



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Joe Rois
City Auditor

SUBJECT: SEE BELOW

DATE: June 23, 2023

INFORMATION

SUBJECT: AUDIT OF ACCESS TO AND USE OF OUR MOST CRITICAL CITY SERVICES IN TRADITIONALLY MARGINALIZED COMMUNITIES

Executive Summary

This memorandum is in response to direction from Mayor Mahan about the City Auditor's Office exploring the scope of an audit of access to and use of the City's most critical services in traditionally marginalized communities. Because of the breadth of services potentially covered, and the myriad data sources required for analysis, I recommend addressing this in a series of audits.

The first such audit, which will be included in the City Auditor's proposed FY 2023-24 work plan for Council consideration, would be a broad review, either Citywide or for select departments determined during the initial stages of the project. The objective would be to assess and provide recommendations related to departmental efforts around the progress on Racial Equity Action Plans, resources available for equity-related work, collection of data on participants or parties impacted by services, and/or other related areas. Future audits would follow based on the results of this project, or other considerations.

Background and Analysis

In his 2023 March Budget Message, Mayor Mahan provided the following direction.

To ensure we continue to make progress toward a more just and equitable future, the City Auditor is directed to prepare and publish an Information Memo that explores the scope and costs associated with conducting an audit of access to and use of our most critical city services in traditionally marginalized communities, including recommendations for improving the value the City is delivering to residents who most need these services.

Audit scopes define the programs or subject matters to be assessed and reported on during an audit, as well as the time frame for the assessments. Two primary factors would affect the potential scope of this audit work. The first is identifying the City's most critical services, including those with the potential to have the greatest service gaps to the city's historically underserved and marginalized communities. The second is the availability of data to assess service delivery in the context of this audit subject. This could be participant data from individual department databases, geographic data, or other quantitative or qualitative data on service delivery.

Audit considerations

1. Audit staff would first identify the scope of services that would be considered the most critical. Given the breadth of City operations across more than 20 departments and offices, identifying those services most critical to San José residents will be key. To identify such services, audit staff would begin by reviewing:
 - Identified focus areas from the Mayor’s March and June budget messages,
 - Materials from the City Council priority setting sessions,
 - The City’s Adopted Operating Budget, with a particular focus on areas with significant budget actions or reductions,
 - Results from the most recent Community Opinion Survey (referred to as the Resident Survey in the City Auditor’s Annual Services Report), and/or
 - Other sources as necessary, including any data sources that identify services that touch the most individuals or most requested (e.g., 311 calls).

Audit staff would also seek input from the Administration about where it sees the greatest risk of service gaps to marginalized communities that have been historically underserved.

2. The scope would likely encompass multiple departments or programs and related data systems. The first component of the work would be to assess the validity and reliability of data from these systems, upon which we would rely for our audit tests and findings. One variable that we would need to consider is how or whether data is or could be disaggregated in a way to determine access to and use of services by marginalized communities that have historically been underserved, such as persons of color, persons with disabilities, and others. To the extent data is not available, staff would devise alternative, qualitative means of gathering sufficient evidence to assess service delivery.

Potential audits

Assessing equity in service delivery is an important objective for the City Auditor’s Office, and one we consider in all our audits. As described above, in consideration of the breadth of services potentially covered, and the myriad data sources required for analysis, I recommend addressing how “we *continue to make progress toward a more just and equitable future*” in a series of audits.

The first such audit would be a broad review, either Citywide or for select departments determined during the initial stages of the project. The objective would be to assess and provide recommendations related to departmental efforts around the progress on Racial Equity Action Plans, resources available for equity-related work, collection of data on participants or parties impacted by the service, or other related areas. As with all audits, the specific audit scope would become more fully defined during the planning stages of the audit. Future audits focused on specific departments or services could follow.

The audit would require an audit team of three individuals, that would include a team lead and two auditors. It would also require input from the Assistant City Auditor to help develop appropriate audit tests, and two auditors who would provide quality control to ensure the technical accuracy of the final audit report. The project would likely take roughly 2,500 hours and be completed within 7-8 months.

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The Office intends to bring a Proposed Work Plan for FY 2023-24 that includes the above recommended audit to the Rules & Open Government Committee in August 2024 for discussion and approval.

A handwritten signature in black ink, appearing to read 'JR' or similar initials, positioned above the printed name.

Joe Rois
City Auditor

For questions, please contact Joe Rois, City Auditor at (408-)535-1239, or joseph.rois@sanjoseca.gov

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