

TO: RULES AND OPEN GOVERNMENT COMMITTEE
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for July 2009*
DATE: August 5, 2009

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for July 2009.

SUMMARY OF RESULTS

Charter Section 8.05(e) requires the City Auditor to submit a monthly report to the City Council of our activities, findings, and recommendations. This report summarizes reports issued, other activities, assignments in process, and the status of the City Auditor's Fiscal Year 2009-10 Work Plan during the month of July 2009.

Activities During the Month of July:

- Presented the City Auditor's **Proposed 2009-10 Work Plan** at the July 29, 2009 Rules and Open Government Committee. The Committee accepted the report.
- Presented the City Auditor's Report on the **American Recovery and Reinvestment Act Preliminary Report on Internal Controls** at the July 29, 2009 Rules and Open Government Committee meeting. The Committee accepted the report.

Assignments in Process:

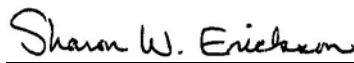
1. **Service Efforts and Accomplishments (SEA) Follow-up** – Report on what we learned during the preparation of the 2007-08 SEA report to help streamline and enhance the performance measurement and reporting process and encourage performance management.
Project Status: A draft report is circulating for comment.
Anticipated Release Date: September 2009.

2. **Audit of Parks Trust Fund Administration** – To review policies and procedures for reconciling revenues and expenditures, and improving recordkeeping, interdepartmental coordination, and timely disbursement of funds.
Project Status: Audit fieldwork is complete. Report writing in process.
Anticipated Release Date: Tentatively scheduled for the September 17, 2009 PSFSS Committee.
3. **Audit of Animal Care and Services** – The focus of our review is the cost-recovery status of fees and charges, including services provided to other jurisdictions.
Project Status: Audit fieldwork is complete and a pre-exit conference was held. Report writing in process.
Anticipated Release Date: October 2009.
4. **Audit of Pensionable Time Reporting (“Retirement Rolls”)** – To review time reporting and payroll processes that impact pension rates and pensionable hours, City earnings codes and their governance, and the administrative process for determining pensionable amounts and pensionable hours.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
5. **Police Sworn/Non-Sworn Staffing** – To assess the efficiency and effectiveness of current deployment of sworn versus non-sworn Police Department employees. This review follows up on a recommendation raised in the January 2008 Management Partners report.
Project Status: Audit fieldwork is in process.
Anticipated Release Date: TBD.
6. **Decentralized Cash Handling** – Revenue in the form of cash, checks, and credit cards is collected throughout the City at many locations. The audit will identify strategies and processes to increase accountability where cash handling is currently decentralized.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
7. **Review of Community Center Staffing** – We will assess the efficiency and effectiveness of community center staffing.
Project Status: An entrance conference was held and preliminary survey in process.
Anticipated Release Date: TBD.
8. **Audits of Major Contracts** – This audit is the first in a series of audits of large contracts to confirm that the City is getting the service that it is paying for and the revenues to which it is entitled.
Project Status: Preliminary survey in process.
Anticipated Release Date: TBD.

9. **Redevelopment Agency DDA** – An audit of the loan agreement between the Redevelopment Agency and Legacy Partners for the 117-unit Museum Park multiple housing development
Project Status: Preliminary survey in process.
Anticipated Release Date: TBD.

Information on the status of the City Auditor's FY 2009-10 Work Plan is attached. On behalf of the Auditor's Office, I would like to express my appreciation to City staff for their cooperation and assistance during our reviews.

Respectfully submitted,



Sharon W. Erickson
City Auditor

SE:bh

Attachment: Status of the City Auditor's FY 2009-10 Work Plan

**Status of the City Auditor's FY 2009-10 Work Plan¹
as of July 31, 2009**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ²
Assignments In Process					
Service Efforts and Accomplishments Follow-Up	N/A	N/A	Completed	In Process	September 2009
Park Trust Fund Administration	Completed	Completed	Completed	In Process	September 2009
Animal Care and Services	Completed	Completed	Completed	In Process	October 2009
Pensionable Time Reporting ("Retirement Rolls")	Completed	Completed	In Process		
Police Sworn/Non-Sworn Staffing Ratios	Completed	Completed	In Process		
Decentralized Cash Handling	Completed	Completed	In Process		
Review of Community Center Staffing	In Process				
Major City Contracts	In Process				
Redevelopment DDAs – Museum Park	In Process				
Assignments Not Yet Started					
Permitting Process for High-Rise Residential					
Traffic Control at Road Construction Projects					
Annual External Audits (Financial, Single, Investment Program, select Bond Projects, and Parcel Tax Audits)					
Semi-annual Audit Recommendation Status Reports					
Annual Review of Team San Jose					
Annual Service Efforts and Accomplishments 2008-09					
Information Technology General Controls					
Take-home Vehicles					
Traffic Citation Revenue					
Pension and Retiree Medical Costs					
Community Code Enforcement					
DOT Sewer Line Cleaning Program					
Financial Scan of Community-based Organizations					
Personnel Costs					
Contract Documentation and Insurance					
Procurement Card Transactions					
Affordable Housing Fee Exemptions					
Disability Retirements					
Police Secondary Employment					
Biennial Peer Review					
Recovery Act 9/30/09 Status					
Card Room Oversight					
Audits of Community-based Organizations TBD					

¹ The approved work plan is on the web at www.sanjoseca.gov/auditor/workplan.asp

² Projected Issuance Dates are usually six weeks after Report Writing is completed to accommodate exit conferences, draft report revisions and a three week allowance for the administration to prepare a written response. For the Assignments Completed, the date shown is the actual month of report issuance.