

Memorandum

TO: Rules and Open Government
Committee

FROM: Sharon W. Erickson,
City Auditor

SUBJECT: *Monthly Report of Activities for
January 2015*

DATE: February 12, 2015

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of January 2015.

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 2014-15 Work Plan during the month of January 2015.

Activities During the Month of January:

- The office welcomed CORO Fellow Gregory Earnest, who is assisting with the Employee Hiring audit. Greg is a graduate of Occidental College, with a B.A. in Urban Environmental Policy.
- Presented a summary of audits issued year-to-date and the *Service Efforts and Accomplishments Report 2013-14* to a local community group, Citizens for Fiscal Responsibility.
- Participated in the City Council Study Session, *General Fund Structural Budget Deficit History and Service Restoration Priorities and Strategies*.

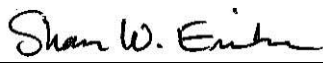
Assignments in Process:

- 1. Performance Measure Review** – Review performance measure methodology sheets for the Housing and Public Works departments.
Project Status: Report writing completed.
Anticipated Release Date: February 2015 (Public Safety, Finance and Strategic Support Committee).
- 2. Street Pavement Maintenance** – Assess the current condition and prioritization of street repair and preventative maintenance.
Project Status: Report writing in process.
Anticipated Release Date: March 2015 (Transportation and Environment Committee).

- 3. Fund Balance and Reserves** – 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: Report writing in process.
Anticipated Release Date: March 2015 (Public Safety, Finance and Strategic Support Committee).
- 4. Semi-Annual Follow-up Report On All Outstanding Audit Recommendations For the Six Months Ended December 31, 2014** – Review and summarize recommendations that have been implemented since our last report, and the agreed-upon course of action for implementing the remaining recommendations.
Project Status: Report writing in process.
Anticipated Release Date: March 2015 (City Council)
- 5. Employee Hiring** – Review the timeliness of the process for prioritizing, recruiting, and hiring new City employees.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD (Public Safety, Finance and Strategic Support Committee).
- 6. Parks, Recreation and Neighborhood Services Department Cost Recovery Fee Programs** – Review the calculation, collection, and cost recovery status of the department’s General Fund Fee Activity Program.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD (Neighborhood Services and Education Committee).
- 7. Curbside Recycling** – Assess the effectiveness of the single-family residential single-stream curbside recycling program, including compliance with contract requirements.
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD (Transportation and Environment Committee).

Information on the status of the City Auditor’s FY 2014-15 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 2014-15 Work Plan¹
as of January 2015**

| | Preliminary Survey | Risk Assessment | Audit Field Work | Report Writing | Projected Issuance Date ² |
|---|--------------------|-----------------|------------------|----------------|--------------------------------------|
| Assignments Completed | | | | | |
| External Audit: Financial Statements | N/A | N/A | Completed | Completed | December 2014 |
| External Audit: Bond and Parcel Tax Measures | N/A | N/A | Completed | Completed | December 2014 |
| Accounts Receivable | Completed | Completed | Completed | Completed | December 2014 |
| 7 th Annual Service Efforts and Accomplishments | N/A | N/A | Completed | Completed | December 2014 |
| Public Works Facility Maintenance | Completed | Completed | Completed | Completed | November 2014 |
| 2013-14 Annual Review of Team San Jose | N/A | N/A | Completed | Completed | October 2014 |
| External Audit: Investment Compliance (6 mos. ended 6/30/14) | N/A | N/A | Completed | Completed | September 2014 |
| Recommendation Follow-Up For 6 Months Ended 6/30/14 | N/A | N/A | Completed | Completed | September 2014 |
| Procurement Card Usage | Completed | Completed | Completed | Completed | September 2014 |
| Development Center Application and Permitting Process | Completed | Completed | Completed | Completed | September 2014 |
| Customer Call Handling | Completed | Completed | Completed | Completed | August 2014 |
| Assignments In Process | | | | | |
| Performance Measure Review | N/A | N/A | Completed | Completed | February 2015 |
| Street Pavement Maintenance | Completed | Completed | Completed | In Process | March 2015 |
| Fund Balance and Reserves | Completed | Completed | Completed | In Process | March 2015 |
| Recommendation Follow-Up For Six Months Ended 12/31/14 | N/A | N/A | In Process | | March 2015 |
| Employee Hiring | Completed | Completed | In Process | | |
| PRNS Cost Recovery Fee Programs | Completed | Completed | In Process | | |
| Curbside Recycling | In Process | | | | |
| Assignments Not Yet Started | | | | | |
| Golf Course Fund | | | | | |
| Police Sworn Disability Retirement Scenarios | | | | | |
| Structure for Conducting Personnel Investigations | | | | | |
| Police Department Recruiting and Hiring | | | | | |
| Cities Association of Santa Clara County | | | | | |
| South Bay Water Recycling | | | | | |
| Street Sweeping | | | | | |
| Use and Coordination of Volunteers | | | | | |
| Cardroom Tax Revenue and Contributions | | | | | |
| External Audit: Investment Compliance (6 mos. ended 12/31/14) | | | | | |
| Police Department Resources Spent on VTA/County Properties | | | | | |
| Workers' Compensation Utilization Review Service Provider | | | | | |

¹ The Auditor's Work Plan (approved by the Rules and Open Government Committee on August 13, 2014) is on the web at <http://www.sanjoseca.gov/DocumentCenter/View/33922>. In January 2015, the Rules and Open Government Committee added to the workplan: 1) Police Sworn Disability Retirement Scenarios, and 2) Structure For Conducting Personnel Investigations.

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.