

**TO:** Public Safety, Finance and Strategic Support Committee  
**FROM:** Sharon W. Erickson, City Auditor  
**SUBJECT:** *Monthly Report of Activities for September 2013*  
**DATE:** October 8, 2013

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## RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of September 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 2013-14 Work Plan during the month of September 2013.

### Reports Issued During the Month of September:

- 1. Semi-Annual Follow-up Report On All Outstanding Audit Recommendations For the Six Months Ended June 30, 2013** – The report gave the status of the 240 recommendations outstanding from all previous audit reports, including the 32 new recommendations made since our last semi-annual report. During this reporting period, 20 recommendations became fully implemented. The report was accepted at the September 19, 2012 Public Safety, Finance and Strategic Support (PSFSS) Committee meeting and is on the agenda of the October 8, 2013 City Council meeting.

### Activities During the Month of September:

- The City Auditor and Staff led a discussion regarding the audit recommendation follow-up process at a meeting of the Issues Working Group (IWG).
- Presented the following audits at the September 10, 2013 meeting of the City Council: 1) *Consulting Agreements: Better Enforcement of Procurement Rules, Monitoring, and Transparency is Needed* and 2) *Regional Wastewater Facility Master Agreements: New Procedures and Better Contract Management Needed*

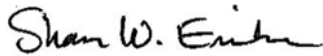
### Assignments in Process:

- 1. Annual Review of Team San Jose (TSJ) Performance** – Annual review to determine whether TSJ met its performance metrics for the fiscal year ended June 30, 2013.  
**Project Status:** Report writing completed.  
**Anticipated Release Date:** October 2013.

2. **Travel Expenditures** – Routine audit of employee travel expenditures for appropriateness and compliance with City policies and procedures.  
**Project Status:** Report writing in process.  
**Anticipated Release Date:** November 2013.
3. **Overhead Cost Allocation** – Review the calculation and allocation of indirect or overhead costs among various City funds.  
**Project Status:** Report writing in process.  
**Anticipated Release Date:** November 2013.
4. **Community Code Enforcement** – Assess the efficiency and effectiveness of operations and consequences of staffing reductions.  
**Project Status:** Report writing in process.  
**Anticipated Release Date:** November 2013.
5. **Library Hours and Staffing** – Assess the impact of budget reductions on Library hours and staffing, and identify opportunities to increase the efficiency and effectiveness of scheduling and staffing.  
**Project Status:** Fieldwork in process.  
**Anticipated Release Date:** TBD.
6. **Housing Loan Portfolio** – Evaluation of the housing loan portfolio, including the efficiency and effectiveness of loan repayment, compliance monitoring, and administration.  
**Project Status:** Fieldwork in process.  
**Anticipated Release Date:** TBD.

Information on the status of the City Auditor's FY 2013-14 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 2013-14 Work Plan<sup>1</sup>  
as of September 2013**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date <sup>2</sup>
<b>Assignments Completed</b>					
Recommendation Follow-Up For 6 Months Ended 6-30-13	N/A	N/A	Completed	Completed	September 2013
<b>Assignments In Process</b>					
Annual Review of Team San Jose Performance	N/A	N/A	Completed	In Process	October 2013
Travel Expenditures	Completed	Completed	Completed	In Process	November 2013
Overhead Cost Allocation	Completed	Completed	Completed	In Process	November 2013
Community Code Enforcement	Completed	Completed	Completed	In Process	November 2013
Library Hours and Staffing	Completed	Completed	In Process		
Housing Loan Portfolio	Completed	Completed	In Process		
External Financial Audits	N/A	N/A	In Process		
Semi-Annual Reviews of the City's Investment Program	N/A	N/A	In Process		
Annual Audits of Bond and Parcel Tax Measures	N/A	N/A	In Process		
Single Audit and Management Letter	N/A	N/A	In Process		
<b>Assignments Not Yet Started</b>					
Biennial Peer Review					
Children's Health Initiative					
6 <sup>th</sup> Annual Service Efforts and Accomplishments					
Performance Measure Review					
Senior Advisory Council Funds					
Fund Balance and Reserve Policies					
Revenue Management					
Regional Wastewater Facility Maintenance					
Santa Clara County Cities Association					
Development Center Application and Permitting Process					
Public Works Facility Maintenance					
Customer Call Handling					
Procurement Card Usage					
Stormwater Management					

<sup>1</sup> The approved work plan is on the web at <http://www.sanjoseca.gov/DocumentCenter/View/20155>

<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.