

# Memorandum

**TO:** Rules & Open Government Committee

**FROM:** Joe Rois,  
City Auditor

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

**DATE:** October 14, 2020

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## RECOMMENDATION

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

## 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) 2020-21 Work Plan during the month of September 2020.

### Activities During the Month of September:

Issued the audit of **Development Partners' Work-in-Progress Reserves: Better Monitoring Can Ensure Reserves Align with Resource Needs**. The report is online at: <https://www.sanjoseca.gov/home/showdocument?id=63909>.

Information on the status of the City Auditor's FY 2020-21 Work Plan is attached. Additionally, staff within the Office have continued to support the City's Emergency Operations Center activities through ongoing audit work and as disaster service workers, including support for the logistics, nonprofit local assistance, and situational status teams. On behalf of the Auditor's Office, I would like to express my appreciation to City staff for their cooperation and assistance during our reviews.



Joe Rois  
City Auditor

Attachment

**Status of the City Auditor's FY 2020-21 Audit Work Plan  
 As of September 2020**

	<b>Objective</b>	<b>Status</b>	<b>Projected Issuance Date</b>
<b>Assignments Completed</b>			
1. Fleet Maintenance	Efficiency of operations and timeliness of repairs for the City's vehicles and equipment.	Completed	August 2020
2. Fire Safety Code Compliance	Timeliness, efficiency, and consistency of on-site fire code inspections during the construction phase of development projects.	Completed	August 2020
3. Park Maintenance	Efficiency and effectiveness of park maintenance operations.	Completed	August 2020
4. Development Fee Work-in-Progress Reserves	Tracking of development fee work-in-progress reserves.	Completed	September 2020
<b>Assignments in Process</b>			
5. Semi-Annual Compliance Review of the City's Investment Program as of June 30, 2020 (contracted audit service)	The City's investment policy requires semi-annual compliance audits of the City's investment portfolio. The independent certified public accounting firm Macias Gini & O'Connell (MGO) will conduct the agreed-upon procedures as of June 30, 2020.	In process	October 2020
6. Santa Clara County Cities Association Expenditure Review Fiscal Years Ending June 30, 2019 and 2020	Routine expenditure review fiscal years ending June 30, 2019 & 2020.	In process	October 2020
7. 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, the Library Parcel Tax Fund, and the Public Safety and Infrastructure ("Measure T") Bond Fund satisfying the City's obligation for guaranteed annual audits.	In process	October 2020
8. COVID-19 Expenditure Documentation Review	Review costs, documentation, or other COVID-19 risk areas to be determined.	In process	October 2020
9. Annual External Financial Audit and Single Audit (contracted audit service)	The City Charter requires an annual audit of the City's financial transactions. 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, the Deferred Compensation plan, the Tier 3 Defined Contribution Plan, the Voluntary Employee Beneficiary Association (VEBA), MTC compliance, and the Single Audit (including Airport passenger facility charges and customer facility charges).	In process	November 2020
10. Annual Services Report	13 <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.	In process	December 2020
11. Police Staffing, Expenditures, and Workload	Review and compare Police Department staffing over time, including allocation of staff by bureau or division, vacancies, and use of overtime. Will also include an analysis of the 1.2 million calls for police service, budgetary allocations, and progress toward civilianization.	In process	TBD
12. Housing Department Grant Programs	Assess the allocation and monitoring of COVID-19 related grants.	In process	TBD

	Objective	Status	Projected Issuance Date
13. Police Department Protocols for Community Advocate Referrals	Assess protocols for and timeliness of community advocate referrals for victims of sexual assault, domestic violence, child/sexual abuse, and human trafficking.	In process	TBD
14. Real Estate Services	Process for tracking City properties and revenues.	In process	TBD
<b>Assignments Not Yet Started</b>			
15. Compliance Review of San José Clean Energy's Risk Management Practices (contracted audit service)	MGO will conduct tests of SJCE investment and risk management practices to ensure compliance with the City's Energy Risk Management Policy and Energy Risk Management Regulations.		November 2020
16. Annual Performance Review of Team San José and the Convention and Visitors Bureau	Annual review to determine whether Team San José met their performance metrics as of June 30, 2020 (as required in the City's agreements for the Convention Visitors Bureau, Convention Center, and Cultural facilities).		November 2020
17. Semi-Annual Audit Recommendation Status Report as of December 31, 2020	Update on the implementation status of all open audit recommendations.		March 2021
18. Semi-Annual Compliance Review of the City's Investment Program as of December 31, 2020 (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, 2020.		March 2021
19. Citywide Information Security Audit (contracted audit service)	Conduct assessments of the City's priority information systems, controls, and susceptibilities, detailing risks, required recommendations, and recommendations for policy and organizational improvements.		
20. Beautify SJ programming	Assessment of the coordination and delivery of Beautify SJ services across the City.		
21. Environmental Review for New Development	Assess the time required to complete the City's CEQA review process.		
22. Municipal Water Billing and Customer Service	Accuracy of billings and customer service responses for Municipal Water services.		
23. Citywide Grant Monitoring	Assess the tracking and monitoring of expenditures for federal awards across departments.		
24. Fleet (take-home vehicles)	Assessment of current practices for take-home vehicles.		
25. Timeliness of Code Enforcement Responses	Timeliness of community code enforcement responses to complaints and violations for select programs.		
26. Integrated Waste Management	Review costs of Integrated Waste Management programs.		

The City Auditor's Fiscal Year 2020-21 Work Plan is online at:  
<https://www.sanjoseca.gov/home/showdocument?id=62434>