

**TO:** Public Safety, Finance and Strategic Support Committee  
**FROM:** Sharon W. Erickson, City Auditor  
**SUBJECT:** *Monthly Report of Activities for January 2013*  
**DATE:** February 13, 2013

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## RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for January 2013.

## 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 January 2013.

### Reports Issued During the Month of January:

- 1. Annual Review of Team San Jose Convention Center Performance** – The purpose of our annual convention center review was 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, 2012. The report was presented at the January 17, 2013 meeting of the Public Safety, Finance and Strategic Support Committee, and the February 12, 2013 City Council meeting.

### Activities During the Month of January:

- Presented the *Audit of the Neighborhood Security Bond Projects Fund* for the year ended June 30, 2012 to the Citizen Oversight Committee.
- Distributed nearly 100 copies of the *Service Efforts and Accomplishments Report 2011-12* at the January 26, 2013 Community Priority Setting Session.

### Assignments in Process:

- 1. 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. This audit focuses on handling and crediting of employees' deferred compensation accounts.

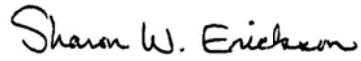
**Project Status:** Report writing in process.

**Anticipated Release Date:** February 2013.

- 2. 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:** Report writing in process.  
**Anticipated Release Date:** February 2013.
- 3. Fire Prevention** – Audit of fire prevention activities, including the causes and impacts of reported low compliance with state inspection requirements.  
**Project Status:** Report writing in process.  
**Anticipated Release Date:** April 2013.
- 4. 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:** Fieldwork in process.  
**Anticipated Release Date:** TBD.
- 5. Graffiti Abatement** – Assess the efficiency and effectiveness of outsourced graffiti abatement services.  
**Project Status:** Fieldwork in process.  
**Anticipated Release Date:** TBD.
- 6. Airport Taxi Dispatch and Service Model** – Audit of the existing service model, the Taxi San Jose contract, and of the effectiveness and impact of the current permit allocation.  
**Project Status:** Preliminary survey in process.  
**Anticipated Release Date:** TBD.
- 7. Housing Programs** – The elimination of tax increment funding has dramatically impacted the City’s housing programs. This initial focus of this audit is the housing loan portfolio that remains in the City’s control. Revenue from the \$769 million loan portfolio is forecasted to generate \$12 million in proceeds in FY 2012-13.  
**Project Status:** Preliminary survey in process.  
**Anticipated Release Date:** TBD.
- 8. Water Pollution Control Plant’s Master Agreements** – Audit of master agreements for engineering services related to capital improvement projects at the Plant.  
**Project Status:** Preliminary survey in process.  
**Anticipated Release Date:** TBD.

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,



Sharon W. Erickson  
City Auditor

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

**Status of the City Auditor's FY 2012-13 Work Plan<sup>1</sup>  
as of January 2013**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date <sup>2</sup>
<b>Assignments Completed</b>					
Annual Review of Team San Jose Performance	—	—	Completed	Completed	January 2013
5 <sup>th</sup> Annual Service Efforts and Accomplishments	—	—	Completed	Completed	December 2012
Impact of Staffing Reductions	Completed	Completed	Completed	Completed	November 2012
External Financial Audits	—	—	Completed	Completed	November 2012
Annual Audits of Bond and Parcel Tax Measures	—	—	Completed	Completed	November 2012
Semi-annual Compliance Reviews of City's Investment Program	—	—	Completed	Completed	November 2012
Fire Department Injuries (disability rates)	Completed	Completed	Completed	Completed	September 2012
Recommendation Follow-Up For 6 Months Ended 6-30-12	N/A	N/A	Completed	Completed	September 2012
Environmental Services Department	Completed	Completed	Completed	Completed	August 2012
<b>Assignments In Process</b>					
Single Audit and Management Letter	—	—	Completed	In Process	February 2013
Deferred Compensation	Completed	Completed	Completed	In Process	February 2013
Office of Economic Development Performance Measures	Completed	Completed	Completed	In Process	February 2013
Recommendation Follow-Up For 6 Months Ended 12-31-12	N/A	N/A	In Process	In Process	March 2013
Fire Prevention	Completed	Completed	Completed	In Process	April 2013
Consulting Agreements	Completed	Completed	In Process		
Graffiti Abatement	Completed	Completed	In Process		
Airport Taxi Dispatch and Service Model	In Process				
Housing Programs	In Process				
Water Pollution Control Plant Master Agreements	In Process				
<b>Assignments Not Yet Started</b>					
Overhead Reimbursements					
Santa Clara County Cities Association					
Library Hours and Staffing					
Community Code Enforcement					
Revenue Management					
Water Pollution Control Plant Asset Management & Maintenance					
Overview of San Jose's Civil Service System					
Travel Expenditures					

<sup>1</sup> The approved work plan is on the web at [www.sanjoseca.gov/auditor/workplan.asp](http://www.sanjoseca.gov/auditor/workplan.asp)

<sup>2</sup> 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.