

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

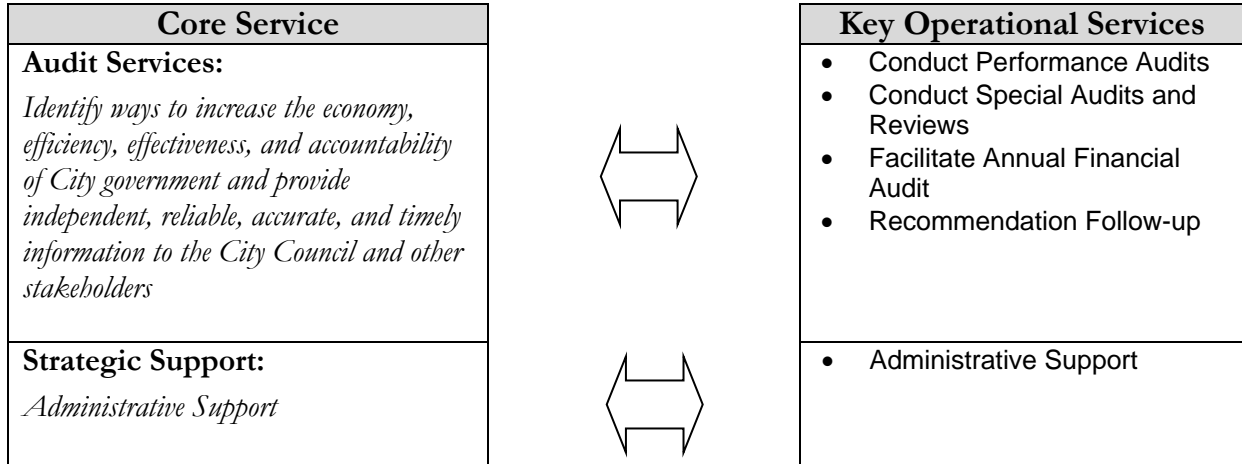
Audit Services

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



Office of the City Auditor

Department Budget Summary

Expected 2015-2016 Service Delivery

- ❑ In 2015-2016, the Auditor's Office will continue conducting 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 2015-2016 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2015 with continued focus on searching for revenues and cost-savings opportunities.
- ❑ The Auditor's Office will continue to issue the Service Efforts and Accomplishments (SEA) Report 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.
- ❑ The Auditor's Office will continue to 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.

2015-2016 Key Budget Actions

N/A

Operating Funds Managed

N/A

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Department Budget Summary

	2013-2014 Actual 1	2014-2015 Adopted 2	2015-2016 Forecast 3	2015-2016 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Audit Services	\$ 1,898,024	\$ 2,273,822	\$ 2,206,289	\$ 2,267,340	(0.3%)
Strategic Support	7,787	138,794	142,646	147,316	6.1%
Total	\$ 1,905,811	\$ 2,412,616	\$ 2,348,935	\$ 2,414,656	0.1%
Dollars by Category					
Personal Services	\$ 1,866,761	\$ 2,343,463	\$ 2,279,782	\$ 2,345,503	0.1%
Overtime	74	0	0	0	0.0%
Subtotal	\$ 1,866,835	\$ 2,343,463	\$ 2,279,782	\$ 2,345,503	0.1%
Non-Personal/Equipment	38,976	69,153	69,153	69,153	0.0%
Total	\$ 1,905,811	\$ 2,412,616	\$ 2,348,935	\$ 2,414,656	0.1%
Dollars by Fund					
General Fund	\$ 1,905,811	\$ 2,289,489	\$ 2,207,106	\$ 2,268,223	(0.9%)
Integrated Waste Mgmt	0	13,545	15,602	16,108	18.9%
Sewer Svc & Use Charge	0	9,850	11,345	11,715	18.9%
SJ/SC Treatment Plant Oper	0	80,033	92,190	95,181	18.9%
Storm Sewer Operating	0	12,313	14,182	14,643	18.9%
Water Utility	0	7,386	8,510	8,786	19.0%
Total	\$ 1,905,811	\$ 2,412,616	\$ 2,348,935	\$ 2,414,656	0.1%
Authorized Positions by Core Service					
Audit Services	14.00	14.00	14.00	14.00	0.0%
Strategic Support	1.00	1.00	1.00	1.00	0.0%
Total	15.00	15.00	15.00	15.00	0.0%

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Budget Reconciliation

(2014-2015 Adopted to 2015-2016 Adopted)

	<u>Positions</u>	<u>All Funds (\$)</u>	<u>General Fund (\$)</u>
Prior Year Budget (2014-2015):	15.00	2,412,616	2,289,489
<hr/> Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
● Salary/benefit changes		(63,681)	(82,383)
Technical Adjustments Subtotal:	0.00	(63,681)	(82,383)
2015-2016 Forecast Base Budget:	15.00	2,348,935	2,207,106
<hr/> Budget Proposals Approved			
1. Office of the City Auditor Salary Program		65,721	61,117
Total Budget Proposals Approved	0.00	65,721	61,117
2015-2016 Adopted Budget Total:	15.00	2,414,656	2,268,223

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Budget Changes By Department




Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Office of the City Auditor Salary Program		65,721	61,117
<i>Strategic Support CSA</i>			
<i>Audit Services</i>			
<i>Strategic Support</i>			
<p>This action increases the Office of the City Auditor personal services allocation (\$61,117 in the General Fund and \$65,721 in all funds) to reflect salary increases that were negotiated and agreed to by the City and 10 bargaining units, including Association of Building, Mechanical, and Electrical Inspectors (ABMEI), Association of Engineers and Architects (AEA), Association of Legal Professionals of San José (ALP), Association of Maintenance Supervisory Personnel (AMSP), City Association of Management Personnel (CAMP), Confidential Employees' Organization (CEO), International Association of Fire Fighters (IAFF), International Brotherhood of Electrical Workers (IBEW), International Union of Operating Engineers, Local #3 (OE3), and Municipal Employees' Federation (MEF), effective June 21, 2015. In addition, a salary increase is included for employees in Unit 99 and for Council Appointees. These salary increases were approved by the City Council on June 23, 2015. Further details on the salary increases by each employee group, can be found at: https://www.sanjoseca.gov/index.aspx?NID=505. (Ongoing costs: \$54,351)</p>			
Performance Results: N/A (Final Budget Modification)			
2015-2016 Adopted Budget Changes Total		65,721	61,117

Office of the City Auditor

Performance Summary

Audit Services

Performance Measures

	2013-2014 Actual	2014-2015 Target	2014-2015 Estimated	2015-2016 Target
 % of audit recommendations implemented (cumulative over 10 years)	61%	80%	61%	80%
 Ratio identified monetary benefit to audit cost	\$2.10 to 1	\$4.00 to 1	\$7.90 to 1	\$4.00 to 1
 % of approved workplan completed or substantially completed during the fiscal year	84%	80%	74%	80%

Changes to Performance Measures from 2014-2015 Adopted Budget: No

Activity and Workload Highlights

	2013-2014 Actual	2014-2015 Forecast	2014-2015 Estimated	2015-2016 Forecast
# of audit reports issued	16	18	20	18
# of audit recommendations adopted	75	50	64	50
# of audit reports per auditor	1.6 to 1	1.5 to 1	1.8 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings)	\$4,006,017	\$8,000,000	\$19,080,000*	\$8,000,000

Changes to Activity and Workload Highlights from 2014-2015 Adopted Budget: No

* The 2014-2015 Estimate for "Identified monetary benefits (i.e., revenue enhancements and cost savings)" includes 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.

Office of the City Auditor

Departmental Position Detail

Position	2014-2015 Adopted	2015-2016 Adopted	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	7.00	7.00	-
Senior Office Specialist	1.00	1.00	-
Senior Program Performance Auditor	5.00	5.00	-
Total Positions	15.00	15.00	0.00
