



**2018-2019**

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**OPERATING BUDGET**

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



## Status of City Auditor Recommendations With Funding Impact 2018-2019 Adopted Operating Budget

There are audit recommendations that are addressed in actions included in the 2018-2019 Adopted Budget. The table below provides a summary of those audit recommendations. While this report focuses on audit recommendations with budget actions in 2018-2019, there are numerous outstanding audit recommendations with financial implications that are not being implemented as part of the 2018-2019 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/index.aspx?nid=309>.

Department	Item	Remarks
City Attorney's Office/ Housing Department/ Planning, Building, and Code Enforcement Department	The Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords - To fulfill increasing demand for services, the Housing Department's staffing plan should consider the additional staff required for coordinating hearings, referrals for dispute resolution and advice, investigation, enforcement activities, and improving outreach. (Issued 11/30/2016, #4)	<p>The 2018-2019 Adopted Operating Budget provides ongoing funding from Rental Rights and Referral fee revenues to add 1.0 Deputy City Attorney position in the City Attorney's Office and 5.0 positions in the Housing Department. The Deputy City Attorney will provide litigation services related to the enforcement of, and compliance with, the City's Apartment Rent Ordinance. The 5.0 Housing positions, and the extension of a limit-dated Information Systems Analyst (ISA), will administer the Modified Apartment Rent Ordinance, Tenant Protection Ordinance, and local Ellis Act Ordinance, as well as the development of the Apartment Rent Registry. Additional non-personal/equipment funding supports: print and postage for program mailings; advertising expenses for fliers, posters, and community meetings; an increase in contractual services for hearing officers; staff training; and related requirements for the additional staff.</p> <p>These actions represent the continued implementation of measures identified in Audit Recommendation #4. More detail on these actions can be found in the City Departments/Council Appointees sections of the 2018-2019 Adopted Operating Budget for the City Attorney's Office and the Housing Department.</p>

## Status of City Auditor Recommendations With Funding Impact 2018-2019 Adopted Operating Budget

Department	Item	Remarks
City Attorney's Office/ Housing Department/ Planning, Building, and Code Enforcement Department	The Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords - To recognize the administrative costs associated with billing Apartment Rent Ordinance-related fees, the Housing Department should work with the Department of Planning, Building and Code Enforcement to establish fee-supported staffing, and enter into the interdepartmental partnership of users of the citywide Integrated Permit System. (Issued 11/30/2016, #18)	The 2018-2019 Adopted Operating Budget extends five limit-dated positions (1.0 Supervising Applications Analyst, 1.0 Senior Analyst, 1.0 Senior Engineer, and 2.0 Planner IV's) to support the continued implementation of the upgraded Integrated Permit System used by the Development Services Partners. The system is in the development process and the new completion date is projected to be June 2020. This system will also be used for the billing associated with the Apartment Rent Ordinance. The positions will be funded by Building Fees, Code Multiple Housing Fees, Planning Fees, Public Works Development Fees, Fire Development Fees, Integrated Waste Management Funds, Traffic Capital Funds, and the Multi-Source Housing Fund. The most recent go-live date of February 2019 was extended due to challenges encountered while incorporating City business processes in various modules of the project. More detail on this action can be found in the City Departments/Council Appointees sections of the 2018-2019 Adopted Operating Budget for the Planning, Building, and Code Enforcement Department.

## Status of City Auditor Recommendations With Funding Impact 2018-2019 Adopted Operating Budget

Department	Item	Remarks
Environmental Services	<p>South Bay Water Recycling: Better Information and Renegotiation of Contractual Obligations Will Increase Transparency and Aid Program Success –</p> <p>The Department of Environmental Services should work with the Budget Office and Finance Department to establish operating and capital funds for South Bay separate from other Wastewater Facility operating and capital funds. (Issued 3/28/16, #1)</p>	<p>The 2018-2019 Adopted Operating Budget establishes the South Bay Water Recycling Operating Fund (Fund 570) and transfers associated funding from the San José-Santa Clara Treatment Plant Operating Fund (Fund 513). More detail on this action can be found in the City Departments/Council Appointees section of the 2018-2019 Adopted Operating Budget for the Environmental Services Department, and the Source and Use Statements sections for the South Bay Water Recycling Operating Fund (Fund 570).</p>

## Status of City Auditor Recommendations With Funding Impact 2018-2019 Adopted Operating Budget

Department	Item	Remarks
Finance	<p>Accounts Receivable: The City Can Enhance Revenue Collections by Improving Its Billing &amp; Collection Practices -</p> <p>The Finance Department should work with:</p> <ul style="list-style-type: none"> <li>- The Information Technology Department to develop an online payment option for accounts owing to the City and managed in Revenue Results.</li> <li>- The Fire Department and Information Technology to develop an online payment option for invoices billed through FireHouse.</li> <li>- The Information Technology Department to: <ul style="list-style-type: none"> <li>o Improve the interface between department billing systems and Revenue Results so that key information, such as the service date and other details about the service or citation, that will aid in the collection process is transferred.</li> <li>o Work with Planning, Building, and Code Enforcement and the Fire Department to develop an interface or some other means of transferring data from the departmental billing systems into Finance's collections software to better manage collections for these departmental billings.</li> </ul> </li> </ul> <p>(Issued 12/04/2014, #12, #16)</p>	<p>The 2018-2019 Adopted Operating Budget provides one-time funding of \$20,000 to add two new interfaces to the current Revenue Results system that will enhance the Finance Department Revenue Division's collection work. The Revenue Results application underwent a significant upgrade in October 2017. Phase two of the upgrade will require additional modules and programming to incorporate two new interfaces:</p> <ul style="list-style-type: none"> <li>- The first interface provides delinquent fire permits function for the Fire Department, as recommended by the City Auditor.</li> <li>- The second interface adds custom tabs and fields for the Planning, Building and Code Enforcement Department to enhance the functionality of the collection system.</li> </ul> <p>More detail on this action can be found in the City Departments/Council Appointees section of the 2018-2019 Adopted Operating Budget for the Finance Department.</p>

## Status of City Auditor Recommendations With Funding Impact 2018-2019 Adopted Operating Budget

Department	Item	Remarks
Fire	<p>Fire Department Injuries: A More Coordinated Response and Better Follow-Up is Needed – The Administration should prioritize improving its safety culture by dedicating the appropriate personnel with the right authority to enforce and coordinate changes and raise awareness about employee injuries. (Issued 9/12/12, #14)</p>	<p>The 2018-2019 Adopted Operating Budget adds ongoing funding for 1.0 Battalion Chief to serve as the Fire Department Safety Officer to respond to and investigate serious incidents, conduct supervisory review of accident investigations and ensure completion, and provide weekly reports of injuries in the Fire Department. More detail on this action can be found in the City Departments/Council Appointees section of the 2018-2019 Adopted Operating Budget for the Fire Department.</p>
Transportation	<p>Street Sweeping: Significant Investment and Re-tooling are Needed to Achieve Cleaner Streets – The Administration should identify additional funding to improve street sweeping service citywide. (Issued 2/29/2016, #4)</p>	<p>The 2018-2019 Adopted Operating Budget adds ongoing funding for 1.0 Associate Construction Inspector (ACI) to manage contractual street sweeping services, and to coordinate ongoing renovation projects and maintenance in special assessment districts. One-time funding is also provided for a vehicle to support field work. The ACI will assist in enforcing the 44-mile expansion of street sweeping parking restriction signage through contract management, inspection to ensure the completion of scheduled sweeps, and the mitigation of street obstructions along sweeping routes. More detail on this action can be found in the City Departments/Council Appointees section of the 2018-2019 Adopted Operating Budget for the Department of Transportation.</p>

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