

# Office of the City Auditor

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**I**ndependently assess and report on City operations and services

*City Service Area*

**Strategic Support**

*Core Service*

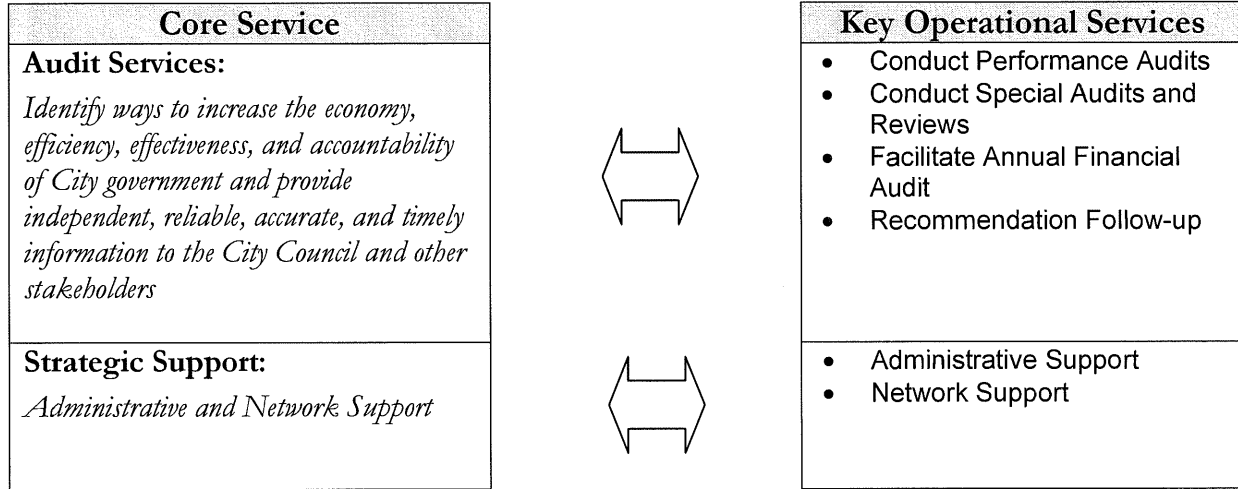
**Audit Services**

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 and Network Support

# Office of the City Auditor

## Service Delivery Framework



# Office of the City Auditor

## Department Budget Summary

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### Expected 2012-2013 Service Delivery

- In 2012-2013, 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 2012-2013 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2012 with a 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.

### 2012-2013 Budget Actions

- Add 1.0 Program Performance Auditor I position to perform audit services for the Department of Environmental Services with a special focus on how ratepayer funds are used.
- Eliminate 1.0 Supervising Auditor and 1.0 Senior Program Performance Auditor and add 3.0 Program Performance Auditor I positions which will result in additional program performance audits being conducted and audit benefits being identified.

### Operating Funds Managed

N/A

# Office of the City Auditor

## Department Budget Summary

	2010-2011 Actual 1	2011-2012 Adopted 2	2012-2013 Forecast 3	2012-2013 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Audit Services	\$ 1,792,840	\$ 1,885,189	\$ 1,892,222	\$ 1,999,022	6.0%
Strategic Support	2,814	116,045	118,457	118,457	2.1%
<b>Total</b>	<b>\$ 1,795,654</b>	<b>\$ 2,001,234</b>	<b>\$ 2,010,679</b>	<b>2,117,479</b>	<b>5.8%</b>
<b>Dollars by Category</b>					
Personal Services	\$ 1,757,934	\$ 1,932,081	\$ 1,941,526	\$ 2,048,326	6.0%
Non-Personal/Equipment	37,720	69,153	69,153	69,153	0.0%
<b>Total</b>	<b>\$ 1,795,654</b>	<b>\$ 2,001,234</b>	<b>\$ 2,010,679</b>	<b>\$ 2,117,479</b>	<b>5.8%</b>
<b>Dollars by Fund</b>					
General Fund	\$ 1,775,423	\$ 2,001,234	\$ 2,010,679	\$ 2,010,679	0.5%
Airport Maint & Oper	20,231	0	0	0	N/A
Integrated Waste Mgmt	0	0	0	11,748	N/A
SJ/SC Treatment Plant Oper	0	0	0	69,420	N/A
Sewer Svc & Use Charge	0	0	0	8,544	N/A
Storm Sewer Operating	0	0	0	10,680	N/A
Water Utility	0	0	0	6,408	N/A
<b>Total</b>	<b>\$ 1,795,654</b>	<b>\$ 2,001,234</b>	<b>\$ 2,010,679</b>	<b>\$ 2,117,479</b>	<b>5.8%</b>
<b>Authorized Positions by Core Service</b>					
Audit Services	14.00	12.00	12.00	14.00	16.7%
Strategic Support	1.00	1.00	1.00	1.00	0.0%
<b>Total</b>	<b>15.00</b>	<b>13.00</b>	<b>13.00</b>	<b>15.00</b>	<b>15.4%</b>

# Office of the City Auditor

## Budget Reconciliation

(2011-2012 Adopted to 2012-2013 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2011-2012):</b>	<b>13.00</b>	<b>2,001,234</b>	<b>2,001,234</b>
<hr/> <b>Base Adjustments</b> <hr/>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Auditor's Office Unemployment Contribution		(17,079)	(17,079)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(17,079)</b>	<b>(17,079)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		26,524	26,524
<b>Technical Adjustments Subtotal:</b>	<b>0.00</b>	<b>26,524</b>	<b>26,524</b>
<b>2012-2013 Forecast Base Budget:</b>	<b>13.00</b>	<b>2,010,679</b>	<b>2,010,679</b>
<hr/> <b>Budget Proposals Approved</b> <hr/>			
1. Environmental Services City Auditor Services	1.00	106,800	0
2. City Auditor Staffing	1.00	0	0
<b>Total Budget Proposals Approved</b>	<b>2.00</b>	<b>106,800</b>	<b>0</b>
<b>2012-2013 Adopted Budget Total</b>	<b>15.00</b>	<b>2,117,479</b>	<b>2,010,679</b>

# Office of the City Auditor

## Budget Changes By Department




Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
<b>1. Environmental Services City Auditor Services</b>  <b><i>Strategic Support CSA</i></b> <i>Audit Services</i>  This action adds 1.0 Program Performance Auditor I to perform audit services for the Environmental Services Department (ESD) with a special focus on how ratepayer funds are used. Audit services will include a review of the Water Pollution Control Plant rehabilitation project for opportunities to reduce the cost of the project, expedite the project, and create savings for ratepayers, as well as other upcoming audits related to Environmental Services that will be identified in the City Auditor's 2012-2013 Workplan. (Ongoing costs: \$106,800)	1.00	106,800	0
<b>Performance Results:</b> <b><i>Cycle Time, Customer Satisfaction</i></b> The addition of one Program Performance Auditor will provide the additional resources needed to perform audit services for ESD, increasing oversight and monitoring of ratepayer funds.			
<b>2. City Auditor Staffing</b>  <b><i>Strategic Support CSA</i></b> <i>Audit Services</i>  This action eliminates 1.0 Supervising Auditor and 1.0 Senior Program Performance Auditor and adds 3.0 Program Performance Auditor I. The additional staffing will result in additional program performance audits being conducted and audit benefits being identified. Program Performance Auditors assess efficiency and effectiveness of City programs through performance audits. Subject areas cover the full spectrum of City activities, including but not limited to police and fire operations, libraries, parks, housing and urban development, retirement administration, performance management, financial management, and utility services. (Ongoing costs: \$0)	1.00	0	0
<b>Performance Results:</b> <b><i>Cycle Time, Customer Satisfaction</i></b> The net addition of one Program Performance Auditor will allow the Office of the City Auditor to continue to accommodate current audit requests, as well as provide additional audit services.			
<b>2012-2013 Adopted Budget Changes Total</b>	<b>2.00</b>	<b>106,800</b>	<b>0</b>

# Office of the City Auditor

## Performance Summary

### Audit Services

#### Performance Measures

	2010-2011 Actual	2011-2012 Target	2011-2012 Estimated	2012-2013 Target
 % of audit recommendations implemented (cumulative over 10 years)	75%	80%	83%	80%
 Ratio identified monetary benefit to audit cost	\$10 to 1	\$4 to 1	\$1.30 to 1	\$4 to 1
 % of approved workplan completed or substantially completed during the fiscal year	78%	80%	70%	80%

*Changes to Performance Measures from 2011-2012 Adopted Operating Budget: No*

### Activity and Workload Highlights

	2010-2011 Actual	2011-2012 Forecast	2011-2012 Estimated	2012-2013 Forecast
# of audit reports issued	17	18	16	18
# of audit recommendations adopted	66	50	67	50
# of audit reports per auditor	1.8 to 1	1.5 to 1	1.8 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings)	\$17,400,000	\$8,000,000	\$2,268,000	\$8,000,000

*Changes to Activity and Workload Highlights from 2011-2012 Adopted Operating Budget: No*

# Office of the City Auditor

## Departmental Position Detail

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Position	2011-2012 Adopted	2012-2013 Adopted	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I	0.00	4.00	4.00
Program Performance Auditor II	3.00	3.00	-
Senior Office Specialist	1.00	1.00	-
Senior Program Performance Auditor	6.00	5.00	(1.00)
Supervising Auditor	1.00	0.00	(1.00)
<b>Total Positions</b>	<b>13.00</b>	<b>15.00</b>	<b>2.00</b>

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