

Memorandum

TO: Rules and Open Government
Committee

SUBJECT: *Monthly Report of Activities for
April 2015*

FROM: Sharon W. Erickson,
City Auditor

DATE: May 12, 2015

RECOMMENDATION

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

Reports Issued During the Month Of April:

- 1. Employee Hiring** – We reviewed the timeliness of the process for prioritizing, recruiting, and hiring new City employees. The report made 14 recommendations and was accepted at the April 16, 2015 meeting of the Public Safety, Finance and Strategic Support (PSFSS) Committee and at the May 12, 2015 meeting of the City Council.
- 2. Semi-annual compliance review of the City's investment program as of December 31, 2014 (contracted audit service)** – Macias, Gini & O'Connell LLP conducted the semi-annual review and noted no exceptions. The report has been posted on-line at <http://www.sanjoseca.gov/DocumentCenter/View/43632>.

Activities During the Month of April:

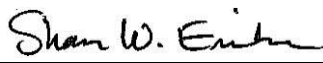
- The office provided a full day of audit training to regional audit organizations as part of a reciprocal program to provide professional education that meets the requirements of Government Auditing Standards.
- Erica Garaffo, who joined the City Auditor's Office in 2012, will be leaving our office to join the newly formed data analytics team in the City Manager's Office. We extend our congratulations as she moves into her new position.

Assignments in Process:

- 3. Parks, Recreation and Neighborhood Services Department Fee Activity Program** – Review the calculation, collection, and cost recovery status of the department’s General Fund Fee Activity Program.
Project Status: Report writing completed.
Anticipated Release Date: May 2015 (Neighborhood Services and Education Committee).
- 4. Curbside Recycling** – Assess the effectiveness of the single-family residential single-stream curbside recycling program, including compliance with contract requirements.
Project Status: Report writing in process.
Anticipated Release Date: June 2015 (Transportation and Environment Committee).
- 5. Police Disability Retirement Scenarios** – Assess the impact on a sample of police officers of changes in the City’s disability retirement system.
Project Status: Fieldwork in process.
Anticipated Release Date: June 2015 (Public Safety, Finance and Strategic Support Committee).
- 6. Golf Course Fund** – Examine the causes of decline in net operating and maintenance income to the Golf Course Fund.
Project Status: Fieldwork in process.
Anticipated Release Date: August 2015 (Neighborhood Services and Education Committee).
- 7. Police Recruiting and Hiring** – Analyze the department’s recruiting, backgrounding, and hiring processes, and determine to what extent San Jose is subsidizing other jurisdictions with our academy.
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

SE:bh

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

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date²
Assignments Completed					
Employee Hiring	Completed	Completed	Completed	Completed	April 2015
External Audit: Investment Compliance (6 mos. ended 12/31/14)	N/A	N/A	Completed	Completed	April 2015
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 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					
PRNS Fee Activity Program	Completed	Completed	Completed	Completed	May 2015
Curbside Recycling	Completed	Completed	Completed	In Process	June 2015
Police Sworn Disability Retirement Scenarios	Completed	Completed	In Process		June 2015
Golf Course Fund	Completed	Completed	In Process		August 2015
Police Department Recruiting and Hiring	In Process				
Assignments Not Yet Started					
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					
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.