

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for June and July 2014*
DATE: August 13, 2014

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the months of June and July 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 months of June and July 2014.

Activities During the Months of June and July:

- Adrian Bonifacio joined the office as a Program Performance Auditor I. Before joining the office, he worked as a paralegal in an immigration law firm and completed various internships at human rights and migrant-focused non-profit organizations in Japan and Hong Kong. He holds a Master of Arts degree in Sociology and a Bachelor of Arts degree in International Relations from Stanford University. He will be assisting with the audit of fund balance and reserve policies.

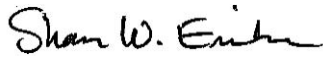
Assignments in Process:

- 1. Customer Call Handling** – Assess the efficiency and effectiveness of customer call handling including the Customer Contact Center.
Project Status: Report writing completed.
Anticipated Release Date: August 2014.
- 2. Procurement Card Usage** – Routine audit of procurement card usage for appropriateness and compliance with City policies.
Project Status: Report writing in process.
Anticipated Release Date: September 2014.
- 3. Development Services Application and Permitting Process** – Assess the efficiency and effectiveness of the application and permitting processes and wait times for single-family residential projects.
Project Status: Report writing in process.
Anticipated Release Date: TBD.

- 4. 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.
- 5. Public Works Facilities Maintenance** – Assessment of the process for prioritizing repair and improvement projects.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 6. Fund Balance and Reserve Policies** – Review and assess the adequacy and appropriateness of ending fund balances and reserves compared to established targets and industry standards. Review the annual accounting to budgetary basis reconciliations of the City’s operating and capital funds to ensure budgetary fund balances are accounted for properly.
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. The City Auditor’s FY 2014-15 work plan was approved by the Rules committee on August 13, 2014. 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 June and July 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					
Customer Call Handling	Completed	Completed	Completed	Completed	August 2014
Recommendation Follow-Up For 6 Months Ended 6-30-14	N/A	N/A	In Process	In Process	September 2014
Procurement Card Usage	Completed	Completed	Completed	In Process	September 2014
Development Center Application and Permitting Process	Completed	Completed	Completed	In Process	
Accounts Receivable	Completed	Completed	In Process		
Public Works Facility Maintenance	Completed	Completed	In Process		
Fund Balance and Reserve Policies	In Process				
Assignments Not Yet Started					
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.

Status of the City Auditor’s FY 2014-15 Work Plan

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ³
Assignments In Process					
Customer Call Handling	Completed	Completed	Completed	Completed	August 2014
Recommendation Follow-Up For 6 Months Ended 6-30-14	N/A	N/A	In Process	In Process	September 2014
Procurement Card Usage	Completed	Completed	Completed	In Process	September 2014
Development Center Application and Permitting Process	Completed	Completed	Completed	In Process	October 2014
Accounts Receivable	Completed	Completed	In Process		October 2014
Public Works Facility Maintenance	Completed	In Process			
Fund Balance and Reserve Policies	In Process				
Assignments Not Yet Started					
Cardroom Tax Revenue					
Curbside Recycling					
Employee Hiring					
Golf Course Fund					
Police Department Recruiting and Hiring					
Police Department Resources Spent at VTA and County Property					
PRNS Cost Recovery Fee Programs					
South Bay Water Recycling					
Street Pavement Maintenance					
Street Sweeping					
Use and coordination of Volunteers					
Workers’ Compensation Utilization Review Service Provider					
Team San Jose Annual Review					
Santa Clara County Cities Association					
Performance Measure Review					

³ 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.