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- R4. *The recommendation has been implemented.* Please refer to CPS activities related to the Title IV-E Waiver, FPRRS funding opportunity and on-going monthly meetings with service providers referenced in response to Finding 4 above.
- R5. *The recommendation has not yet been implemented, but will be implemented in the future.* Not enough time has passed since the passage of CCR legislation to develop an analytical model that compares the cost effectiveness of the alternative models. Sacramento County CPS cannot develop service models independent of the regulations set forth by the State of California.
- R6. *The recommendation has been implemented.* CPS has begun transitioning the Recruiters/Trainers away from non-recruitment activities as well as utilizing staff throughout the department to help with recruitment

2. Strengthening the Internal Audit Functions of Sacramento County

REASON FOR INVESTIGATION

The 2017-2018 Sacramento County Grand Jury conducted an investigation of Sacramento County's internal audit process. The focus was on "best practices" which could be incorporated into Sacramento County operations.

2017-2018 FINDINGS

- F1. The Sacramento County Internal Audit Unit lacks the necessary independence to perform operational audits and report their findings directly to the Board of Supervisors.
- F2. Sacramento County lacks a process for independent outside operational audits.
- F3. There is a lack of public transparency in the current audit process.
- F4. Current staffing levels are not at maximum strength and are not sufficient to undertake an increased role in performing internal operational audits.
- F5. Sacramento County currently lacks staff in the audit section with the breadth of experience or broader education to also process operational audits, in addition to financial audits.
- F6. Audit reports that are available to the public are often written to address specific accounting and legal needs and are not readily understandable to the public.
- F7. The Audit Committee is comprised of department heads.
- F8. The Internal Audit Unit, as well as the Department of Finance as a whole, are understaffed in IT support.

2017-2018 RECOMMENDATIONS

- R1. Create an elected position of County Auditor. Remove the Internal Audit Unit from the Department of Finance, eliminating unnecessary levels of supervision.
- R2. Emphasize independent operational audits to review processes and procedures. Emphasize Risk Assessment Modeling to develop operational audits and scheduling.
- R3. Establish a strong mission statement and objectives for the Internal Audit Unit. The County should work to improve its website and to support it.
- R4. Staffing increases are necessary to also undertake operational audit workloads.
- R5. Hire and retain staff with a wide breadth of education and experience that they can bring to operational and process audits.
- R6. Make all reports more transparent to the public, particularly the readability and accessibility of completed operational and performance audits.
- R7. Maintain and expand the Audit Committee to include one or two members of the Board of Supervisors. The Board should also consider appointing members of the public to the Audit Committee.
- R8. Improve information technology support for the Internal Audit Unit and the Department of Finance.
- R9. The County Auditor should be a permanent member of the COMPASS Steering Committee.

2017-2018 RESPONSES

The Sacramento County Executive provided responses to the finding and recommendations noted above on September 11, 2018. The Sacramento County Board of Supervisors agrees with all responses made by the County Executive.

The 2018-2019 Sacramento County Grand Jury notes that the required responses are in compliance with PC Section 933 and PC Section 933.05.

The Sacramento County Executive reported the following actions:

- R1. *The recommendation will not be implemented because it is not reasonable* for the County to create an elected Auditor position. In 1996, the voters of Sacramento County approved Measure C which changed the County Charter to remove the County Auditor from the elected list of county officers. In addition, Measure C revised the County Charter to consolidate the offices of Auditor and Treasurer into the newly created office of the Director of Finance, which is an appointed position.