

Office of the City Auditor

Joe Rois, City Auditor

MISSION

Independently assess and report on City operations and services

CITY SERVICE AREA

Strategic Support

CORE SERVICES

AUDIT SERVICES

Identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

Strategic Support: Administrative Support and Pandemic Response

Office of the City Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Audit Services Core Service</i>	
Performance Audits	Identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders.
<i>Strategic Support Core Service</i>	
City Auditor Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.
City Auditor Pandemic Response	Provides for the coordination and delivery of emergency services and recovery activities in response to the COVID-19 pandemic.

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Department Budget Summary

Expected 2022-2023 Service Delivery

- Conduct program performance audits identifying ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders. The 2022-2023 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2022, 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; the Annual Compliance Review of San José Clean Energy's Risk Management Practices; and the Semi-Annual Reviews for Compliance with the City's Investment Policy.

2022-2023 Key Budget Actions

- Restores 1.0 Program Performance Auditor I/II position, which will result in an increase in the number of performance audits. This action is partially offset by a reduction in non-personal/equipment funding of \$74,645 to reflect savings.

Operating Funds Managed

N/A

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Department Budget Summary

	2020-2021 Actuals ***	2021-2022 Adopted ****	2022-2023 Forecast	2022-2023 Adopted
Dollars by Core Service				
Audit Services	2,407,223	3,029,697	3,247,960	3,309,166
Strategic Support - City Council Appointees	95,840	164,890	173,277	173,277
Strategic Support - Other - Council Appointees	402,127	0	0	0
Total	\$2,905,190	\$3,194,587	\$3,421,237	\$3,482,443
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,295,879	2,382,119	2,591,263	2,722,614
Subtotal Personal Services	\$2,295,879	\$2,382,119	\$2,591,263	\$2,722,614
Non-Personal/Equipment	52,161	123,369	123,369	53,224
Total Personal Services & Non-Personal/Equipment	\$2,348,040	\$2,505,488	\$2,714,632	\$2,775,838
<i>Other Costs*</i>				
City-Wide Expenses	402,127	447,234	460,650	460,650
General Fund Capital	0	0	0	0
Housing Loans and Grants	0	0	0	0
Other	155,023	241,865	245,955	245,955
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$557,150	\$689,099	\$706,605	\$706,605
Total	\$2,905,190	\$3,194,587	\$3,421,237	\$3,482,443

* 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 positions displayed in the 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget.

*** 2020-2021 Actuals may not subtotal due to rounding.

**** The amounts in the 2021-2022 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.

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Department Budget Summary

	2020-2021 Actuals ***	2021-2022 Adopted ****	2022-2023 Forecast	2022-2023 Adopted
Dollars by Fund				
General Fund (001)	2,654,327	2,952,722	3,175,282	3,236,488
Coronavirus Relief Fund (401)	95,840	0	0	0
San José Clean Energy Operating Fund (501)	63,880	129,000	130,650	130,650
Airport Maintenance And Operation Fund (523)	65,023	80,593	83,033	83,033
Sewer Service And Use Charge Fund (541)	26,120	32,272	32,272	32,272
Total	\$2,905,190	\$3,194,587	\$3,421,237	\$3,482,443
Positions by Core Service**				
Audit Services	13.00	12.00	12.00	13.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
Total	14.00	13.00	13.00	14.00

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Office of the City Auditor

Department Budget Summary

	2020-2021	2021-2022	2022-2023	2022-2023	2022-2023
	Actuals**	Adopted	Forecast	Adopted	Adopted Positions

Dollars by Program*

Audit Services

Performance Audits	2,407,223	3,029,697	3,247,960	3,309,166	13.00
Sub-Total	2,407,223	3,029,697	3,247,960	3,309,166	13.00

Strategic Support - City Council Appointees

City Auditor Management and Administration	0	164,890	173,277	173,277	1.00
City Auditor Pandemic Response	95,840	0	0	0	0.00
Sub-Total	95,840	164,890	173,277	173,277	1.00

Strategic Support - Other - Council Appointees

City Auditor Other Departmental - City-Wide	402,127	0	0	0	0.00
Sub-Total	402,127	0	0	0	0.00

Total	\$2,905,190	\$3,194,587	\$3,421,237	\$3,482,443	14.00
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Office of the City Auditor

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2021-2022 Adopted to 2022-2023 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2021-2022):	13.00	2,505,488	2,505,488
<hr/> Base Adjustments			
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes:		209,144	209,144
Technical Adjustments Subtotal:	0.00	209,144	209,144
2022-2023 Forecast Base Budget:	13.00	2,714,632	2,714,632
<hr/> Budget Proposals Approved			
1. Program Performance Auditor Staffing	1.00	56,706	56,706
2. Rebudget		4,500	4,500
Total Budget Proposals Approved	1.00	61,206	61,206
<hr/> 2022-2023 Adopted Budget Total:			
	14.00	2,775,838	2,775,838

Office of the City Auditor

Budget Changes by Department

Personal Services and Non-Personal/Equipment




2022-2023 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Program Performance Auditor Staffing	1.00	56,706	56,706
<p><i>Strategic Support CSA</i> <i>Audit Services Core Service</i> <i>Performance Audits Program</i></p> <p>This action restores 1.0 Program Performance Auditor I/II position that was eliminated in the 2020-2021 Adopted Budget and reduces non-personal/equipment funding of \$25,000 from the Encore Fellowship Program and \$49,645 from the City Auditor’s Community Survey allocation to partially offset the addition of the position. Due to the new agreement beginning in 2021-2022, the cost for the Community Survey can be fully paid by the existing funding within the Office of the City Manager’s budget. The restoration of the position will allow the City to complete (or substantially complete) 1.5 additional audit projects and begin to regain the capacity the Office had pre-pandemic. (Ongoing costs: \$68,645)</p>			
2. Rebudgets		4,500	4,500
<p><i>Strategic Support CSA</i> <i>Audit Services Core Service</i> <i>Performance Audits Program</i></p> <p>The rebudget of unexpended 2021-2022 funds will allow for the completion of previously approved projects or other expenditure items in 2022-2023. The item listed below was approved by the City Council as part of a previous budget action. (Ongoing costs: \$0)</p> <p style="margin-left: 40px;">Encore Fellow \$4,500</p>			
2022-2023 Adopted Budget Changes Total	1.00	61,206	61,206

Office of the City Auditor

Performance Summary

Audit Services

Performance Measures

	2020-2021 Actual	2021-2022 Target	2021-2022 Estimated	2022-2023 Target
 % of audit recommendations implemented (cumulative over 10 years) ¹	72%	80%	74%	80%
 Ratio identified monetary benefit to audit cost	\$1.27 to \$1	\$2 to \$1	\$0.36 to \$1 ²	\$2 to \$1
 % of proposed workplan completed or substantially completed during the fiscal year	64%	80%	68%	80%

¹ This performance measure was adjusted in the 2021-2022 Adopted Budget to measure the percentage of audit recommendations implemented from (cumulative over 5 years) to (cumulative over 10 years).

² The 2021-2022 Estimate is lower than the Target as a result of the audits completed were not scoped to have large monetary benefits, rather, the audits were more about effectiveness.

Activity and Workload Highlights

	2020-2021 Actual	2021-2022 Forecast	2021-2022 Estimated	2022-2023 Forecast
# of audit reports issued	14	16	17	16
# of audit recommendations adopted	42	50	37	50
# of audit reports per auditor	1.2 to 1	1.5 to 1	2 to 1	1.5 to 1
Identified monetary benefits (i.e., revenue enhancements and cost savings) ¹	\$3,006,350	\$5,010,000	\$900,000	\$5,542,000

¹ The 2020-2021 Actual identified monetary benefits is an estimate based on potential cost savings identified in the Audit of Police Staffing, Expenditures, and Workload, Annual Performance Review of Team San Jose FY 2019-20, and Audit of Code Enforcement Management Controls. The 2021-2022 Estimated identified monetary benefits is an estimate based on potential cost savings identified in the Audit of Municipal Water Billing and Customer Service, Audit of Citywide Grant Monitoring, Audit of Fleet Take-Home Vehicles, and Audit of the Bill of Rights for Children and Youth.

Office of the City Auditor
Department Position Detail

Position	2021-2022 Adopted	2022-2023 Adopted	Change
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	6.00	7.00	1.00
Senior Program Performance Auditor	3.00	3.00	-
Supervising Auditor	2.00	2.00	-
Total Positions	13.00	14.00	1.00
