

# Memorandum

**TO:** Rules & Open Government Committee

**FROM:** Joe Rois,  
City Auditor

**SUBJECT:** *Monthly Report of Activities for  
March 2020*

**DATE:** April 9, 2020

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## RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of March 2020.

- Per the City Council approved *Emergency Operations Plan, Base Plan*, the City Auditor's role is to conduct audits of incident-related costs. In addition, the *Recovery Annex* to the Base Plan provides that the City Auditor's Office will support the Administration with cost recovery oversight, including compliance with federal and state record-keeping, procurement, and audit requirements. In accordance with these plans, retroactively add an audit of the documentation of COVID-19 related costs against FEMA guidelines for reimbursement. This is the first of potentially a series of audits in this area.

## 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 March 2020.

### Activities During the Month of March:

1. Issued the **Status of Open Audit Recommendations as of December 31, 2019**. The report is online at: <https://www.sanjoseca.gov/your-government/appointees/city-auditor/audit-recommendations>.
2. Initiated an audit to support the Emergency Operations Center's (EOC) Recovery Section Documentation Unit by (1) reviewing the City's recovery documentation guidelines against Federal Emergency Management Administration (FEMA) guidelines for reimbursement, and (2) assessing whether City documentation from EOC sections and departments meet those guidelines.
3. Reassigned four audit staff to assist with the additional EOC activities, including support for the logistics, nonprofit local assistance, and situational status teams.

Information on the status of the City Auditor's FY 2019-20 Work Plan is attached. Because of the ongoing emergency, the completion dates of audits currently in process are still to be determined.



Joe Rois  
City Auditor

**Status of the City Auditor's FY 2019-20 Audit Work Plan  
 As of March 2020**

	Objective	Status	Projected Issuance Date
<b>Assignments Completed</b>			
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. Biennial Peer Review for FY 2017-18 and 2018-19 (contracted audit service)	The City Charter requires a performance audit of the Office of the City Auditor be conducted at least once every two years. To fulfill this requirement, the Office participates in the Association of Local Government Auditors' peer review program. The last audit was conducted in 2017.	Completed	November 2019
9. Technology Deployment	Follow-up to 2016 <a href="#">Audit of Technology Deployment</a> to review the management and timeliness of the City's technology deployment process.	Completed	November 2019
10. 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).	Completed	December 2019
11. Annual Services Report	12 <sup>th</sup> 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.	Completed	December 2019
12. Semi-Annual Audit Recommendation Status Report as of December 31, 2019	Update on the implementation status of all open audit recommendations.	Completed	March 2020

	Objective	Status	Projected Issuance Date
<b>Assignments in Process</b>			
13. Fire Safety Code Compliance	Timeliness, efficiency, and consistency of on-site fire code inspections during the construction phase of development projects.	In process	TBD
14. Fleet Maintenance	Efficiency of operations and timeliness of repairs for the City's vehicles and equipment.	In process	TBD
15. Park Maintenance	Efficiency and effectiveness of park maintenance operations.	In process	TBD
16. Development Fee Work in Progress Reserves	Tracking of development fee work in progress reserves.	In process	TBD
17. 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)	In process	TBD
18. Emergency Management	Review and assess whether the City's guidelines for recovery documentation meet Federal Emergency Management Administration (FEMA) requirements for reimbursement, and whether City documentation meet those guidelines.	In process	TBD
<b>Assignments Not Yet Started</b>			
19. 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.		
20. 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.		
21. Fleet (take-home vehicles)	Assessment of current practices for take-home vehicles.		
22. Timeliness of Code Enforcement Responses	Timeliness of community code enforcement responses to complaints and violations for select programs.		
23. Real Estate Services	Process for tracking City properties and revenues.		
24. Sidewalk Repair Program	Operations of the sidewalk inspection and repair program.		
25. Municipal Water Billing and Customer Service	Accuracy of billings and customer service responses for Municipal Water services.		
26. Animal Services	Follow-up to 2009 audit regarding licensing and general operations.		

The City Auditor's Fiscal Year 2019-20 Work Plan is online at:

<https://www.sanjoseca.gov/home/showdocument?id=38956>