

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for December 2013*
DATE: January 8, 2014

RECOMMENDATION

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

Reports Issued During the Month of December:

1. **Travel Expenditures** – We audited employee travel expenditures for appropriateness and compliance with City policies and procedures. Our report made 13 recommendations and was accepted at the December 19, 2013 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee.
2. **Service Efforts and Accomplishments (SEA) Report** – We issued our sixth 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 ten-year historical trends, a variety of comparisons to other cities, and the results of resident surveys. The report will be presented at the January 14, 2014 meeting of the City Council.
3. **Annual audits of voter-approved bond and parcel tax measures as of June 30, 2013 (contracted audit service)** – Macias, Gini & O'Connell LLP conducted the annual financial audits of Branch Library Bond Projects Fund, the Parks and Recreation Bond Projects Fund, the Library Parcel Tax Special Revenue Fund, and the Public Safety Bond Projects Fund. The City Auditor's Office facilitated and helped to coordinate these audits, all of which were issued. The Library parcel tax and bond measure audits were presented at the December 18, 2013 Citizens Oversight Committee meeting; the Parks and Recreation bond audit was presented at the December 4, 2013 Citizens Oversight Committee meeting; and Public Safety bond project audits was presented at the December 18, 2013 Citizens Oversight Committee meeting. The reports can be found on-line at: <http://www.sanjoseca.gov/index.aspx?NID=323>.

Assignments in Process:

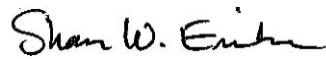
- 1. Library Hours and Staffing** – Assess the impact of budget reductions on Library hours and staffing, and identify opportunities to increase the efficiency and effectiveness of scheduling and staffing.
Project Status: Report writing in process.
Anticipated Release Date: February 2014.

- 2. 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.

- 3. Children’s Health Initiative** – Per the June Budget message, determine whether the City fund spend since 2001 on administrative expense and outreach efforts were spent on political outreach or in support of organizations or individuals who are engaged in any activities other than providing health insurance to children.
Project Status: Preliminary Survey 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

SE:bh

Status of the City Auditor’s FY 2013-14 Work Plan

**Status of the City Auditor's FY 2013-14 Work Plan¹
as of December 2013**

| | Preliminary Survey | Risk Assessment | Audit Field Work | Report Writing | Projected Issuance Date ² |
|---|--------------------|-----------------|------------------|----------------|--------------------------------------|
| Assignments Completed | | | | | |
| Employee Travel Expenditures | Completed | Completed | Completed | In Process | December 2013 |
| Annual Audits of Bond and Parcel Tax Measures | N/A | N/A | Completed | In Process | December 2013 |
| 6 th Annual Service Efforts and Accomplishments | N/A | N/A | Completed | In Process | December 2013 |
| Single Audit and Management Letter | N/A | N/A | Completed | In Process | December 2013 |
| Biennial Peer Review | N/A | N/A | Completed | Completed | November 2013 |
| Overhead Cost Allocation | Completed | Completed | Completed | Completed | November 2013 |
| External Financial Audits | N/A | N/A | Completed | In Process | November 2013 |
| Semi-Annual Review of City's Investment Program as of 6/30/13 | N/A | N/A | Completed | In Process | November 2013 |
| Community Code Enforcement | Completed | Completed | Completed | Completed | November 2013 |
| Annual Review of Team San Jose Performance | N/A | N/A | Completed | Completed | October 2013 |
| Recommendation Follow-Up For 6 Months Ended 6-30-13 | N/A | N/A | Completed | Completed | September 2013 |
| Assignments In Process | | | | | |
| Library Hours and Staffing | Completed | Completed | Completed | In Process | February 2014 |
| Housing Loan Portfolio | Completed | Completed | In Process | | |
| Children's Health Initiative | In Process | | | | |
| Assignments Not Yet Started | | | | | |
| Senior Advisory Council Funds | | | | | |
| Fund Balance and Reserve Policies | | | | | |
| Development Center Application and Permitting Process | | | | | |
| Customer Call Handling | | | | | |
| Public Works Facility Maintenance | | | | | |
| Revenue Management | | | | | |
| Santa Clara County Cities Association | | | | | |
| Procurement Card Usage | | | | | |
| Stormwater Management | | | | | |
| Regional Wastewater Facility Maintenance | | | | | |
| Performance Measure Review | | | | | |

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

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.