

**Office of the  
City Auditor**  
Joe Rois, 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
<b><i>Audit Services Core Service</i></b>	
<b>Performance Audits</b>	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.
<b><i>Strategic Support Core Service</i></b>	
<b>City Auditor Management and Administration</b>	Provides administrative oversight for the department, including executive management, financial management, and human resources.

# Office of the City Auditor

## Department Budget Summary

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### Expected 2020-2021 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 2020-2021 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2020, with a continued focus on searching for operational efficiencies, revenues, and cost-saving opportunities.
- Issue the Annual Report on City Services. 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, Public Safety and Infrastructure Bond, and Parcel Tax Funds; and the Semi-Annual Reviews for Compliance with the City's Investment Policy.

### 2020-2021 Key Budget Actions

- Eliminates 1.0 filled Program Performance Auditor I/II position, which will result in fewer performance audits.

### Operating Funds Managed

N/A

**Office of the City Auditor**  
**Department Budget Summary**

	<b>2018-2019 Actuals ***</b>	<b>2019-2020 Adopted</b>	<b>2020-2021 Forecast</b>	<b>2020-2021 Proposed</b>
<b>Dollars by Core Service</b>				
Audit Services	2,473,106	2,935,690	2,897,438	2,758,913
Strategic Support - City Council Appointees	0	155,153	163,031	161,822
Strategic Support - Other - Council Appointees	380,188	0	0	0
<b>Total</b>	<b>\$2,853,294</b>	<b>\$3,090,843</b>	<b>\$3,060,469</b>	<b>\$2,920,735</b>
<b>Dollars by Category</b>				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,332,325	2,506,481	2,438,999	2,298,504
<b>Subtotal Personal Services</b>	<b>\$2,332,325</b>	<b>\$2,506,481</b>	<b>\$2,438,999</b>	<b>\$2,298,504</b>
Non-Personal/Equipment	69,862	69,153	74,153	74,153
<b>Total Personal Services &amp; Non-Personal/Equipment</b>	<b>\$2,402,187</b>	<b>\$2,575,634</b>	<b>\$2,513,152</b>	<b>\$2,372,657</b>
<i>Other Costs*</i>				
City-Wide Expenses	380,188	406,209	435,214	435,214
Other	70,919	109,000	112,104	112,865
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
<b>Total Other Costs</b>	<b>\$451,107</b>	<b>\$515,209</b>	<b>\$547,317</b>	<b>\$548,078</b>
<b>Total</b>	<b>\$2,853,294</b>	<b>\$3,090,843</b>	<b>\$3,060,469</b>	<b>\$2,920,735</b>

\* 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 2019-2020 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 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget.

\*\*\* 2018-2019 Actuals may not subtotal due to rounding.

**Office of the City Auditor**  
**Department Budget Summary**

	<b>2018-2019 Actuals ***</b>	<b>2019-2020 Adopted</b>	<b>2020-2021 Forecast</b>	<b>2020-2021 Proposed</b>
<b>Dollars by Fund</b>				
General Fund (001)	2,782,375	2,981,843	2,948,366	2,807,871
Airport Maintenance And Operation Fund (523)	46,224	78,250	80,593	80,593
Sewer Service And Use Charge Fund (541)	24,695	30,750	31,511	32,272
<b>Total</b>	<b>\$2,853,294</b>	<b>\$3,090,843</b>	<b>\$3,060,469</b>	<b>\$2,920,735</b>
<b>Positions by Core Service**</b>				
Audit Services	14.00	14.00	14.00	13.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
<b>Total</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>14.00</b>

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**Office of the City Auditor**  
**Department Budget Summary**

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Proposed	2020-2021 Proposed Positions
<b>Dollars by Program*</b>					
<b>Audit Services</b>					
Performance Audits	2,473,106	2,935,690	2,897,438	2,758,913	13.00
<b>Sub-Total</b>	<b>2,473,106</b>	<b>2,935,690</b>	<b>2,897,438</b>	<b>2,758,913</b>	<b>13.00</b>
<b>Strategic Support - City Council Appointees</b>					
City Auditor Management and Administration	0	155,153	163,031	161,822	1.00
<b>Sub-Total</b>	<b>0</b>	<b>155,153</b>	<b>163,031</b>	<b>161,822</b>	<b>1.00</b>
<b>Strategic Support - Other - Council Appointees</b>					
City Auditor Other Departmental - City-Wide	380,188	0	0	0	0.00
<b>Sub-Total</b>	<b>380,188</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total</b>	<b>\$2,853,294</b>	<b>\$3,090,843</b>	<b>\$3,060,469</b>	<b>\$2,920,735</b>	<b>14.00</b>

\* 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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# Office of the City Auditor

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2019-2020):</b>	<b>15.00</b>	<b>2,575,634</b>	<b>2,575,634</b>
<hr/> <b>Base Adjustments</b> <hr/>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		(73,082)	(73,082)
• Professional Development Program		5,600	5,600
• Translation Services		5,000	5,000
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>(62,482)</b>	<b>(62,482)</b>
<b>2020-2021 Forecast Base Budget:</b>	<b>15.00</b>	<b>2,513,152</b>	<b>2,513,152</b>
<hr/> <b>Budget Proposals Recommended</b> <hr/>			
1. City Auditor's Office Staffing	(1.00)	(124,605)	(124,605)
2. City Retirement Contributions Pre-Funding		(15,890)	(15,890)
<b>Total Budget Proposals Recommended</b>	<b>(1.00)</b>	<b>(140,495)</b>	<b>(140,495)</b>
<b>2020-2021 Proposed Budget Total:</b>	<b>14.00</b>	<b>2,372,657</b>	<b>2,372,657</b>

# Office of the City Auditor

## Budget Changes By Department Personal Services and Non-Personal/Equipment

2020-2021 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. Program Performance Auditor Staffing</b>	<b>(1.00)</b>	<b>(124,605)</b>	<b>(124,605)</b>
<i>Strategic Support CSA Strategic Support Core Service Performance Audits Program</i>			
<p>This action eliminates 1.0 filled Program Performance Auditor I/II position scheduled to become vacant effective August 1, 2020 and reduces the City Auditor's Office Personal Services appropriation on a one-time basis to reflect anticipating savings from planned unpaid leave. Due to the elimination of the position, fewer performance audits will be performed, resulting in fewer audit recommendations to improve operations and lower audit benefits. (Ongoing savings: \$103,206)</p>			
<b>2. City Retirement Contributions Pre-Funding</b>	<b>0.00</b>	<b>(15,890)</b>	<b>(15,890)</b>
<i>Strategic Support CSA Strategic Support Core Service Program: Department-wide</i>			
<p>This action reduces the City Auditor Office's Personal Services appropriation by \$15,890, all in the General Fund, to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANs debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$15,890)</p>			
<b>2020-2021 Proposed Budget Changes Total</b>	<b>(1.00)</b>	<b>(140,495)</b>	<b>(140,495)</b>



# Office of the City Auditor

## Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Proposed	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	8.00	7.00	(1.00)
Senior Program Performance Auditor	3.00	3.00	-
Supervising Auditor	2.00	2.00	-
<b>Total Positions</b>	<b>15.00</b>	<b>14.00</b>	<b>(1.00)</b>