

Office of the City Auditor

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Independently 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 2018-2019 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 2018-2019 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2018 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.

2018-2019 Key Budget Actions

N/A

Operating Funds Managed

N/A

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Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed
Dollars by Core Service				
Audit Services	n/a	2,769,161	2,868,924	2,868,924
Strategic Support - City Council Appointees	n/a	159,931	168,857	168,857
Total	n/a	\$2,929,092	\$3,037,781	\$3,037,781
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,128,432	2,384,939	2,473,628	2,473,628
Overtime	0	0	0	0
Subtotal Personal Services	\$2,128,432	\$2,384,939	\$2,473,628	\$2,473,628
Non-Personal/Equipment	68,900	69,153	69,153	69,153
Total Personal Services & Non-Personal/Equipment	\$2,197,332	\$2,454,092	\$2,542,781	\$2,542,781
<i>Other Costs**</i>				
City-Wide Expenses	n/a	366,000	386,000	386,000
Other	n/a	109,000	109,000	109,000
Overhead Costs	n/a	0	0	0
Total Other Costs	n/a	\$475,000	\$495,000	\$495,000
Total	n/a	\$2,929,092	\$3,037,781	\$3,037,781

* Some data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

** 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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Department Budget Summary

	<u>2016-2017</u> <u>Actuals*</u>	<u>2017-2018</u> <u>Adopted</u>	<u>2018-2019</u> <u>Forecast</u>	<u>2018-2019</u> <u>Proposed</u>
Dollars by Fund				
General Fund (001)	n/a	2,820,092	2,928,781	2,928,781
Airport Maintenance And Operation Fund (523)	n/a	78,250	78,250	78,250
Sewer Service And Use Charge Fund (541)	n/a	30,750	30,750	30,750
Total	n/a	\$2,929,092	\$3,037,781	\$3,037,781
Authorized Positions by Core Service				
Audit Services	n/a	14.00	14.00	14.00
Strategic Support - City Council Appointees	n/a	1.00	1.00	1.00
Total	n/a	15.00	15.00	15.00

Office of the City Auditor

Department Budget Summary

2016-2017	2017-2018	2018-2019	2018-2019	2018-2019
Actuals*	Adopted	Forecast	Proposed	Proposed FTE

Dollars by Program**

Audit Services

Performance Audits	n/a	2,769,161	2,868,924	2,868,924	14.00
Sub-Total	n/a	2,769,161	2,868,924	2,868,924	14.00

Strategic Support - City Council Appointees

City Auditor Management and Administration	n/a	159,931	168,857	168,857	1.00
Sub-Total	n/a	159,931	168,857	168,857	1.00

Total	n/a	\$2,929,092	\$3,037,781	\$3,037,781	15.00
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* Data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

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Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2017-2018 Adopted to 2018-2019 Proposed)




	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2017-2018):	15.00	2,454,092	2,454,092
<hr/> Base Adjustments <hr/>			
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		88,689	88,689
Technical Adjustments Subtotal:	0.00	88,689	88,689
2018-2019 Forecast Base Budget:	15.00	2,542,781	2,542,781
<hr/> Budget Proposals Recommended <hr/>			
NONE			
2018-2019 Proposed Budget Total:	15.00	2,542,781	2,542,781

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Performance Summary

Audit Services

Performance Measures

	2016-2017 Actual	2017-2018 Target	2017-2018 Estimated	2018-2019 Target
 % of audit recommendations implemented (cumulative over 5 years) ¹	TBD	80%	68%	80%
 Ratio identified monetary benefit to audit cost	\$1.28 to \$1	\$4 to \$1	\$0.56 to \$1	\$4 to \$1
 % of approved workplan completed or substantially completed during the fiscal year	58%	80%	63%	80%

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

Activity and Workload Highlights

	2016-2017 Actual	2017-2018 Forecast	2017-2018 Estimated	2018-2019 Forecast
# of audit reports issued	15	18	19	18
# of audit recommendations adopted	57	50	82	50
# of audit reports per auditor	1.3 to 1	1.5 to 1	1.6 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings) ¹	\$3,170,000 ¹	\$8,000,000	\$1,380,000 ²	\$8,000,000

¹ The 2016-2017 identified monetary benefits amount is an estimate based on revenue enhancements and potential cost savings identified in the audits of Police Overtime, the Apartment Rent Ordinance, Mobile Devices, Our City Forest, and the Office of Equality Assurance.

² 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.

Office of the City Auditor

Departmental Position Detail

Position	2017-2018 Adopted	2018-2019 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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