

# Office of the 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

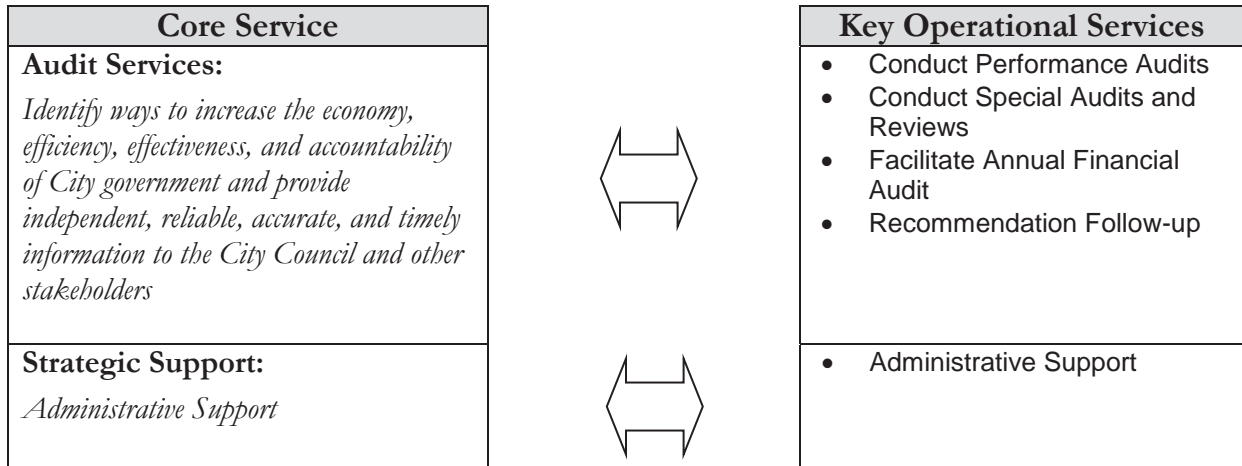
Identify ways to increase the economy, efficiency, effectiveness, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

Strategic Support: Administrative Support

# Office of the City Auditor

## Service Delivery Framework

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## Department Budget Summary

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### Expected 2016-2017 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 2016-2017 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2016 with continued focus on searching for revenues and cost-savings 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.

### 2016-2017 Key Budget Actions

N/A

### Operating Funds Managed

N/A

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## Department Budget Summary

	2014-2015 Actual 1	2015-2016 Adopted 2	2016-2017 Forecast 3	2016-2017 Proposed 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Audit Services	\$ 2,230,805	\$ 2,267,340	\$ 2,337,550	\$ 2,337,550	3.1%
Strategic Support	9,416	147,316	135,786	135,786	(7.8%)
<b>Total</b>	<b>\$ 2,240,221</b>	<b>\$ 2,414,656</b>	<b>\$ 2,473,336</b>	<b>\$ 2,473,336</b>	<b>2.4%</b>
<b>Dollars by Category</b>					
Personal Services	\$ 2,184,466	\$ 2,345,503	\$ 2,404,183	\$ 2,404,183	2.5%
Overtime	0	0	0	0	0.0%
Subtotal	\$ 2,184,466	\$ 2,345,503	\$ 2,404,183	\$ 2,404,183	2.5%
Non-Personal/Equipment	55,755	69,153	69,153	69,153	0.0%
<b>Total</b>	<b>\$ 2,240,221</b>	<b>\$ 2,414,656</b>	<b>\$ 2,473,336</b>	<b>\$ 2,473,336</b>	<b>2.4%</b>
<b>Dollars by Fund</b>					
General Fund	\$ 2,115,412	\$ 2,268,223	\$ 2,473,336	\$ 2,473,336	9.0%
Integrated Waste Mgmt	124,809	16,108	0	0	(100.0%)
Sewer Svc & Use Charge	0	11,715	0	0	(100.0%)
SJ/SC Treatment Plant Oper	0	95,181	0	0	(100.0%)
Storm Sewer Operating	0	14,643	0	0	(100.0%)
Water Utility	0	8,786	0	0	(100.0%)
<b>Total</b>	<b>\$ 2,240,221</b>	<b>\$ 2,414,656</b>	<b>\$ 2,473,336</b>	<b>\$ 2,473,336</b>	<b>2.4%</b>
<b>Authorized Positions by Core Service</b>					
Audit Services	14.00	14.00	14.00	14.00	0.0%
Strategic Support	1.00	1.00	1.00	1.00	0.0%
<b>Total</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>0.0%</b>

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## Budget Reconciliation

(2015-2016 Adopted to 2016-2017 Proposed)

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	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>Prior Year Budget (2015-2016):</b>	<b>15.00</b>	<b>2,414,656</b>	<b>2,268,223</b>
<hr/> <b>Base Adjustments</b> <hr/>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
● Salary/benefit changes and the following position reallocation: - 1.0 Senior Office Specialist to 1.0 Program Performance Auditor I/II		57,180	203,613
● Professional Development Program		1,500	1,500
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>58,680</b>	<b>205,113</b>
<b>2016-2017 Forecast Base Budget:</b>	<b>15.00</b>	<b>2,473,336</b>	<b>2,473,336</b>
<hr/> <b>Budget Proposals Recommended</b> <hr/>			
<b>NONE</b>			
<b>2016-2017 Proposed Budget Total:</b>	<b>15.00</b>	<b>2,473,336</b>	<b>2,473,336</b>




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# Office of the City Auditor

## Performance Summary

### Audit Services

#### *Performance Measures*

	2014-2015 Actual	2015-2016 Target	2015-2016 Estimated	2016-2017 Target
 % of audit recommendations implemented (cumulative over 10 years)	64%	80%	64%	80%
 Ratio identified monetary benefit to audit cost	\$7.9 to \$1	\$4 to 1	\$2.3 to \$1	\$4 to \$1
 % of approved workplan completed or substantially completed during the fiscal year	72%	80%	70%	80%

#### *Activity and Workload Highlights*

	2014-2015 Actual	2015-2016 Forecast	2015-2016 Estimated	2016-2017 Forecast
# of audit reports issued	19	18	18	18
# of audit recommendations adopted	104	50	65	50
# of audit reports per auditor	1.7 to 1	1.5 to 1	1.5 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings) *	\$19,080,000	\$8,000,000	\$5,000,000	\$8,000,000

\* The 2014-2015 identified monetary benefits amount is an estimate based on revenue enhancements and cost savings identified in the audits of City Procurement Cards, Development Services, Facilities Maintenance, Accounts Receivable, and Street Pavement Maintenance. The \$18.5 million in savings identified as part of the *Street Pavement Maintenance Audit* is based on the methodology that every dollar the City spends on preventative pavement maintenance will save at least one dollar in future maintenance costs, consistent with previous City Administration analysis. The 2015-2016 estimate includes potential savings in General Fund subsidies identified in the *Audit of Golf Courses*.

# Office of the City Auditor

## Departmental Position Detail

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<b>Position</b>	<b>2015-2016 Adopted</b>	<b>2016-2017 Proposed</b>	<b>Change</b>
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	7.00	8.00	1.00
Senior Office Specialist	1.00	0.00	(1.00)
Senior Program Performance Auditor	5.00	5.00	-
<b>Total Positions</b>	<b>15.00</b>	<b>15.00</b>	<b>0.00</b>

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