

**TO:** Rules and Open Government  
Committee

**SUBJECT:** *Monthly Report of Activities for  
March 2015*

**FROM:** Sharon W. Erickson,  
City Auditor

**DATE:** April 7, 2015

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## RECOMMENDATION

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

### Reports Issued During the Month Of March:

- 1. Fund Balance and Reserves** – We reviewed and assessed the adequacy and appropriateness of ending fund balances and reserves compared to established targets and industry standards. We also reviewed the annual accounting to budgetary basis reconciliations of the City's operating and capital funds to ensure budgetary fund balances are accounted for properly. The report made two recommendations and was accepted at the March 19, 2015 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee and is scheduled to be heard by the City Council at its April 14, 2015 meeting.
- 2. Semi-Annual Follow-up Report On All Outstanding Audit Recommendations For the Six Months Ended December 31, 2014** – We reviewed and summarized audit recommendations that have been implemented since our last report, and the agreed-upon course of action for implementing the remaining recommendations. The report was accepted at the March 15, 2015 meeting of the City Council.

### Activities During the Month of March:

- Ani Antanesyan joined the office as a Program Performance Auditor. Before joining the City, she worked for the U.S. Government Accountability Office. Ani holds a Master of Public Administration degree from University of Southern California and a Bachelor of Art degree in Political Economy from the University of California at Berkeley.
- Our 2014 *Library Hours and Staffing* audit received the 2014 Knighton Award, an award recognizing the best local government performance audits from the Association of Local Government Auditors (ALGA).

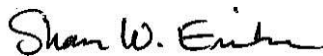
- Distributed more than 70 copies of the Service Efforts and Accomplishments Report 2013-14 to participants at the Neighborhood Association and Youth Commission Budget Meeting 2015 on March 7, 2015.
- Participated in the City Council Study Session on the Current Status of Pension Systems and Retirement Reform Ballot Measure Implementation on March 16, 2015.

**Assignments in Process:**

- 3. 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).
- 4. 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:** Report writing in process.  
**Anticipated Release Date:** May 2015 (Neighborhood Services and Education Committee).
- 5. 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:** June 2015 (Transportation and Environment Committee).
- 6. Golf Course Fund** – Examine the causes of decline in net operating and maintenance income to the Golf Course Fund.  
**Project Status:** Preliminary Survey in process.  
**Anticipated Release Date:** TBD (Neighborhood Services and Education Committee).
- 7. Police Disability Retirement Scenarios** – Assess the impact on a sample of police officers of changes in the City's disability retirement system.  
**Project Status:** Preliminary Survey in process.  
**Anticipated Release Date:** TBD (Public Safety, Finance and Strategic Support 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 Plan<sup>1</sup>  
as of March 2015**

	<b>Preliminary Survey</b>	<b>Risk Assessment</b>	<b>Audit Field Work</b>	<b>Report Writing</b>	<b>Projected Issuance Date<sup>2</sup></b>
<b>Assignments Completed</b>					
Fund Balance and Reserves	Completed	Completed	Completed	Completed	March 2015
Recommendation Follow-Up For Six Months Ended 12/31/14	N/A	N/A	Completed	Completed	March 2015
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 <sup>th</sup> 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
<b>Assignments In Process</b>					
Employee Hiring	Completed	Completed	Completed	Completed	April 2015
PRNS Cost Recovery Fee Programs	Completed	Completed	Completed	In Process	May 2015
Curbside Recycling	Completed	Completed	In Process		June 2015
Golf Course Fund	In Process				
Police Sworn Disability Retirement Scenarios	In Process				
<b>Assignments Not Yet Started</b>					
Police Department Recruiting and Hiring					
Structure for Conducting Personnel Investigations					
South Bay Water Recycling					
Street Sweeping					
Use and Coordination of Volunteers					
Cities Association of Santa Clara County					
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					

<sup>1</sup> 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.

<sup>2</sup> 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.