

TO: Rules & Open Government Committee

FROM: Sharon W. Erickson,
City Auditor

SUBJECT: *Monthly Report of Activities for
November 2015*

DATE: December 1, 2015

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of November 2015, and

- Add "Audit of the Use and Coordination of Volunteers" to the Neighborhood Services & Education Committee February 11, 2016 agenda.

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 2015-16 Work Plan during the month of September.

Activities During the Month of November:

1. **Team San José's Performance 2014-15** (issued November 2015). The report is online at: <http://www.sanjoseca.gov/DocumentCenter/View/47635>.
2. **Personnel Investigation Structure: Augmenting Policies and Training Can Improve the Process** (issued November 2015). The report is online at: <http://www.sanjoseca.gov/DocumentCenter/View/47741>.
3. **Semi-Annual Compliance Review of Investment as of June 30, 2015** (issued November 2015). The report is online at: <http://www.sanjoseca.gov/DocumentCenter/View/46605>.
4. The Office hosted a delegation of 25 private-sector CFO's from Hunan province, China, who were interested in City/County finance issues. We also hosted a delegation of 11 auditors from the Board of Audit and Inspection of Korea in Seoul.

Information on the status of the City Auditor's FY 2015-16 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.

Sharon W. Erickson
Sharon W. Erickson
City Auditor

**Status of the City Auditor's FY 2015-16 Audit Work Plan
 As of November 2015**

	Objective	Status	Projected Issuance Date
Assignments Completed			
1. Golf Course Fund	Examine the causes of decline in net operating income to the Golf Course Fund and potential alternatives.	Completed	September 2015
2. Police Department Recruiting and Hiring	Analyze the department's recruiting, backgrounding, and hiring processes. Identify barriers and resources needed, and determine to what extent San José is subsidizing other jurisdictions with our academy.	Completed	September 2015
3. Semi-Annual Audit Recommendation Status as of 6/30/15	Provide the City Council with an update on the status of all open audit recommendations.	Completed	October 2015
4. Cities Association of Santa Clara County Expenditure Review	Annual review of financial transactions at the request of the association's board.	Completed	October 2015
5. Personnel Investigation Structure	Review the structure for conducting personnel investigations.	Completed	November 2015
6. Audit of Team San José's Performance 2014-15	Annual review to determine whether Team San José met its performance metrics and key requirements in the new Management Agreement as of June 30, 2015, and a review of the structure for collecting per ticket fees to fund theater presentation.	Completed	November 2015
7. Semi-Annual Compliance Review of Investments as of 6/30/15	Semi-annual review required by the city's investment policy (contracted audit service).	Completed	November 2015
Assignments In Process			
8. Annual External Financial Audit and Single Audit	Required annual audit of financial transactions (contracted audit service).	In process	December 2015
9. Annual Audits of Voter-Approved Bond and Parcel Tax Measures	Guaranteed annual audits of tax measures approved by voters (contracted audit service).	In process	December 2015
10. Annual Report on City Services FY 2014-15	Annual report providing data about the cost, quality, quantity, and timeliness of city services. The report shows ten-year historical trends, a variety of comparisons to other cities, and the results of resident surveys.	In process	December 2015
11. Use and Coordination of Volunteers	Evaluate the use and coordination of volunteers to augment city services.	In process	February 2016
12. Street Sweeping	Assess the efficiency and effectiveness of street sweeping services.	In process	TBD
13. Recycled Water	Assess the efficiency and cost-recovery status of recycled water services.	In process	TBD
14. Technology Deployment	Assess the barriers to timely technology deployment.	In process	TBD
15. Financial Condition Report	Prepare an annual summary of financial condition using graphics and standardized measures with benchmarking to other jurisdictions.	In process	TBD

Assignments Not Yet Started (items marked with ** have been designated as priority items)				
**	16. City Clerk's Office	Assess the office's performance of its primary responsibilities including, but not limited to, candidate information and City Council office budgets and hiring (added by the Rules Committee 9/9/15).		
**	17. Airport Operations and Business Development	Review the history and financial projections for airport operations and debt service.		
**	18. Police Response for Animal-Related Calls	Analysis of police response data for animal-related calls for service and identification of possible alternatives (referred by Manager's Budget Addendum #14).		
**	19. Housing Department	Performance audit of Housing department functions (added by the Rules Committee 8/19/15).		
	20. Police Overtime	Routine audit of the appropriate use of overtime in the Police Department (whistleblower hotline referral).		
	21. Semi-Annual Audit Recommendation Status as of 12/31/15	Provide the City Council with an update on the status of all open audit recommendations.		March 2015
	22. Semi-Annual Compliance Review of Investments as of 12/31/15	Semi-annual review required by the city's investment policy (contracted audit service).		April 2015
	23. Mobile Devices	Assess the cost, usage, and management accountability for the growing number of mobile devices distributed to city employees.		
	24. Police Department Civilian Staffing	Assess the level of civilian support in the Police Department (follow-up to 2010 audit of civilianization opportunities).		
	25. Employee Benefit Funds	Routine audit and reconciliation of contributions and expenditures in the benefit funds.		
	26. Encumbrance Balances	Routine audit of the appropriateness of carryover encumbrances.		
	27. Pensionable Earnings	Audit the accuracy of pensionable earnings, calculations, and the status of corrections pending from 2011 audit.		
	28. Business Tax Revenue	Review the basis, calculation, and collection of annual business tax revenue. The 2008 General Fund Structural Deficit Elimination Plan proposed modernizing rates by indexing to current consumer price index and restructuring the business tax formula.		
	29. Cardroom Tax Revenue and Contributions	Review the calculation and collection of city cardroom taxes, and determine whether recent AACI contributions have been in accordance with the settlement agreement.		
	30. Sunshine Requirements	Review compliance with sunshine requirements.		