

EXHIBIT A – CITY AUDITOR ANNUAL WORKPLAN FOR FY 2019/20

Whistleblower Hotline Investigations

City Auditor anticipates that approximately 25 percent of the Office’s resources will be used throughout the year to manage and investigate whistleblower hotline activity.

Performance Audit Division

Priority 1 Audits Carried Over from Last Year’s Workplan

Priority 1: An Audit of the Community Development Department, Code Enforcement Division

The Code Enforcement Division promotes and maintains a safe and desirable living and working environment in the City through enforcement of City and State codes. Programs and services include neighborhood and business code compliance, graffiti abatement, weed abatement, substandard/dangerous and vacant buildings, and rental housing inspection. This audit would review compliance with applicable laws and regulations, evaluate efficiency of enforcement operations, and assess the complaint resolution process.

Priority 1: An Audit of the Animal Care Services Division

With a budget of just over \$5.8 million in FY2018/19, the City’s Animal Care Services Division provides animal care services including sheltering, adoption, community outreach, code enforcement, and abuse investigations. In addition, Animal Care Services operates a robust volunteer program that includes both in-shelter volunteers and foster-care volunteers. This audit would assess compliance with applicable laws and evaluate shelter practices aimed at protecting the health, safety and welfare of shelter animals, staff, volunteers, and the public.

Priority 1: An Audit of Recycling and Solid Waste (\$100,000)

With an adopted budget of over \$55 million in FY17/18, the Recycling and Solid Waste Division is responsible for recycling and refuse collection, yard waste collection, household hazardous waste collection, household junk pickup, street sweeping, illegal dumping cleanup, and landfill post-closure maintenance and monitoring. This audit would evaluate the efficiency and effectiveness of recycling and solid waste operations.

The City Auditor has self-identified a potential conflict of interest in performing an audit of the Recycling and Solid Waste Division. Out of an abundance of caution, mitigating factors may need to be put into place to alleviate potential impairments related to this audit subject.

Priority 1: An Audit of Fire Department Emergency Medical Services (EMS)

The City Auditor’s Office completed an audit of Fire Department Overtime Use in February 2017. Included in this report was the identification of Fire Departments EMS as an area of audit interest. An Audit of Fire Department EMS would evaluate the service delivery costs, revenues, and general operations to determine if adequate controls are in place to ensure efficient and effective performance.

Additional Audits Proposed for FY 2019/20

Priority 1: An Audit of the Department of Information Technology

The Information Technology (IT) Department manages a full range of information technology and related services for all City Departments and the public. These IT systems, infrastructure, and information range from

relatively simple to extremely complex. This audit would evaluate whether IT controls protect City assets, ensure data integrity, and are aligned with the City's overall goals.

Priority 1: An Audit of the City's Green Efforts

The City of Sacramento has been a supporter of advancing green technologies and encouraging the adoption of green practices. As a result, over the last several years, the City of Sacramento has made significant investments to "go green" such as converting 20 percent of the City's vehicles to alternative fuel, broader City-wide use of LED lighting, and installation of solar panels at various City facilities. This audit will assess the City's overall greening efforts. In addition, this audit will identify additional opportunities for the City's investment in green technologies that will further advance our City's greening efforts.

Priority 1: An Audit of the Public Works Maintenance Services Division

The Public Works Maintenance Services Division, with an annual budget of just over \$20 million, is responsible for maintenance of roads and bridges, sidewalks, curbs, gutters, and streetscapes, tree health and maintenance, and right-of-way coordination. This audit would primarily seek to evaluate the efficiency of street maintenance operations and identify opportunities for improvement.

Priority 1: An Audit of the Police Department Office of Investigations

With an annual budget of just over \$30 million, the Police Department Office of Investigations is responsible for developing information leading to the arrest of criminal offenders. This office also oversees forensics, evidence and property, and records. This audit would evaluate the efficiency and effectiveness of key areas in this division.

Priority 1: An Audit of the Department of Youth, Parks, and Community Enrichment's Park Operations

In 2017, the Office of the City Auditor performed a department-wide risk assessment of the Youth, Parks, and Community Enrichment Department. Park operations was identified as areas that could benefit from further review and analysis. This audit would assess park operations to identify areas for improvement.

If, during the course of the year, the City Council requests an audit of an area not listed on the approved workplan, the City Auditor may forward the request to the Budget and Audit Committee for consideration and approval.

Audits That We Would Like to Perform, But Lack the Resources Necessary to Complete

Priority 2: An Audit of the Office of Cannabis Policy and Enforcement (\$100,000)

The Office of Cannabis Policy and Enforcement was formally established in 2017 and is responsible for the development and implementation of the City's cannabis related policies and regulations. This audit would evaluate the extent to which the Office of Cannabis Policy and Enforcement accomplishes its mission as this new and developing industry continues to mature.

Priority 2: An Audit of the Community Development Department, Building Division (\$100,000)

During the economic downturn, the Community Development Department experienced a significant decrease in building related activities. As the region's economic condition begins to improve, building activities have increased. An audit of the Building Division would assess current building permitting processes to improve the customer experience and to identify opportunities for further streamlining.

Priority 2: An Audit of the Department of Utilities Security and Emergency Preparedness (\$100,000)

The Department of Utilities (DOU) provides and maintains water, wastewater, and storm drainage services and facilities for City ratepayers. These services are crucial to safeguard the health and safety of the public. The department's Security and Emergency Preparedness Unit was created to protect DOU employees and facilities and to better prepare DOU to respond to different types of emergencies, including natural disasters. This audit would review security protocols and assess the department's ability to respond to emergencies in a safe, efficient, and effective manner.

Priority 2: An Audit of City Grants Management (\$75,000)

The City provides grants to various entities that provide services to Sacramento residents. This audit would assess overall grant program management in areas such as awarding grants, monitoring grantees, and program performance and reporting.

Priority 2: An Audit of the Accounting Division (\$75,000)

The Accounting Division is primarily responsible for processing payments to the City's employees and vendors, reviewing and recording financial transactions, providing oversight for the system of internal controls to safeguard City assets and preparing annual financial statements. This audit would assess compliance with applicable laws, regulations, and City policies.

Research & Analysis Division

Contracted Projects

Citywide Innovation and Efficiency Assessment

This assessment will review citywide operations to identify improvements in efficiency, economy, and customer service levels through a detailed review of service levels, administrative and operational policies and procedures, internal controls, staffing levels, organizational structure, and consideration of industry best practices.

2020 City of Sacramento Citizen Survey

The City Auditor's Office released the first City of Sacramento Citizen Survey in September 2018. The City Council expressed the desire to conduct this survey on an annual basis to gather resident opinions across a range of community issues, including the quality of the community and City-provided services. This project may be used to prioritize community issues and services that respondents feel need the most improvement. Repeating this survey annually will allow the City to identify trends and gauge whether policy changes and priorities are improving residents' quality of life and their opinions regarding various issues and City services.

Review of the Department of Utilities Storm Drainage Fund

According to the Finance Department's *Fiscal Year 2018/19 Approved Budget*, the Storm Drainage Fund "continues to rely on the use of reserves to cover expenditures that exceed revenues. Pursuant to Proposition 218, a voter-approved ballot measure is required to increase rates, which will be necessary in the near future to sustain operational, capital, and regulatory requirements as fund reserves are diminishing." This review will analyze revenues and expenditures in the Storm Drainage Fund and forecast future revenues based on various scenarios, including potential increases in Storm Drainage fees.

In-House Projects

Risk Assessment of the City's Revenue Sources

A risk assessment is a process of evaluating potential risks and assessing whether there is an adequate system of internal controls in place to address the risks that are inherent to the entity's operations. This assessment will identify potential risks and controls in place that impact the City's various revenue sources. A risk assessment of the City's revenue sources would be used by the Office of the City Auditor to help identify, measure, and prioritize areas to conduct further analysis and research based on the level of risk to the City.

Analysis of the City's Financial Condition

The analysis will review the fiscal sustainability and financial condition of the City of Sacramento by analyzing trends in the City's financial data over a 10-year period. The analysis will include calculating financial ratios and benchmarking with other similar-sized cities.

2019 Diversity Assessment of Boards, Committees, and Commissions

The Auditor's Office released the first Diversity Assessment of Boards, Committees, and Commissions in April 2017. The City Council expressed a desire to regularly report on the gender and ethnic diversity of City board, committee, and commission members.

Ethics Commission Assessment

The City Auditor will perform an annual assessment of the Compliance Officer's ability to meet the deliverables established by the City Council. This may include an assessment of the processes and policies established by the Officer, validation of the Officer's Performance measures, and a review of the impact of the services provided by the Officer. The City Auditor will also work to determine how best to coordinate the exchange of information related to complaints and whistleblower activity that are brought to the attention of either office.

Review of the Sacramento Community Police Review Commission

The Sacramento Community Police Review Commission provides a venue for community participation in reviewing police department policies, practices, and procedures. This commission is tasked with monitoring the implementation, evaluation, and sustainability of city policing initiatives and programs. The City Auditor will perform a review of semiannual and quarterly reports by the commission and report to the council on whether the commission is meeting the Council's expectations.

Other Projects and Reports from the Office of the City Auditor

Quarterly Activity Reports

The City Auditor will forward to the Budget and Audit Committee quarterly reports describing the status of audit assignments and the progress the Office is making toward completing them.

Whistleblower Hotline Activity Reports

On a semiannual basis, the City Auditor will report on the status of the City's Whistleblower Hotline activity and results.

Recommendation Follow-up Progress Reports

On a semiannual basis, the City Auditor will report on the status of audit recommendations.