

TO: Rules & Open Government Committee

FROM: Joe Rois,
City Auditor

SUBJECT: *Monthly Report of Activities for
November 2019*

DATE: December 3, 2019

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of November 2019.

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 (FY) 2019-20 Work Plan during the month of November 2019.

Activities During the Month of November:

1. Issued the audit of **Team San Jose Performance FY 2018-19**. The report is online at: <https://www.sanjoseca.gov/home/showdocument?id=44700>.
2. Issued **External Quality Control Review of the Office of the City Auditor, San Jose, CA for the Period July 1, 2017 to June 30, 2019**. The report is online at: <https://www.sanjoseca.gov/your-government/appointees/city-auditor/peer-reviews/-fsiteid-1>.
3. Issued **Technology Deployments: Processes Can Be Improved to Ensure Long-term Success of the City's Technology Vision**. The report is online at: <https://www.sanjoseca.gov/home/showdocument?id=44698>.
4. Macias, Gini & O'Connell (MGO) issued several of the City's annual financial audits including the audits of the Successor Agency to the Redevelopment Agency (SARA), Norman Y. Mineta San Jose International Airport, and the City's Comprehensive Annual Financial Report (CAFR). The reports are online at: <https://www.sanjoseca.gov/your-government/appointees/city-auditor/external-financial-audits/-fsiteid-1>.

Information on the status of the City Auditor's FY 2019-20 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.



Joe Rois
City Auditor

**Status of the City Auditor's FY 2019-20 Audit Work Plan
 As of November 2019**

	Objective	Status	Projected Issuance Date
Assignments Completed			
1. Form 700s	Follow-up review of the filing status of required Statements of Economic Interest (Form 700).	Completed	August 2019
2. Procurement Card Expenditures	Routine audit of City credit card usage (last audit was 2014).	Completed	September 2019
3. Semi-Annual Audit Recommendation Status Report as of June 30, 2019	Update on the implementation status of all open audit recommendations.	Completed	September 2019
4. In-lieu Fees	Collection, tracking, and use of in-lieu fees with a focus on fees for traffic improvements and undergrounding activities.	Completed	September 2019
5. Semi-Annual Compliance Review of the City's Investment Program as of June 30, 2019 (contracted audit service)	The City's investment policy requires semi-annual compliance audits of the City's investment portfolio. MGO will conduct the agreed-upon procedures as of June 30, 2019.	Completed	September 2019
6. Annual Audits of Voter-Approved Bond and Parcel Tax Measures (contracted audit service)	MGO will conduct audits of the Branch Library Bond Projects Fund, the Parks and Recreation Bond Projects Fund, the Public Safety Bond Projects Fund, and the Library Parcel Tax Fund, satisfying the City's obligation for guaranteed annual audits.	Completed	October 2019
7. Annual Performance Review of Team San Jose	Annual review to determine whether Team San Jose met their performance metrics as of June 30, 2019 (as required in the City's agreements for the Convention Visitors Bureau, Convention Center, and Cultural facilities).	Completed	November 2019
8. Technology Deployment	Follow-up to 2016 Audit of Technology Deployment to review the management and timeliness of the City's technology deployment process.	Completed	November 2019
Assignments In Process			
9. Annual External Financial Audit and Single Audit (contracted audit service)	The City Charter requires an annual audit of the City's financial transactions. The independent certified public accounting firm MGO will conduct the annual audits of the Comprehensive Annual Financial Reports (CAFRs) of the City and the airport. MGO will also conduct audits of the financial statements of the Successor Agency to the Redevelopment Agency, Convention Center, the Clean Water Financing Authority, Deferred Compensation, Tier 3 Defined Contribution Plan, Voluntary Employee Beneficiary Association (VEBA), MTC compliance, and the Single Audit (including Airport passenger facility charges and customer facility charges).	In process	December 2019
10. Annual Services Report	12 th annual report providing data about the cost, quality, quantity, and timeliness of City services. The report incorporates existing performance measurement data, showing ten-year historical trends, a variety of comparisons to other cities, and the results of resident surveys. It also incorporates information about the financial condition of the City through graphics, standardized measures, and benchmarking to other jurisdictions.	In process	December 2019
11. Park Maintenance	Efficiency and effectiveness of park maintenance operations.	In process	TBD
12. Fire Safety Code Compliance	Timeliness, efficiency, and consistency of on-site fire code inspections during the construction phase of development projects.	In process	TBD
13. Development Fee Work in Process Reserves	Tracking of development fee work in process reserves.	In process	TBD

	Objective	Status	Projected Issuance Date
14. Fleet Maintenance	Efficiency of operations and timeliness of repairs for the City's vehicles and equipment.	In process	TBD
Assignments Not Yet Started			
15. Housing Department Grant Programs	Assess the efficiency and effectiveness of the allocation process and monitoring of grantees, including whether grants are achieving the intended benefits.		
16. Semi-Annual Compliance Review of the City's Investment Program as of December 31, 2019 (contracted audit service)	The City's investment policy requires semi-annual compliance audits of the City's investment portfolio. MGO will conduct the agreed-upon procedures as of December 31, 2019.		
17. Fleet (take-home vehicles)	Assessment of current practices for take-home vehicles.		
18. Semi-Annual Audit Recommendation Status Report as of December 31, 2019	Update on the implementation status of all open audit recommendations.		
19. Timeliness of Code Enforcement Responses	Timeliness of community code enforcement responses to complaints and violations for select programs.		
20. Real Estate Services	Process for tracking City properties and revenues.		
21. Sidewalk Repair Program	Operations of the sidewalk inspection and repair program.		
22. Municipal Water Billing and Customer Service	Accuracy of billings and customer service responses for Municipal Water services.		
23. Animal Services	Follow-up to 2009 audit regarding licensing and general operations.		
24. Police Staffing	Review and compare Police Department staffing over time, including allocation of staff by bureau or division, vacancies, and use of overtime. (Added by the Rules Committee 10/9/19)		

The City Auditor's Fiscal Year 2019-20 Work Plan is online at:
<https://www.sanjoseca.gov/home/showdocument?id=38956>