450 lights identified for retrofit and procured with remaining available L&amp;L funding.</p>
<p>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</p>	<p>17</p>	<p>Implement outreach efforts and programs to City employees to improve the City’s sustainability culture.</p>	<p>Started</p>	<p>The Office of Climate Action &amp; Sustainability staff continue to coordinate across departments, including with the Green Team. In the last reporting period, the Office of Climate Action &amp; Sustainability staff led discussions with departments about sustainability performance monitoring (including both data-oriented conversations with staff and presentations to division leadership). These discussions and information-sharing via the Green Team advanced awareness of sustainability policies and goals within the City.</p>
<p>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</p>	<p>18</p>	<p>Assist other City departments and offices with incorporating sustainability into their department-level operations through the creation, implementation, and tracking of specific performance goals.</p>	<p>Started</p>	<p>Preliminary data collection is underway with the assistance of Fleet, DOU, YPCE, and Facilities staff. The Office of Climate Action &amp; Sustainability staff coordinated with departments to identify internal indicators to track sustainability of municipal operations.</p>

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.	Partly Implemented	Evaluation is ongoing as the Office of Climate Action & Sustainability continues to convene the Green Team. Staff are also outlining a proposal for a peer-led sustainability learning group for staff working on sustainability projects that are seeking more professional development and leadership opportunities.
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.	Not Started	The Office of Climate Action & Sustainability staff will initiate this effort in conjunction with policy changes happening through the 2040 General Plan Update and Climate Action and Adaption Plan Update. The public drafts of both documents are anticipated to be released in Spring 2022. As an initial step in notifying employees of Citywide sustainability policy changes, the Green Team will discuss major 2040 General Plan policy shifts in Spring 2022.
Awareness of and Compliance with Sustainable Policies, Procedures, and Plans Could Be Strengthened	21	Ensure that the City website and any internal employee resources are up-to-date and accurate as they relate to sustainability policies, procedures, and plans.	Partly Implemented	In November 2021, IT and Office of Climate Action & Sustainability staff published a revamped City webpage for the Office of Climate Action & Sustainability ( <a href="http://www.cityofsacramento.org/climateaction">www.cityofsacramento.org/climateaction</a> ). The webpage includes quarterly reports on the 2021 Climate Implementation Work Plan, an outline of the City's climate policy, links to sustainability initiatives, upcoming events, and materials from public meetings. The Office of Climate Action & Sustainability staff are working with the Green Team and GIS staff to develop internal employee resources for sustainability projects, including a 'hub' of sustainability-related mapping tools. Staff will continue to outline internal resources.



Awareness of and Compliance with Sustainable Policies, Procedures, and Plans Could Be Strengthened	22	Conduct internal outreach efforts to improve awareness of and facilitate further reductions in paper consumption.	Not Started	Internal education will be evaluated with the various departments, divisions, and staff members responsible for procurement. The draft of the recently updated Sustainable Purchasing Policy includes clarifications on paper consumption.
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.	Started	The Fleet Management Division previously prepared draft updates to the Fleet Idling Policy, which was pending approval. Since then, the Fleet Manager worked with the Clerk's Office to complete updates to the policy and to integrate relevant Fleet policies in a combined Transportation Policy, which is now pending approval. The Fleet Management Division also completed the installation of Samsara telematic devices on the City's light-duty fleet and is in the process of installing telematic devices on the heavy-duty fleet by the end of the first quarter of 2022.
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 currently being reviewed by the Office of Climate Action & Sustainability.
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.	Partly Implemented	The Sustainable Purchasing Policy (SPP) has been updated to include compliance with Senate Bill (SB) 1383. The K2 Pre-Requisition and eCAPS Purchase Order tracking sections are being updated to capture additional information on City purchases that may be affected by the SPP and SB 1383 requirements. Once communication from City management goes out regarding these requirements, the Procurement Division will roll out tracking and reporting procedures Citywide.

Awareness of and Compliance with Sustainable Policies, Procedures, and Plans Could Be Strengthened	26	Consider working with applicable City vendors to implement website controls that encourage more sustainable purchases.	Started	The Procurement Division is researching ways to promote sustainable products through some of the Citywide accounts that use online platforms (such as Staples and Amazon).
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## Vendor Management

Finding	#	Recommendation	Status	Update
A Centralized Process for Receiving Grant Applications and Aggregating Funding Data Could Improve the City's Grants Management Practices	19	Develop a centralized process for receiving grant applications and aggregating funding data.	Started	The City entered into two contracts in December 2021 to develop and implement a grants management solution.

## Vendor Audit of the Roberts Family Development Center

Finding	#	Recommendation	Status	Update
RFDC's Financial Recordkeeping System is Disorganized and Contains Significant Material Weaknesses	4	Document the specific source of funds for which the State's debt will be paid and ensure restricted program funds and grants are not utilized to make the debt payments.	Partly Implemented	According to RFDC, fundraising and unrestricted sources of income have been designated to pay the settlement with the State of California. Based on reports provided by the RFDC bookkeeper, RFDC made sufficient unrestricted and fundraising income to make the payments to the State of California during this reporting period.
RFDC Should Develop A Robust System of Internal Controls to Safeguard Charitable Assets, Prevent Loss, and Ensure the Reliability of Financial Records	8	Develop internal policies and procedures based on best practices.	Partly Implemented	RFDC has implemented the Fiscal Policy and Procedure Manual and is in the process of developing additional policies and procedures for other key functions.

RFDC Should Develop A Robust System of Internal Controls to Safeguard Charitable Assets, Prevent Loss, and Ensure the Reliability of Financial Records	12	Ensure completion of registration requirements with the California Attorney General's Registry of Charitable Trusts and other state and federal agencies in a timely manner.	Implemented	RFDC is now in compliance with registration requirements of the Internal Revenue Service, California Attorney General's Office, and California Franchise Tax Board.
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## Audit of Cannabis Dispensary Permitting

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.	Started	The Office of Cannabis Management (OCM) has contracted with Economic & Planning Systems (EPS) to perform a comprehensive cannabis study. The study is intended to inform public policy pertaining to land use, fiscal/economic, and other regulatory/policy topics. Based on the results of the study, OCM will conduct a series of workshops at the Law & Legislation Committee to obtain Council direction in developing policy that meets the recommendation.
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	2	In conjunction with the City Attorney's Office, seek direction from City Council to determine whether both existing and new cannabis storefront dispensary owners must comply with City Code provision 5.150.355 that states: "No person who has an ownership interest in a storefront cannabis dispensary shall obtain an ownership interest in any other storefront cannabis dispensary" and clarify the City's expectation on how the code provision will be enforced.	Partly Implemented	The Office of Cannabis Management (OCM) has contracted with Economic & Planning Systems (EPS) to perform a comprehensive cannabis study. The study is intended to inform public policy pertaining to land use, fiscal/economic, and other regulatory/policy topics. Based on the results of the study, OCM will conduct a series of workshops at the Law & Legislation Committee to obtain Council direction in developing policy that meets the recommendation.

<p>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</p>	<p>3</p>	<p>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.</p>	<p>Partly Implemented</p>	<p>The Office of Cannabis Management (OCM) has contracted with Economic &amp; Planning Systems (EPS) to perform a comprehensive cannabis study. The study is intended to inform public policy pertaining to land use, fiscal/economic, and other regulatory/policy topics. Based on the results of the study, OCM will conduct a series of workshops at the Law &amp; Legislation Committee to obtain Council direction in developing policy that meets the recommendation.</p>
<p>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</p>	<p>4</p>	<p>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.</p>	<p>Started</p>	<p>The Office of Cannabis Management (OCM) has contracted with Economic &amp; Planning Systems (EPS) to perform a comprehensive cannabis study. The study is intended to inform public policy pertaining to land use, fiscal/economic, and other regulatory/policy topics. Based on the results of the study, OCM will conduct a series of workshops at the Law &amp; Legislation Committee to obtain Council direction in developing cannabis policy. Policies and procedures will likely need to be revised as a result of changes to cannabis policy.</p> <p>Additionally, the City Auditor has scheduled a continuous review of OCM's cannabis permitting process, which is scheduled to take place in 2022-23. The continuous review will examine the adequacy of internal controls over permit application and renewal.</p>

Determining Beneficial Ownership is Critical to Enforcing Ownership Restrictions in the City's Cannabis Regulations	5	Incorporate researching beneficial ownership into existing operations and provide training to staff on how to conduct this research or hire an outside consultant to conduct this work on the City's behalf.	Partly Implemented	The Office of Cannabis Management (OCM) has contracted with Economic & Planning Systems (EPS) to perform a comprehensive cannabis study. The study is intended to inform public policy pertaining to land use, fiscal/economic, and other regulatory/policy topics. Based on the results of the study, OCM will conduct a series of workshops at the Law & Legislation Committee to obtain Council direction in developing policy that meets the recommendation.
Measured Expansion in the Number of Dispensary Permits Would be Consistent with Municipal Best Practices	6	Perform an economic analysis following the addition of the 10 permits to determine local cannabis dispensary market demand and whether the 40 dispensaries is a sufficient number of permits.	Started	Although 10 individuals have been awarded an opportunity to apply for a storefront dispensary, none of these individuals has formally applied for a BOP or become operational.

## Continuous Cannabis Monitoring

Finding	#	Recommendation	Status	Update
The Office of Cannabis Management Could Enhance Their Policymaking Process to Ensure New Policies are Effective at Addressing Identified Issues.	1	Enhance the current policymaking process by standardizing and documenting the approach to policy formulation and policy implementation.	Started	OCM is continuing to work to expand its current written policies regarding policy formulation and implementation.
The Office of Cannabis Management Could Enhance Their Policymaking Process to Ensure New Policies are Effective at Addressing Identified Issues.	2	Develop a formal process for policy evaluation that considers whether the policy achieved its intended objectives and identifies unintended consequences.	Not Started	No progress made in the current period. OCM disagrees with this recommendation and will not take steps toward implementation.

<p>The Office of Cannabis Management Could Better Meet Their Stated Objectives by Providing More Focused Education and Increasing Community Outreach Activities</p>	<p>3</p>	<p>Proactively assess the educational needs of the local cannabis industry to identify any gaps and provide focused training programs that support business compliance.</p>	<p>Implemented</p>	<p>OCM has continued to engage cannabis industry stakeholders through monthly stakeholder meetings. These meetings often include presentations and regulatory updates. At a recent stakeholder meeting in January 13, 2022, presentations from the Police Department, Fire Department and Code Enforcement Division were provided on relevant topics. OCM held an on-site consumption workshop in December 2021, based on industry interest. OCM continues to request suggestions for supplemental education from the cannabis industry at monthly stakeholder meetings.</p>
<p>The Office of Cannabis Management Could Better Meet Their Stated Objectives by Providing More Focused Education and Increasing Community Outreach Activities</p>	<p>4</p>	<p>Increase its youth education and community outreach efforts to better meet its stated objective.</p>	<p>Partly Implemented</p>	<p>PRO Youth and Families (PRO Youth) is currently partnering with the City of Sacramento to implement #SacYouthWorks: Futures (#Futures), a positive youth development program that incorporates underage marijuana use prevention and education and work-based learning. #Futures builds on the City of Sacramento’s successful #SacYouthWorks program launched in July 2020 as a response to COVID-19, as well as the SCCY’s Future Forward campaign - a local underage marijuana use prevention and education campaign developed and designed in partnership with our community’s youth.</p>

## Diversity of City Applicants

Finding	#	Recommendation	Status	Update
Inconsistencies in How Hired Applicants are Captured in Both NeoGov and eCAPS Creates an Analytical Limitation	1	Establish controls that would require City departments to utilize NeoGov for all vacancies and recruitments so NeoGov contains complete recruitment, applicant, and hire information.	Partly Implemented	According to the Human Resources Department, Youth Aide recruitments were traditionally held outside of NeoGov using paper applications by the Youth, Parks, and Community Enrichment Department. Youth Aides transitioned into NeoGov as a hybrid recruitment with the December 2021 posting for the Spring 2022 program. As a compromise, both NeoGov and paper applications were accepted. NeoGov is able to report the majority of the Youth Aide applicant and hire information - 182 NeoGov applications and 28 paper applications were received. Once Youth Aide paper applications are no longer accepted and 100% of applications are received in NeoGov, all recruitments will be utilized in NeoGov, with the exception of executive recruitments conducted by consultants.
Inconsistencies in How Hired Applicants are Captured in Both NeoGov and eCAPS Creates an Analytical Limitation	2	Establish processes to add a common unique identifier, such as the eCAPS employee ID of hired applicants, in NeoGov so that the hired applicants in NeoGov can easily be traced into the City's eCAPS.	Implemented	Beginning July 1, 2021, a new field for eCAPS IDs was added to the applicant master profile settings in NeoGov. A report is run bi-weekly to capture recent hires/re-hires (actions which require a NeoGov application), promotions/demotions and transfers (actions which require an application for the majority of situations) is used to manually enter those employees' eCAPS ID into their NeoGov master profile.