

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

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of March 2014.

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 March 2014.

Reports Issued During the Month of March:

- 1. Senior Membership Fee Revenue** – An audit was conducted due to discrepancies discovered at the Southside Community Center. Our report made one recommendation and was presented at the April 3, 2014 meeting of the Senior Advisory Leadership Team, the April 3, 2014 meeting of the Senior Citizens Commission, and is scheduled for the April 17, 2014 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee.
- 2. Library Hours and Staffing** – We assessed the impact of budget reductions on Library hours and staffing, and identified opportunities to increase the efficiency and effectiveness of scheduling and staffing. Our report made 15 recommendations and was accepted at the March 20, 2014 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee.
- 3. Semi-Annual Follow-up Report On All Outstanding Audit Recommendations For the Six Months Ended December 31, 2013** – The report gave the status of the 316 recommendations outstanding from all previous audit reports, including the 96 new recommendations made since our last semi-annual report. During this reporting period, 32 recommendations were closed or became fully implemented. The report was accepted at the March 20, 2014 Public Safety, Finance and Strategic Support (PSFSS) Committee.

Activities During the Month of March:

- Staff member Michael Houston participated in a peer review for Milwaukee County, Wisconsin.
- The Office provided a full day of audit training to other audit organizations in the County as part of a reciprocal program to provide free professional education that meets the requirements of Government Auditing Standards.

Assignments in Process:

- 1. Housing Loan Portfolio** – Evaluation of the housing loan portfolio, including the efficiency and effectiveness of loan repayment, compliance monitoring, and administration.
Project Status: Report writing in process.
Anticipated Release Date: May 2014.

- 2. Cities Association of Santa Clara County** (annual review at the request of the Association's Board) – Review of expenditures and controls for the year ending June 30, 2013.
Project Status: Preliminary Survey in process.
Anticipated Release Date: May 2014.

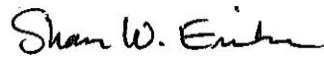
- 3. Revenue Management** – One in a series of audits of City revenues, this audit will focus on the billing and collection of accounts receivable that originate in City departments.
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD.

- 4. Development Center Application and Permitting Process and Wait Times** – Assess the efficiency and effectiveness of the application and permitting processes and wait times.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.

- 5. Customer Call Handling** – Assess the efficiency and effectiveness of customer call handling including the Customer Contact Center and 311.
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

SE:bh

**Status of the City Auditor's FY 2013-14 Work Plan¹
as of March 2014**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date²
Assignments Completed					
Senior Membership Fee Revenue	Completed	Completed	Completed	Completed	March 2014
Library Hours and Staffing	Completed	Completed	Completed	Completed	March 2014
Recommendation Follow-Up For 6 Months Ended 12-31-13	N/A	N/A	Completed	Completed	March 2014
Children's Health Initiative	Completed	Completed	Completed	Completed	February 2014
Employee Travel Expenditures	Completed	Completed	Completed	Completed	December 2013
Annual Audits of Bond and Parcel Tax Measures	N/A	N/A	Completed	Completed	December 2013
6 th Annual Service Efforts and Accomplishments	N/A	N/A	Completed	Completed	December 2013
Single Audit and Management Letter	N/A	N/A	Completed	Completed	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	Completed	November 2013
Semi-Annual Review of City's Investment Program as of 6/30/13	N/A	N/A	Completed	Completed	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
Assignments In Process					
Housing Loan Portfolio	Completed	Completed	Completed	In Process	May 2014
Santa Clara County Cities Association	In Process				May 2014
Development Center Application and Permitting Process	Completed	Completed	In Process		
Customer Call Handling	Completed	Completed	In Process		
Revenue Management	In Process				
Assignments Not Yet Started					
Public Works Facility Maintenance					
Procurement Card Usage					
Fund Balance and Reserve Policies					
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.