February 25, 2021

U.S. Government Accountability Office (GAO)
Aaron Livernois LivernoisA@gao.gov
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RE: GAO Equity Alert

Dear Aaron Livernois and Matt Zaun,

Per your request, the Diversity, Equity, and Inclusion (DEI) Committee of the Association of Local Government Auditors is providing views on equity in government programs. These views are from the local government audit perspective. Below is information collected through the course of our work on 1) definitions of equity in government services, 2) examples of how local governments provide equity, and 3) how local government auditors assess equity. Should you have any questions regarding our letter, please do not hesitate to reach out.

Definitions of equity in government services:

- Equity is a “proactive approach to improve outcomes for all, free from historical bias or favoritism that recognizes structural differences and burdens,” Association of Local Government Auditors (link)
- Equity means that “policy-making, service delivery, and distribution of resources account for the different histories, challenges, and needs of the residents,” City of San Antonio Office of Equity Budget Equity Tool, (attachment)
- Equity is the process of “developing, strengthening, and supporting policies and procedures that distribute and prioritize resources to those who have been historically and currently marginalized,” Washington State Office of Equity (link)
- “Equity means each person has the resources and services to thrive, such that racial and socioeconomic disparities are eliminated and outcomes improve for all. Different from equality, equity accounts for the unique identities, circumstances, and histories of different people as well as different experiences with institutions and systems. Racial equity occurs when people are thriving and race cannot be used to predict outcomes,” City of Dallas Office of Equity Budgeting for Equity (attachment)
- Equity is “when everyone can reach their highest level of health and potential for a successful life, regardless of their background and identity. Equity is when everyone has what they need to be successful, while equality is treating everyone the same. Equality seeks to promote fairness, but it can only work if everyone starts from the
same place and needs the same help,” *City of Long Beach Equity Toolkit for City Leaders and Staff* (attachment)

- Racial equity is realized when race can no longer be used to predict life outcomes, and outcomes for all groups are improved. Racial inequities are rooted in public policies that were explicitly created to discriminate against black, indigenous, and people of color (BIPOC) in all aspects of public and private services and programs, *GARE Director Gordon Goodwin* ([link](https://example.com))

- Social equity is “the active commitment to fairness, justice, and equality in the formation of policy, distribution of services, implementation of policy, and management of all institutions serving the public directly or by contract,” *Linking Social Equity and Performance Measurement: A Practitioner’s Roadmap (University of Colorado – Denver, 2017)* (attachment)

**Examples of how local governments provide equity:**

- Government Alliance on Race & Equity (GARE) strategies for governments ([link](https://example.com))
  - Use a racial equity framework
  - Build organizational capacity
  - Implement racial equity tools
  - Be data-driven
  - Partner with institutions and communities
  - Operate with urgency and accountability

- Developing and implementing budgets, policies, capital projects, and programs that distribute resources to communities

- Engaging or partnering with communities to shape these policies and programs to meet needs of diverse groups

- Providing leadership and tone at the top

- Using inclusive language (attachment)

- Translating reports into languages spoken by members of the local community to increase access for residents with limited English proficiency

**How local government auditors assess equity:**

- DEI Committee ideas (attachment)
Consider the benefits and burdens different community groups may experience within the audit area and use that to help identify aspects to look at more closely.

- Think about disaggregating data by race, gender, income, ability, geography, and other social groups to illuminate differences.

- Conduct interviews or focus groups with individuals most impacted by the audit area and incorporate these perspectives to develop more robust audit findings and recommendations.

- Considering DEI in a stakeholder analysis (attachment).

- Examples from ALGA member audit shops:
  - County of Milwaukee’s Office of the Comptroller focused on the racial and gender equity of the county government’s workforce. The audit reviewed data from the past 10 years and provided analysis to policymakers and hiring managers as they worked on new strategic goals regarding racial equity. The audit identified a wide disparity in staffing by race and gender within certain functional areas and agencies of the county government when compared to recent census figures. It also uncovered disparities when comparing the average salary of racial groups to that of the county government workforce overall. In addition, auditors looked at the county’s separation rate compared to the Bureau of Labor Statistics’ average rate for state and local governments. They found that involuntary separations were higher for Black and Hispanic or Latinx employees than the county average.
  - City of Chicago’s Office of Inspector General focused on the administration of the city’s Juvenile Intervention and Support Center. This audit compared the Juvenile Intervention and Support Center to best practices for law enforcement-based youth diversion and evaluated the center’s effectiveness. The audit found inequities in how center arrestees were diverted from further involvement in the justice system. In particular, the center used a tool that recommends case disposition for juveniles arrested based on prior arrest history and their current charge; however, processing detectives are given wide latitude when determining disposition. In addition, they overrode the tool’s recommendation 25 percent of the time. The audit found these overrides were disproportionately related to race and gender in some areas, which may raise concerns about possible inequities.
  - City and County of Denver’s Neighborhood Sidewalk Repair Program. This audit looked at not only how efficient and effective the program is but how equitably it serves Denver residents. The audit found that neither the program design nor its implementation ensured that sidewalk repairs must be
done in compliance with Americans with Disabilities Act standards for safe and accessible sidewalks. The audit also found the program failed to consider equal access to affordability options for homeowners, who are required to pay for repairs to the sidewalks adjacent to their property. Denver offers affordability assistance for sidewalk repairs only to homeowners in the current program region — meaning homeowners elsewhere in the city who must repair damaged or hazardous sidewalks are not eligible for financial assistance.

- **Nashville’s internal audit of local elections operations** looked at the Davidson County Election Commission’s controls for ensuring the integrity and fairness of local elections. Auditors found that while the county does generally have controls to ensure the integrity of metro-area elections, the county could improve how it assigns poll workers to ensure compliance with state law. Poll workers assigned to each precinct must be from different political parties and “as nearly as practicable, poll worker assignments should reflect a balance of political parties to reduce the risk of perceived unfairness.” Auditors observed that of 32 randomly selected precincts in the local 2019 general election, two precincts did not have poll workers from different political parties. Auditors recommended the county election commission implement procedures to evaluate precinct needs and better assign poll workers based on their party affiliation.

- **City of Portland, Oregon’s report on equity in construction contracting**. This audit focused on evaluating Portland’s initiative to ensure equity goals were being appropriately met. Specifically, this audit used available data sources to analyze demographic information about construction contractors and subcontractors to determine whether key outcomes for the contracting equity programs were met. The audit found that while the program had improved some equity outcomes under the city’s initiative, it was generally mismanaged and underfunded.

Portland has also audited **recreational cannabis tax** and found that greater transparency and accountability was needed. Specifically, this audit looked at whether revenue from the city’s voter-approved recreational cannabis tax was being used and administered as intended under a 2016 ballot measure. Auditors looked at the issue through an equity lens in that the recreational cannabis tax was promoted as something that would benefit and support people and cannabis business owners who were adversely impacted when cannabis was illegal.

- **City of Edmonton, Alberta’s review on their strategies for affordable housing**. This audit looked at how effective the strategies were at meeting...
the city’s goals for its affordable housing programs. One of those goals is creating neighborhood diversity and inclusion. One strategy the city employs is to work with developers to encourage affordable housing units in new condominium developments. The City Auditor reviewed this strategy and found it ineffective in increasing neighborhood diversity. Namely, they found most of the condominium developments that used the program were in only one part of the city.

- City of Fayetteville, North Carolina’s audit on code violation enforcement and collections. This audit looked at whether code enforcement penalties and abatement costs were properly and completely applied in accordance with city and state laws and policies. Auditors found the city’s written policies and procedures were not all-inclusive, which caused inconsistent enforcement of code violations. In some instances, enforcement and collections were at the discretion of employees. Auditors noted that “when code enforcement cases are not enforced consistently, practices can be perceived as unfair by the public and the risk of preferential treatment without detection exists.” Auditors also found enforcement processes were not always in line with city ordinance or the city’s adopted fee schedule, which they warned could result in “practices that are not equitable.”

- Austin, Texas’ Office of the City Auditor that looked at the city’s community policing efforts. Austin’s police department has improved its community policing since 2016, yet auditors found mixed results in reviewing how the Austin Police Department’s work had affected officers’ relationship with residents. In attempting to assess the effectiveness of these efforts in the community, auditors noted mixed results from employee and community surveys and from observing community engagement. Performance measures also saw mixed outcomes — such as crime rates falling between 2016 and 2018, but residents’ satisfaction with police services also declined. Auditors wrote: “One possible reason why the results of APD’s community policing efforts have been mixed is that community policing efforts address issues of culture, trust, and confidence both within APD and between APD and the public. Recent issues suggest there are deeply rooted challenges APD must face to create a department-wide culture that is fair, impartial, and procedurally just, which APD states it is aiming for in its community policing policy.” Those “recent issues,” auditors said, include reports of racist and sexist behavior within the Austin Police Department and a fear of retaliation for speaking out. In addition, a 2020 report from the Office of Police Oversight that found people of color in Austin face traffic stops at disproportionately higher rates.
Another Austin audit compared Austin’s response to mental health-related incidents based on ride-a-long observations to nationally recognized best practices and benchmark cities. The audit “found that training could be improved for certified mental health officers and these officers were not always dispatched or available to lead the response for mental health-related calls, which increased by 95% over the last decade. As a result of our work, the City changed its dispatch and response model, which should positively affect our community.”

- City of Seattle’s Office of City Auditor. Auditors looked at how well Seattle manages its contracts for homeless services. They found some deficiencies in how quickly contracts were executed and the level of oversight for contract monitoring. They also found inequities in how the city assesses the vulnerability of people receiving homeless services. In 2019, Seattle spent about $50 million on contracts for a variety of homeless services — including shelters, outreach, hygiene services, homelessness prevention and diversion, and housing programs. The city’s Human Services Department contracts for these services and provides oversight of the contracts and the service providers’ performance. Auditors identified several findings related to diversity, equity, and inclusion. For example, the vulnerability assessment tool used by both the city and King County to prioritize people for housing programs is not accurately measuring the vulnerability for some — particularly people of color, refugees, and immigrants. Some of these individuals may be less willing to share personal information. This results in inaccurately lowering their vulnerability scores and reduces their opportunities to get stable housing. Seattle’s Office of City Auditor concluded that the use of this assessment tool increases racial disparities in homelessness and results in prioritizing white people over others for some homeless housing programs. Auditors also reported that the city’s homelessness information database does not have a field for tribal affiliations. Tribal affiliations are a key element of Native individuals’ identity. Some federal benefits are also tied to tribal affiliations. Moreover, service providers said there are not enough homeless services focused specifically on serving African Americans, even though they are significantly overrepresented in the population of people experiencing homelessness. They noted people experiencing homelessness have improved outcomes when they receive services that are culturally appropriate for them and delivered by people to which they can more easily relate.

Another Seattle audit reviewed hate crime prevention, response, and reporting by conducting a survey of community organizations to better understand the services being provided to victims of hate crimes to inform policy makers about
what additional support the City could provide. In addition, a consultant identified the areas where hate crimes were more often committed.

- City of Chicago Office of Inspector General. Its **audit of housing quality inspections managed by the Chicago Low-Income Housing Trust Fund** found subsidized units were not up to local safety standards. Chicago’s Low-Income Housing Trust Fund is a city-funded nonprofit organization that, among other duties, subsidizes housing units for the city’s poorest residents — tenants earning 30 percent or less of area median income. For this audit, the Office of Inspector General identified 601 separate buildings across 53 community areas and 41 wards with active contracts under the Rental Subsidy Program during the year under audit, 2017. Auditors found that “the Trust Fund did not ensure that all properties participating in the (Rental Subsidy Program) met its standards for safe, sound, and secure housing.” Some properties failed to meet their annual health and safety requirements. The Trust Fund also “allowed properties with longstanding Chicago Building Code violations to remain in the program, including properties with serious housing quality deficiencies.”

- City of Gainesville, Florida’s recent **audit of its affirmative action-related hiring practices**. Among other objectives, this audit analyzed hiring outcomes for several general government and regional utilities jobs where there was a defined hiring goal under the city’s voluntary Affirmative Action Plan. The audit notes Gainesville’s Affirmative Action Plan “analyzes workforce race and gender designations and develops placement goals” to address gaps where women and people of color are found to be underrepresented. Auditors sampled 24 of 298 job postings for 2017 and 2018 that had an identified affirmative action goal. The audit includes detailed analyses that offer transparency on the hiring for each vacancy within the sample of 24, including the total number of applicants for each opening, the applicants’ breakdown by gender and ethnicity, and the demographics of the candidate ultimately selected. The audit found the city “continues to operate in good faith to uphold the mission set forth by its policy statements.” It also recommended some improvements, however, including that the city’s Office of Equal Opportunity implement a periodic review of Affirmative Action Plan hiring goals and that it establishes data governance practices to eliminate dependence on existing staff’s institutional knowledge.

- Berkeley City Auditor’s **report on the domestic violence policy and response efforts** for City of Berkeley employees. This audit looked at how well the city’s policy reflects state requirements, how well the city addresses issues of domestic violence in the workplace, and whether the city is prepared to
implement a supportive response policy. The audit notes that, nationally, one in four women and one in seven men have experienced severe violence by an intimate partner in their lifetime and that the risks of domestic violence are higher for people of color and people who identify as LGBTQ+ or nonbinary gender. “A comprehensive response for employees experiencing domestic violence can improve their wellbeing and help employees stay safe,” the audit states, and auditors found “Berkeley is a step ahead of many other workplaces in having developed a stand-alone leave policy in January 2019 to help employees experiencing domestic violence get the support they need. However, we are concerned that supervisors are not trained to comply with the policy and employees do not know about the options for assistance available to them.”

- City of Sacramento, California’s “Gender and Ethnic Diversity Dashboard.” Sacramento’s Office of the City Auditor recently published the dashboard as a “new and innovative way to analyze the city’s diversity” beyond the office’s existing efforts of annually analyzing city employees’ gender and ethnic diversity and also assessing the diversity, equity, and inclusion of the city’s boards, committees, and commissions every two years. “The City of Sacramento’s Office of the City Auditor worked with the Information Technology Department to create a public dashboard to review the gender and ethnic diversity of City employees. The dashboard... consists of interactive figures and charts that allow users to filter the data to analyze the gender and ethnic diversity of City employees by filter categories such as department, gender, ethnicity, age group, tenure group, education, full-time/part-time status, and job position. The dashboard analyzes the annual salary of City employees as well, allowing users to analyze any salary differences between City employees.

- Toronto’s Auditor General in Ontario, Canada: “Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing.” This audit looked at the centralized wait list for rent-g geared-to-income (RGI) housing assistance in Toronto. Among the audit objectives, auditors looked at whether applicants for RGI assistance were getting timely and equitable access so that those with the greatest need were efficiently served.

- City of Minneapolis’ data analytics consultation on “Equity in Police Recruiting.” This consultation brought together Minneapolis’ Internal Audit Department with the city’s Police Department, Civil Rights Office of Police Conduct Review, Human Resources, and its Information Technology Data & Analytics Services. The agencies worked together to evaluate existing police recruiting data, identify gaps in the data or potentially inequitable processes, and propose solutions to
ensure the city’s efforts are equitable in recruiting police officers. Through data analysis, the report identified some disparities along gender and racial lines and recommended solutions. For example, the audit team found gender disparities existed in the results of the fitness tests that recruits take, in part because recruits had the same pass/fail criteria regardless of age or gender.

- City of San Diego, California’s Office of the City Auditor’s report – "Performance Audit of City Employee Pay Equity." The auditors found “that for full-time City of San Diego employees, average compensation varies greatly across demographic groups. Before any statistical controls are applied, for example, female City employees earn on average about 83 cents for every $1 earned by males; this ratio is similar to the figures reported nationally by the U.S. Census. For non-white employees, the ratio is approximately 80 cents for every $1 earned by white employees. Once they statistically control for important differences between workers —including type of work, age, and years of service— much of the earnings gap declines, but auditors still find some gaps by gender and race/ethnicity for several groups of City employees. The largest gaps were along gender lines and were mostly explained by differences in the amount of overtime worked.”

- City of Philadelphia Office of the Controller’s audit "The Effectiveness of and Compliance with Sexual Harassment Policies and Procedures," evaluated the City’s compliance with its stated sexual harassment policies and assessed the policies’ effectiveness by reviewing documented sexual harassment allegations, interviewing staff involved in the reporting process, and comparing the policy to best practices. Specifically, the report references the U.S. Environmental Protection Agency’s Order 4711 as a best practice.

We hope these examples are useful as you look at equity and we are encouraged by your interest in this work.

Thanks and best,

Madison Rorschach, ALGA DEI Committee Chair