

**Office of the
City Auditor**
Joe Rois, Acting City Auditor

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I *ndependently assess and report on City operations
and services*

City Service Area

Strategic Support

Core Service

Audit Services

Identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

Strategic Support: Administrative Support

Office of the City Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Audit Services Core Service</i>	
Performance Audits	Identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.
<i>Strategic Support Core Service</i>	
City Auditor Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.

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Department Budget Summary

Expected 2019-2020 Service Delivery

- Conduct program performance audits identifying ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The 2019-2020 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2019 with continued focus on searching for revenues and cost-saving opportunities.
- Issue the Annual Report on City Services annually. This report details the cost, workload, and performance data for City services and is intended to improve government transparency and accountability and provide consolidated performance information to the public, allowing informed decision making by City officials, staff, and the public.
- Provide oversight of external auditors on the City of San José Annual Financial Audit and Single Audit; the Audits of Parks and Recreation Bond, Library Bond, Public Safety Bond, and Parcel Tax Funds; and the Semi-Annual Reviews for Compliance with the City's Investment Policy.

2019-2020 Key Budget Actions

N/A

Operating Funds Managed

N/A

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Department Budget Summary

	2017-2018 Actuals ***	2018-2019 Adopted	2019-2020 Forecast	2019-2020 Proposed
Dollars by Core Service				
Audit Services	2,832,649	2,878,924	2,935,690	2,935,690
Strategic Support - City Council Appointees	262	168,857	155,153	155,153
Total	\$2,832,911	\$3,047,781	\$3,090,843	\$3,090,843
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,242,013	2,473,628	2,506,481	2,506,481
Overtime	0	0	0	0
Subtotal Personal Services	\$2,242,013	\$2,473,628	\$2,506,481	\$2,506,481
Non-Personal/Equipment	66,643	69,153	69,153	69,153
Total Personal Services & Non-Personal/Equipment	\$2,308,656	\$2,542,781	\$2,575,634	\$2,575,634
<i>Other Costs*</i>				
City-Wide Expenses	413,227	396,000	406,209	406,209
Housing Loans and Grants	0	0	0	0
Other	111,028	109,000	109,000	109,000
Overhead Costs	0	0	0	0
Total Other Costs	\$524,255	\$505,000	\$515,209	\$515,209
Total	\$2,832,911	\$3,047,781	\$3,090,843	\$3,090,843

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2018-2019 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2017-2018 Actuals column reflect those included in the 2017-2018 Adopted Budget.

*** 2017-2018 Actuals may not subtotal due to rounding.

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Department Budget Summary

	2017-2018 Actuals ***	2018-2019 Adopted	2019-2020 Forecast	2019-2020 Proposed
Dollars by Fund				
General Fund (001)	2,721,883	2,938,781	2,981,843	2,981,843
Airport Maintenance And Operation Fund (523)	87,628	78,250	78,250	78,250
Sewer Service And Use Charge Fund (541)	23,400	30,750	30,750	30,750
Total	\$2,832,911	\$3,047,781	\$3,090,843	\$3,090,843
Positions by Core Service**				
Audit Services	14.00	14.00	14.00	14.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
Total	15.00	15.00	15.00	15.00

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Office of the City Auditor

Department Budget Summary

	2017-2018 Actuals **	2018-2019 Adopted	2019-2020 Forecast	2019-2020 Proposed	2019-2020 Proposed Positions
Dollars by Program*					
Audit Services					
Performance Audits	2,832,649	2,878,924	2,935,690	2,935,690	14.00
Sub-Total	2,832,649	2,878,924	2,935,690	2,935,690	14.00
Strategic Support - City Council Appointees					
City Auditor Management and Administration	262	168,857	155,153	155,153	1.00
Sub-Total	262	168,857	155,153	155,153	1.00
Total	\$2,832,911	\$3,047,781	\$3,090,843	\$3,090,843	15.00

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

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Budget Reconciliation

**Personal Services and Non-Personal/Equipment
(2018-2019 Adopted to 2019-2020 Proposed)**




	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2018-2019):	15.00	2,542,781	2,542,781
<hr/> Base Adjustments <hr/>			
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		32,853	32,853
Technical Adjustments Subtotal:	0.00	32,853	32,853
2019-2020 Forecast Base Budget:	15.00	2,575,634	2,575,634
<hr/> Budget Proposals Recommended <hr/>			
NONE			
2019-2020 Proposed Budget Total:	15.00	2,575,634	2,575,634

Office of the City Auditor

Performance Summary

Audit Services

Performance Measures

	2017-2018 Actual	2018-2019 Target	2018-2019 Estimated	2019-2020 Target
 % of audit recommendations implemented (cumulative over 5 years) ¹	72%	80%	67%	80%
 Ratio identified monetary benefit to audit cost	\$0.56 to \$1	\$2 to \$1	\$1.18 to \$1	\$2 to \$1
 % of approved workplan completed or substantially completed during the fiscal year	59%	80%	83%	80%

¹ This performance measure was adjusted in the 2018-2019 Adopted Budget to measure the percentage of audit recommendations implemented from (cumulative over 10 years) to (cumulative over 5 years).

Activity and Workload Highlights

	2017-2018 Actual	2018-2019 Forecast	2018-2019 Estimated	2019-2020 Forecast
# of audit reports issued	19	18	19	18
# of audit recommendations adopted	82	50	129	50
# of audit reports per auditor	1.6 to 1	1.5 to 1	1.7 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings) ¹	\$1,380,000	\$8,000,000	\$3,011,000	\$8,000,000

¹ The 2017-2018 identified monetary benefits is an estimate based on potential cost savings identified in the Audit of Environmental Services Department Consulting Services, the Audit of the Tier 3 Defined Contribution Plan, and the Audit of Open Government. The 2018-2019 Estimated identified monetary benefits is an estimate based on potential cost savings identified in the Audit of Community Center Reuse, the Audit of Towing Contract Terms and Consolidated Oversight, the Audit of 9-1-1 and 3-1-1, and the Audit of Employee Benefit Fund Administration.

Office of the City Auditor

Departmental Position Detail

Position	2018-2019 Adopted	2019-2020 Proposed	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	8.00	8.00	-
Senior Program Performance Auditor	3.00	3.00	-
Supervising Auditor	2.00	2.00	-
Total Positions	15.00	15.00	0.00

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