

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for September 2012*
DATE: October 9, 2012

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for September 2012.

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 2012-13 Work Plan during the month of September 2012.

Reports Issued During the Month of September:

- 1. Fire Department Injuries** – The report evaluated workplace injuries and assessed the timeliness of treatment and recovery (follow-up to previous disability retirement and workers' compensation audit reports). The report made 15 recommendations and is scheduled to be presented at the October 18, 2012 Public Safety, Finance and Strategic Support (PSFSS) Committee meeting.
- 2. Semi-Annual Follow-up Report On All Outstanding Audit Recommendations For the Six Months Ended June 30, 2012** – The report gave the status of the 205 recommendations outstanding from all previous audit reports, including the 53 new recommendations made since our last semi-annual report. During this reporting period, 30 recommendations became fully implemented. The report was accepted at the September 20, 2012 Public Safety, Finance and Strategic Support (PSFSS) Committee meeting.

Activities During the Month of September:

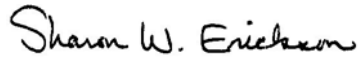
- The City Council directed the City Auditor to prioritize and add an audit of the Airport Taxi Dispatch System and Services Model to the 2012-13 Audit Workplan.
- Linh Vuong joined the Office of the City Auditor as a Program Performance Auditor.

Assignments in Process:

- 1. Impact of Staffing Reductions** – The impact of voluntary separations, layoffs, and bumping on the City’s capacity to effectively manage its operations, including the loss of employees with special or technical competence.
Project Status: Report writing in process.
Anticipated Release Date: November 2012.
- 2. Fire Prevention** – Causes and impacts of reported low compliance with state inspection requirements.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 3. Consulting Agreements** (one in a series of audits reviewing large contracts to confirm that the city is getting the service that it is paying for and/or the revenues to which it is entitled) – Audit of the procurement, monitoring, and payment for consulting agreements.
Project Status: Initiated audit; preliminary survey in process.
Anticipated Release Date: TBD.
- 4. Deferred Compensation** – The City maintains deferred compensation plans for its employees. The assets of two plans are held in trust and administered by the Deferred Compensation Advisory Committee. As of June 30, 2011, net assets totaled \$668 million. This audit will focus on handling and crediting of employees’ deferred compensation accounts.
Project Status: Preliminary survey in process.
Anticipated Release Date: TBD.
- 5. Office of Economic Development Performance Measures** (one in a series of on-going projects reviewing the accuracy and reporting of city performance measures) – Review and validation of performance measures for the year ended June 30, 2012.
Project Status: Preliminary survey in process.
Anticipated Release Date: TBD
- 6. Service Efforts and Accomplishments (SEA) Report** – Fifth 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 2012.

Information on the status of the City Auditor's FY 2012-13 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,

A handwritten signature in black ink that reads "Sharon W. Erickson". The signature is written in a cursive style with a large initial 'S'.

Sharon W. Erickson
City Auditor

SE:bh

Status of the City Auditor's FY 2012-13 Work Plan

**Status of the City Auditor's FY 2012-13 Work Plan¹
as of September, 2012**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ²
Assignments Completed					
Fire Department Injuries (disability rates)	Completed	Completed	Completed	Completed	September 2012
Recommendation Follow-Up For 6 Months Ended June 30, 2012	N/A	N/A	Completed	Completed	September 2012
Environmental Services Department	Completed	Completed	Completed	Completed	August 2012
Assignments In Process					
Impact of Staffing Reductions	Completed	Completed	Completed	In Process	November 2012
Annual Audits of Bond and Parcel Tax Measure	—	—	In Process		
Semi-annual Compliance Reviews of City's Investment Program	—	—	In Process		
External Audit and Single Audit	—	—	In Process		
Fire Prevention	Completed	Completed	In Process		
5 th Annual Service Efforts and Accomplishments	—	—	In Process		
Deferred Compensation	In Process				
Office of Economic Development Performance Measures	In Process				
Consulting Agreements	In Process				
Assignments Not Yet Started					
Annual Review of Team San Jose Performance					
Airport Taxi Dispatch and Services Model <<ADDED>>					
Overview of San Jose's Civil Service System					
Housing Programs					
Santa Clara County Cities Association					
Water Pollution Control Plant Asset Management & Maintenance					
Library Hours and Staffing					
Community Code Enforcement					
Graffiti Abatement					
Revenue Management					
Water Pollution Control Plant Master Agreements					
Overhead Reimbursements					
Travel Expenditures					

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.