

Memorandum

TO: Rules and Open Government
Committee

SUBJECT: *Monthly Report of Activities for
February 2015*

FROM: Sharon W. Erickson,
City Auditor

DATE: March 9, 2015

RECOMMENDATION

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

Reports Issued During the Month Of February:

- 1. Performance Measure Review** – We reviewed performance measure methodology sheets for the Housing and Public Works departments. The report was accepted at the February 19, 2015 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee.
- 2. Audit Of Street Pavement Maintenance** – We assessed the street pavement's current condition and evaluated the Department of Transportation's projection of its funding need. The report was accepted at the March 2, 2015 meeting of the Transportation and Environment (T&E) Committee, and is scheduled to be heard by the City Council at its March 24, 2015 meeting.

Activities During the Month of February:

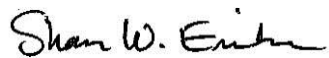
- Presented the *Service Efforts and Accomplishments Report 2013-14* to the City Council on February 3, 2015 and to the Neighborhoods Commission on February 11, 2015.
- Presented the "local government perspective" in a webinar entitled *Potholes On the Path To Performance Management* sponsored by the Association of Government Accountants.
- Spoke to the *Almaden Valley Community Association* regarding the role of the City Auditor and the *Service Efforts and Accomplishments Report 2013-14*.

Assignments in Process:

- 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 completed.
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 completed.
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: Report writing in process.
Anticipated Release Date: April 2015 (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: May 2015 (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: Fieldwork 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

**Status of the City Auditor's FY 2014-15 Work Plan¹
as of February 2015**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ²
Assignments Completed					
Performance Measure Review	N/A	N/A	Completed	Completed	February 2015
Street Pavement Maintenance	Completed	Completed	Completed	Completed	February 2015
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					
Fund Balance and Reserves	Completed	Completed	Completed	Completed	March 2015
Recommendation Follow-Up For Six Months Ended 12/31/14	N/A	N/A	In Process	Completed	March 2015
Employee Hiring	Completed	Completed	Completed	In Process	April 2015
PRNS Cost Recovery Fee Programs	Completed	Completed	In Process		May 2015
Curbside Recycling	Completed	Completed	In Process		
Assignments Not Yet Started					
Golf Course Fund					
Police Sworn Disability Retirement Scenarios					
Police Department Recruiting and Hiring					
Structure for Conducting Personnel Investigations					
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.