



Memorandum

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for January 2011*
DATE: February 8, 2011

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for January 2011.

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 January 2011.

Audit Reports Issued During the Month of January:

- 1. Service Efforts and Accomplishments (SEA) Report** – We issued our 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. The report was presented at the January 11, 2011 City Council meeting. Copies were distributed at the January 29, 2011 City of San Jose Neighborhood Association/Youth Commission 2011-12 Priority Setting session.
- 2. Annual Audits of Bond & Parcel Tax Measures (Parks and Recreation Bond Projects Fund)** – Macias, Gini & O'Connell LLP completed the annual financial audit of Park Bonds. The audit was presented to the Park Bonds Oversight Committee on January 19, 2011. The audits of Library Bonds and Library Parcel Taxes were completed in December 2010. The Public Safety Bonds audit will be completed in February. All four reports are tentatively scheduled to be presented at the March 1, 2011 City Council meeting.

Other Activities During the Month of January:

- The City Auditor and staff presented the Pension Sustainability Audit (issued September 2010) to Department of Transportation managers and supervisors.

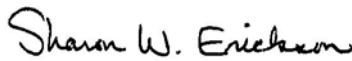
- The City Auditor and staff began a series of presentations to senior staff summarizing performance measures in select City Service Areas from the 2009-10 Service Efforts and Accomplishments Report.

Assignments in Process:

- 1. 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.
- 2. Personnel Costs** – Review of labor costs, including overtime, premium pay, step increase, and leave costs.
Project Status: Field work in process.
Anticipated Release Date: TBD.
- 3. <NEW> Second Annual Financial Scan of CBOs** - – Review and analysis of the annual financial statements submitted by outside organizations receiving more than \$250,000 in City funding in FY 2010-11 that will summarize key financial data, findings of the agencies' external auditors, and percent of funding from the City.
Project Status: Fieldwork in process.
Anticipated Release Date: March 2011.
- 4. <NEW> Santa Clara County Cities Association** (annual review at the request of the Association's Board) – Review of expenditures and controls for the year ending June 30, 2010.
Project Status: Fieldwork in process.
Anticipated Release Date: March 2011.
- 5. <NEW> Supplemental Military Pay** – The City of San Jose provides eligible City employees called to active military duty with supplemental salary, health and dental insurance, and retirement contributions. The purpose of this audit is to identify ways to streamline the process.
Project Status: An entrance conference was held and Preliminary Survey is 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 January, 2011**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date²
Assignments Completed					
Service Efforts and Accomplishments (SEA) Report	N/A	N/A	Completed	Completed	January 2011
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	February 2011
Annual Audits of Bond & Parcel Tax Measures	N/A	N/A	Completed	In Process	February 2011
Second Annual Financial Scan of CBOs	N/A	N/A	In Process		March 2011
Santa Clara County Cities Association	N/A	N/A	In Process		March 2011
Disability Retirements	Completed	Completed	In Process		
Personnel Costs	Completed	Completed	In Process		
Supplemental Military Pay Calculations and Processing	In Process				
Assignments Not Yet Started					
Housing Programs					
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.