

City of San José, California

COUNCIL POLICY

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EFFECTIVE DATE September 4, 1973	REVISED DATE October 22, 1991	
APPROVED BY COUNCIL ACTION September 4, 1973, Item 37; Revision Date October 22, 1991, 10/22/91, Item 7e(6)		

PURPOSE

To establish guidelines for the City Auditor in conducting examinations of City Departments and contracting Agencies.

POLICY

1. In accordance with Section 805 of the City Charter, the Council has declared that the City Auditor shall have the following powers and duties:

- a. Conduct or cause to be conducted annual post audits of all the fiscal transactions and accounts kept by or for the City. Such audits shall include but not be limited to the examination and analysis of fiscal procedures and the examination, checking and verification of accounts and expenditures. The audits shall be conducted in accordance with generally accepted auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary under the circumstances. The audits shall include the issuance of suitable reports of examination so the Council and the public will be informed as to the adequacy of the financial statements of the City.
- b. Conduct performance audits, as assigned by Council and as determined by the City Auditor's Office. A "performance audit" means a post audit which determines with regard to the purpose, functions and duties of the audited agency, all of the following:
 - Whether the audited department, office or agency is managing its resources, including public funds, personnel, property, equipment and space in an economical and efficient manner.
 - Causes of inefficiencies or uneconomical practices, including inadequacies in management information systems, internal and administrative procedures, organizational structure, use of resources, allocation of personnel, purchasing policies and equipment.
 - Whether the desired results are being achieved.
 - Whether objectives established by the Council or other authorizing body are being met.
- c. Conduct special audits and investigations as assigned by Council. "Special audits" and "investigations" mean assignments of limited scope, intended to determine:
 - The accuracy of information provided to the Council.
 - The costs and consequences of recommendations made to the Council.
 - Other information concerning the performance of City Departments, Offices or Agencies as requested by the Council.
- d. The City Auditor shall have access to, and authority to examine any and all documents including but not limited to books, accounts, internal memoranda, writings and tapes, reports, vouchers, correspon-

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dence files and other records, bank accounts, money and other property of any City department, office or agency, whether created by the Charter or otherwise, with the exception of the office of any elected official.

It is the duty of any officer, employee or agent of the City having control of such records to permit access to, and examination thereof, upon the request of the City Auditor or his or her authorized representative. It is also the duty of any such officer, employee or agent to fully cooperate with, and to make full disclosure of all pertinent information to the City Auditor or said authorized representative.

- e. Prepare and submit to the Council in each calendar month, a written report of the City Auditor's activities and findings in the immediately preceding calendar month, together with any recommendations to improve the administration of the City.
- f. Perform other auditing functions, consistent with other provisions of this Charter and prepare and submit such other reports as may be assigned by Council.
- g. Conduct the business of the Office of the City Auditor in accordance with Section 6.1.2 of the City Policy Manual.

BACKGROUND

The Office of the City Auditor was established as an independent audit function by the City Charter in May, 1965 (Charter Section 805, San José Municipal Code Sections 2.04.800 - 2.04.820). The function reports to the City Council.