



Memorandum

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for December, 2010*
DATE: January 11, 2011

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for December, 2010.

SUMMARY OF RESULTS

Charter Section 8.05(e) requires the City Auditor to submit a monthly report to the City Council of our activities, findings, and recommendations. This report summarizes reports issued, other activities, assignments in process, and the status of the City Auditor's Fiscal Year 2010-11 Work Plan during the month of December, 2010.

Audit Reports Issued During the Month of December:

- 1. Annual External Financial Audits as of June 30, 2010** – Macias, Gini & O'Connell LLP conducted the annual financial audits of the City, Redevelopment Agency, Retirement, Airport, Hayes Mansion, Convention and Cultural Facilities, Clean Water Financing Authority, and Deferred Compensation. The reports have been or will be presented to the City Council or to the relevant committee, and are online at <http://www.sanjoseca.gov/auditor/External.asp>
- 2. Police Management** – The Mayor's June Budget Message for Fiscal Year 2010-11 directed the Auditor's Office to identify opportunities for efficiencies and consolidation in the Police Department that would maximize the number of officers on patrol, including four proposals by Councilmember Constant. Our report made eight recommendations and was accepted at the December 16, 2010 meeting of the Public Safety, Finance and Strategic Support Committee and is scheduled for the January 11, 2011 City Council Meeting.
- 3. Annual Audits of Bond & Parcel Tax Measures** – Macias, Gini & O'Connell LLP conducted the annual financial audits of Library Bonds and Library Parcel Taxes. The reports were presented to the Library's citizen oversight committee. Audits of Parks Bonds and Public Safety Bonds will be completed in January. All four reports will be presented at a City Council meeting TBD.

Other Activities During the Month of December:

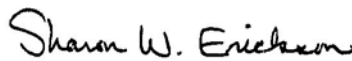
- City Auditor staff members led an all-day training session as part of a reciprocal agreement with the County of Santa Clara to provide no-cost training to each other's respective employees.
- City Auditor staff hosted staff members from the City of Oakland Auditor's Office to meet regarding police staffing issues.
- City Auditor staff presented the Pension Sustainability audit (issued September 2010) to City employees at the Central Service Yard.

Assignments in Process:

1. **Service Efforts and Accomplishments (SEA) Report** – Third annual report providing data about the cost, quality, quantity, and timeliness of City services. The purpose of SEA reporting is to strengthen public accountability and help improve government efficiency and effectiveness. It incorporates existing performance measurement data, showing five-year historical trends, a variety of comparisons to other cities, and the results of resident surveys.
Project Status: Report Writing in process.
Anticipated Release Date: Scheduled for the January 11, 2011 City Council meeting.
2. **Disability Retirements** – To assess potential factors leading to a high disability retirement rate in the City of San Jose.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
3. **Personnel Costs** – Review of labor costs, including overtime, premium pay, step increase, and leave costs.
Project Status: Preliminary Survey completed and Risk Assessment in process.
Anticipated Release Date: TBD.

Information on the status of the City Auditor's FY 2010-11 Work Plan is attached. On behalf of the Auditor's Office, I would like to express my appreciation to City staff for their cooperation and assistance during our reviews.

Respectfully submitted,



Sharon W. Erickson
City Auditor

SE:bh

Attachment: Status of the City Auditor's FY 2010-11 Work Plan

**Status of the City Auditor's FY 2010-11 Work Plan¹
as of December, 2010**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date²
Assignments Completed					
Police Management	Completed	Completed	Completed	Completed	December 2010
Annual External Financial Audit	N/A	N/A	Completed	Completed	December 2010
2009-10 Annual Performance Audit of Team San Jose, Inc.	Completed	Completed	Completed	Completed	November 2010
Audit recommendation status report as of 6/30/10	N/A	N/A	Completed	Completed	October 2010
Take-home Vehicles	Completed	Completed	Completed	Completed	October 2010
Airport Concessions	Completed	Completed	Completed	Completed	October 2010
Pension Sustainability	Completed	Completed	Completed	Completed	September 2010
Procurement Card Transactions	Completed	Completed	Completed	Completed	September 2010
Review of the City's Investment Program as of 12/31/09	N/A	N/A	Completed	Completed	August 2010
Assignments In Process					
Review of the City's Investment Program as of 6/30/10	N/A	N/A	In Process	In Process	January 2011
Annual Audits of Bond & Parcel Tax Measures	N/A	N/A	In Process	In Process	January 2011
Service Efforts and Accomplishments (SEA) Report	N/A	N/A	In Process	In Process	January 2011
Disability Retirements	Completed	Completed	In Process		
Personnel Costs	Completed	In Process			
Assignments Not Yet Started					
Housing Programs					
Second Annual Financial Scan of CBOs					
Santa Clara County Cities Association					
Supplemental Military Pay Calculations and Processing					
Recovery Act Funding					
Audit Recommendation Status Report as of 12/31/10					
Traffic Citation Revenue					
Police Department Secondary Employment					
Fire Department Performance Measures					
Form 700 Filers					
City Open Purchase Orders for Office Supplies					
Information Technology General Controls					
Cardroom Oversight					
Redevelopment Agency Development Agreements					

¹ The approved work plan is on the web at www.sanjoseca.gov/auditor/workplan.asp

² Projected Issuance Dates are usually six weeks after Report Writing is completed to accommodate exit conferences, draft report revisions and a three week allowance for the administration to prepare a written response. For the Assignments Completed, the date shown is the actual month of report issuance.