

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for May 2014*
DATE: June 10, 2014

RECOMMENDATION

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

Reports Issued During the Month of May:

- 1. Housing Loan Portfolio** – Evaluation of the housing loan portfolio, including the efficiency and effectiveness of loan repayment, compliance monitoring, and administration. Our report made 10 recommendations and was accepted at the May 15, 2014 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee and at the June 3, 2014 meeting of the City Council.
- 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. The report was reviewed during the Association's Executive Board Meeting on May 7, 2014, and was presented at the May 15, 2014 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee.

Activities During the Month of May:

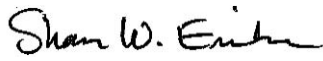
- Several City Auditor's Office staff members attended the Association of Local Government Auditors (ALGA) conference in Tampa, Florida and presented a seminar entitled *Auditing Personnel Processes*.
- A staff member presented our *Audit of Code Enforcement* at a Bay Area Local Government Auditors (BALGA) training event.
- Diego Valiente will be joining the office for the summer as part of the *Stanford in Government* Fellowship Program. He is a junior at Stanford, pursuing a Management Science & Engineering degree and will be assisting with our audit of the Development Services application and permitting process and wait times.

Assignments in Process:

- 1. Accounts Receivable** – 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: Fieldwork in process.
Anticipated Release Date: TBD.
- 2. 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.
- 3. Customer Call Handling** – Assess the efficiency and effectiveness of customer call handling including the Customer Contact Center.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 4. Public Works Facilities Maintenance** – Assessment of the process for prioritizing repair and improvement projects.
Project Status: Risk Assessment in process.
Anticipated Release Date: TBD.
- 5. Procurement Card Usage (biennial review)** – Routine audit of procurement card usage for appropriateness and compliance with City policies.
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 May 2014**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date²
Assignments Completed					
Housing Loan Portfolio	Completed	Completed	Completed	Completed	May 2014
Santa Clara County Cities Association	N/A	N/A	Completed	Completed	May 2014
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					
Development Center Application and Permitting Process	Completed	Completed	In Process		
Customer Call Handling	Completed	Completed	In Process		
Accounts Receivable	Completed	Completed	In Process		
Procurement Card Usage	Completed	Completed	In Process		
Public Works Facility Maintenance	Completed	In Process			
Assignments Not Yet Started					
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.