



Memorandum

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for September 2011*
DATE: October 12, 2011

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for September 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 2011-12 Work Plan during the month of September 2011.

Other Activities During the Month of September:

- The City Auditor participated in a panel at the local meeting of the Institute of Internal Auditors regarding measuring audit effectiveness, and participated in a panel at the Washington, D.C. Governing Summit on the cost of government.

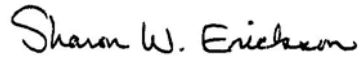
Assignments in Process:

- 1. Airport Level of Service Performance Measures** – Accuracy and reporting of current level of service indicators for police and fire services at the airport.
Project Status: Report writing in process.
Anticipated Release Date: Scheduled for the October 20, 2011 meeting of the Public Safety, Finance and Strategic Support Committee.
- 2. Form 700 Filers** – About 1,400 city employees and others are required to file Statements of Economic Interests. The purpose of our review is to verify compliance with report submission requirements.
Project Status: Report writing in process.
Anticipated Release Date: November 2011.

- 3. Citywide Open Purchase Order For Office Supplies** – This is one in a series of audits of large contracts designed to confirm that the City is getting the service that it is paying for and/or the revenues to which it is entitled.
Project Status: Report writing in process.
Anticipated Release Date: November/December 2011.
- 4. Police Department Secondary Employment** – To assess the cost and effectiveness of the program.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 5. Team San Jose Convention Center Performance and Convention Visitors Bureau (CVB) Activities** – The purpose of our annual convention center review is to determine whether Team San Jose met its performance metrics and other key requirements in the management agreement between the City and Team San Jose for the fiscal year ended June 30, 2011. We are also reviewing the cost and services provided through the CVB agreement between the City and Team San Jose.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 6. Information Technology General Controls** – The City’s reliance on computer systems for its key business systems and resource reductions in the Information Technology Department require additional audit emphasis in this area.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 7. Fire Department Performance Measures** – The City Auditor reports on City government performance through the annual *Service Efforts and Accomplishments Report*. In September 2009, the office issued *Performance Management and Reporting in San Jose: A Proposal for Improvement* including recommendations to improve data quality. This project will assess the accuracy and reporting of selected performance measures in the Fire Department.
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD.
- 8. Environmental Services Department Funding and Staffing** – Staffing and management audit of ESD, with special focus on how ratepayer funds are used.
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD.
- 9. Water Pollution Control Plant Rehabilitation** – Review of opportunities to reduce the cost of the project, expedite the project, and create savings for ratepayers.
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD.

Information on the status of the City Auditor's FY 2011-12 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 2011-12 Work Plan

**Status of the City Auditor's FY 2011-12 Work Plan¹
as of September, 2011**

| | Preliminary Survey | Risk Assessment | Audit Field Work | Report Writing | Projected Issuance Date ² |
|---|--------------------|-----------------|------------------|----------------|--------------------------------------|
| Assignments Completed | | | | | |
| Traffic Citation Revenue | Completed | Completed | Completed | Completed | August 2011 |
| Recovery Act Funding | Completed | Completed | Completed | Completed | August 2011 |
| Assignments In Process | | | | | |
| Airport Service Level Performance Measures | Completed | Completed | Completed | In Process | October 2011 |
| Recommendation Follow-up Report (June 30, 2011) | — | — | Completed | In Process | October 2011 |
| Form 700 Filers | Completed | Completed | Completed | In Process | November 2011 |
| City Open Purchase Orders for Office Supplies | Completed | Completed | Completed | In Process | Nov/Dec 2011 |
| Police Department Secondary Employment | Completed | Completed | In Process | | |
| Information Technology General Controls | Completed | Completed | In Process | | |
| Team San Jose Convention and CVB Activities | — | — | In Process | | |
| External Audit and Single Audit | — | — | In Process | | |
| Annual Audits of Bond and Parcel Tax Measure | — | — | In Process | | |
| Semi-annual Compliance Reviews of City's Investment Program | — | — | In Process | | |
| Fire Department Performance Measures | In Process | | | | |
| Environmental Services Department Funding and Staffing | In Process | | | | |
| Water Pollution Control Plan Rehabilitation | In Process | | | | |
| Assignments Not Yet Started | | | | | |
| Annual Service Efforts and Accomplishments | | | | | |
| Annual Financial Scan of CBOs | | | | | |
| Fire Department Disability Rates | | | | | |
| Consulting Agreements | | | | | |
| Overhead Reimbursements | | | | | |
| Cardroom Oversight | | | | | |
| Fire Prevention | | | | | |
| Coordination of External Audit Work | | | | | |
| Impact of Staffing Reductions | | | | | |
| Deferred Compensation | | | | | |
| Santa Clara County Cities Association | | | | | |
| Housing Programs | | | | | |
| Recommendation Follow-up Report (December 31, 2011) | | | | | |

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.