

TO: RULES AND OPEN GOVERNMENT COMMITTEE
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for October 2009*
DATE: November 12, 2009

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for October 2009.

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 2009-10 Work Plan during the month of October 2009.

Audit Reports Issued During the Month of October:

- 1. Audit of Animal Care and Services** – We reviewed the cost-recovery status of fees and charges, including the cost-recovery of services provided to other jurisdictions. We made eleven recommendations and presented the report at the October 15, 2009 meeting of the PSFSS Committee. It was accepted at the October 27, 2009 City council meeting.
- 2. Semi-Annual Follow-Up Report On All Outstanding Audit Recommendations For The Six Months Ended June 30, 2009** – The report gave the status of the 92 recommendations outstanding from all previous audit reports, including the 23 new recommendations made since our last semi-annual report. During this reporting period, 34 recommendations were fully implemented. We presented the report at the October 15, 2009 Public Safety, Finance and Strategic Support Committee Meeting. It was accepted at the November 3, 2009 City Council Meeting.

Assignments in Process:

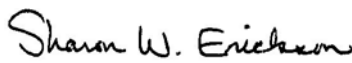
- 1. Audit of the City's Management of Federal Recovery Act Funds – Review of First Quarterly Reports** - This report (Phase II) will assess whether the City met the Recovery Act's transparency and accountability requirements for quarterly reporting.
Project Status: A preliminary draft was issued for comment
Anticipated Release Date: November 2009.

- 2. Semi-Annual Compliance Review of the City's Investment Program** – Macias, Gini, & O'Connell is conducting the audit as of June 30, 2009.
Project Status: Report writing in process.
Anticipated Release Date: November 2009.
- 3. Annual External Financial Audit and Single Audit as of June 30, 2009** – Macias, Gini, & O'Connell is conducting the annual audit of the City financial transactions.
Project Status: Report writing in process.
Anticipated Release Date: November (CAFR), December (Single Audit).
- 4. Audit of Pensionable Time Reporting ("Retirement Rolls")** – To review time reporting and payroll processes that impact pension rates and pensionable hours, City earnings codes and their governance, and the administrative process for determining pensionable amounts and pensionable hours.
Project Status: A final draft has been issued for comment.
Anticipated Release Date: December 2009.
- 5. Annual Audits of the Branch Library Bond Projects Fund, Parks and Recreation Bond Projects Fund, Library Parcel Tax, Special Revenue Fund, and the Public Safety Bond Project Fund** – Macias, Gini, & O'Connell is conducting these audits as of June 30, 2009.
Project Status: Report writing in process.
Anticipated Release Date: December 2009.
- 6. Service Efforts and Accomplishments (SEA) Report** – Second 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: Fieldwork in Process.
Anticipated Release Date: December/January
- 7. Police Sworn/Non-Sworn Staffing** – To assess the efficiency and effectiveness of current deployment of sworn versus non-sworn Police Department employees. This review follows up on a recommendation raised in the January 2008 Management Partners report.
Project Status: Report writing in process. We are holding bi-weekly progress meetings with the Police Department and City Manager staff.
Anticipated Release Date: January 2010.
- 8. Decentralized Cash Handling** – Revenue in the form of cash, checks, and credit cards is collected throughout the City at many locations. The audit will identify strategies and processes to increase accountability where cash handling is currently decentralized.
Project Status: Fieldwork nearly complete.
Anticipated Release Date: January 2010.

- 9. Redevelopment Agency DDA** – An audit of the loan agreement between the Redevelopment Agency and Legacy Partners for the 117-unit Museum Park multiple housing development
Project Status: Fieldwork in process.
Anticipated Release Date: January 2010
- 10. Annual Review of Team San Jose** – Annual review to determine whether TSJ met its performance metrics and all key requirements in the Management Agreement as of June 30, 2009.
Project Status: Report writing in process.
Anticipated Release Date: January 2010.
- 11. Review of Community Center Staffing** – We are assessing the efficiency and effectiveness of community center staffing.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 12. Audits of Major Contracts – Airport Parking Management Agreement.** This audit is the first in a series of audits of large contracts to confirm that the City is getting the service that it is paying for and the revenues to which it is entitled.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.

Information on the status of the City Auditor's FY 2009-10 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 2009-10 Work Plan

**Status of the City Auditor's FY 2009-10 Work Plan¹
as of October 30, 2009**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ²
Assignments Completed					
Animal Care and Services	Completed	Completed	Completed	Completed	October 2009
Semi-annual Audit Recommendation Status Reports For the 6 Months Ended June 30, 2009	N/A	N/A	Completed	Completed	October 2009
Park Trust Fund Administration	Completed	Completed	Completed	Completed	September 2009
Service Efforts and Accomplishments Follow-Up	N/A	N/A	Completed	Completed	September 2009
Assignments In Process					
Recovery Act Funds - First Quarterly Reports	N/A	N/A	Completed	In Process	November 2009
Compliance Review of the City's Investment Program	N/A	N/A	Completed	In Process	November 2009
Annual External Financial Audit and Single Audit	N/A	N/A	Completed	In Process	Nov/Dec 2009
Pensionable Time Reporting ("Retirement Rolls")	Completed	Completed	Completed	In Process	December 2009
Annual Audits of Library Bond Project Fund, Parks and Recreation Bond Project Fund, Library Parcel Tax Revenue Fund, and Public Safety Bond Project Fund	N/A	N/A	Completed	In Process	December 2009
Annual Service Efforts and Accomplishments 2008-09	N/A	N/A	In Process		Dec 09/Jan 10
Police Sworn/Non-Sworn Staffing Ratios	Completed	Completed	Completed	In Process	January 2010
Decentralized Cash Handling	Completed	Completed	In Process		January 2010
Redevelopment DDAs – Museum Park	Completed	Completed	In Process		January 2010
Annual Review of Team San Jose	N/A	N/A	Completed	In Process	January 2010
Review of Community Center Staffing	Completed	Completed	In Process		
Major City Contracts – Airport Parking Mgmt Agreement	Completed	Completed	In Process		
Assignments Not Yet Started					
Information Technology General Controls					
Take-home Vehicles					
Traffic Citation Revenue					
Pension and Retiree Medical Costs					
Community Code Enforcement					
DOT Sewer Line Cleaning Program					
Financial Scan of Community-based Organizations					
Personnel Costs					
Contract Documentation and Insurance					
Procurement Card Transactions					
Affordable Housing Fee Exemptions					
Disability Retirements					
Police Secondary Employment					
Biennial Peer Review					
Card Room Oversight					
Audits of Community-based Organizations TBD					
Semi-annual Audit Recommendation Status Reports For the 6 Months Ended December 31, 2009.					
Other Major City Contracts					

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.