



2012-2013

OPERATING BUDGET

**ATTACHMENT C -
STATUS OF
CITY AUDITOR
RECOMMENDATIONS
WITH
FUNDING IMPACT**

Status of City Auditor Recommendations With Funding Impact 2012-2013 Adopted Budget

There are a number of audit recommendations that are incorporated into actions included in the 2012-2013 Adopted Budget. The table below provides a summary of those audit recommendations. While this report focuses on audit recommendations with budget actions in 2012-2013, there are numerous outstanding audit recommendations with financial implications that are not being implemented as part of the 2012-2013 Adopted Budget. The City Auditor's Office reports on all outstanding audit recommendations on a semi-annual basis. These status reports can be found on the Auditor's Office website at: <http://www.sanjoseca.gov/auditor/AuditRecom.asp>

Department	Item	Remarks
Fire	Audit of the Fire Department's Strategic Plan regarding Proposed Fire Stations – Implement a pilot project to evaluate the use of SUVs or Light Units to respond to lower priority emergency medical calls (Issued 10/18/01, #5)	Effective May 2, 2012, the Fire Department implemented a one-year pilot program that deploys 5 squad cars staffed 24-hours per day with a Fire Engineer and a Firefighter/Paramedic. Using existing relief staff and SAFER grant-funded positions, these squad cars will respond to lower priority emergency medical calls.
Fire	Audit of the Fire Department's Bureau of Fire Prevention – Follow up on the manufacturing facilities that are not in the Fire Department's billing system but are in the Business Tax system (Issued 11/26/03, #2)	The billing for the Fire Department was migrated to a new FireHouse system in September 2009. New businesses from the Finance Business Tax system and from the County (CUPA database) are manually reconciled with FireHouse. In the 2011-2012 Adopted Budget, funding of \$400,000 was added to support a new Business Tax system. The new system will be required to have custom interfaces to integrate the Business Tax information with other applications, including FireHouse. In the 2012-2013 Adopted Budget, additional funding of \$1.5 million is allocated to replace the Business Tax system.

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Department	Item	Remarks
Police/ City Manager's Office - Employee Relations	<p>Audit of Civilianization Opportunities in the San Jose Police Department –</p> <p>Develop short, medium, and long-term plans to civilianize the positions identified in this audit and/or other positions identified by the Police Department, #9</p> <p>Identify partial administrative roles filled by sworn and consider options for civilianization, #10 (Issued 1/14/10)</p>	<p>The 2011-2012 Adopted Budget included the civilianization of 16 sworn positions, generating savings of approximately \$1.2 million. The 2012-2013 Adopted Budget includes the following civilianizations:</p> <ul style="list-style-type: none"> • The elimination of 2.0 sworn Police Officer positions and the addition of 2.0 civilian Staff Technician positions in the Police Permits Unit to better align work with appropriate job classifications. With the reconfiguration of the Permits Unit, the new Staff Technician positions will assume administrative responsibilities previously performed by sworn staff and the remaining sworn staff (2.0 Officers) will focus on enforcement and on-site inspections. • The elimination of 1.0 sworn Police Lieutenant position and the addition of 1.0 civilian Division Manager position that will oversee the Personnel and Fiscal Units, which include: civilian position recruitment and hiring, worker's compensation, risk management, procurement, and budgeting; as well as participate in strategic planning for the Department. The Bureau of Administration Captain and the Training Unit Lieutenant will continue to oversee sworn position recruitment and hiring. • The civilianization of Gaming Unit functions will be accomplished through the addition of 3.0 Senior Auditor and 1.0 Staff Specialist positions. The sworn positions (1.0 Police Sergeant and 3.0 Police Officers) currently assigned to the Gaming Unit for cardroom regulation will be transferred to the Vice Unit.

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Department	Item	Remarks
Information Technology	Audit of Information Technology General Controls – The City Should Address Data Security Vulnerabilities (1/18/12, Finding 1)	The 2012-2013 Adopted Budget includes ongoing funding of \$175,000 for annual audits of Payment Card Industry (PCI) compliancy for credit card payments and personally identifiable information (PII), as well as general data security exposure. This funding will also be used to review all credit card processing within the City, including on-site parking systems and Happy Hollow Park and Zoo.
Information Technology	Audit of Information Technology General Controls – Collect, maintain, and periodically update a central inventory of computer equipment and software, and use the inventory management system and records of technology purchases to: better evaluate purchasing needs; identify opportunities to redistribute and/or share equipment and software; and, to the extent possible, pursue opportunities to centrally install packages, rather than installing packages at individual workstations (1/18/12, #9)	The 2012-2013 Adopted Budget includes one-time funding of \$150,000 for centralized software deployment. This will keep common software found on City PCs up-to-date and easily managed. It will also reduce staff time in installations and streamline asset management of software and licensing. Further, the 2012-2013 Adopted Budget includes the addition of an Information Systems Analyst to support the HelpDesk which will allow the current HelpDesk supervisor to return to full-time asset management and address the remaining inventory issues in Finding IV (The Information Technology Department Should Improve Its Inventory Practices).
Information Technology	Audit of Information Technology General Controls - The ITD's Backup Process Is Inconsistent and Resource-Intensive (1/18/12, Finding II)	Ongoing funding of \$215,000 is included in the 2012-2013 Adopted Budget to migrate the City's email to a sustainable hosted email subscription, reducing operations and maintenance of the current end-of-life system. This change will also significantly reduce the City's reliance on tape back-up and will ultimately enable the rapid retrieval of documents in compliance with the Public Records Act.

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Department	Item	Remarks
Information Technology	Audit of Information Technology General Controls – Many of the City’s computer systems are outdated and should be replaced (1/18/12, Finding V)	One-time funding of \$450,000 is included in the 2012-2013 Adopted Budget to map the business process associated with the City's Financial Management System (FMS) which is over 20 years old. This process will improve the specifications for a future RFP and lower consulting and implementation costs when a system and funding are identified.