

August 23, 2007

Honorable Members of the City Council Rules and
Open Government Committee
200 East Santa Clara Street
San Jose, CA 95113

I recommend that the Rules and Open Government Committee include the following assignments on the City Auditor's 2007-08 Audit Workplan. These proposed assignments incorporate recommendations from the Mayor, City Councilmembers, the City Manager, other City Council appointees, and the 2006-07 Santa Clara County Civil Grand Jury.

Assignments In Progress

1. Arena Management
2. City Debt and Investment Program
3. Santa Clara County Cities Association
4. TEAM San Jose, Inc. (2005-2006 and 2006-07)
5. Los Lagos Golf Course Operations and Finances
6. Redevelopment Disposition and Development Agreement-Park Townsend
7. Redevelopment Disposition and Development Agreement-101 San Fernando
8. Franchise Fees
9. Workers' Compensation

Assignments Not Yet Started

10. Housing Rehabilitation
11. Vehicle Maintenance Procedures
12. Public Works' Cost Estimating Process
13. Risk Management
14. Police Department Overtime
15. Information Technology Department (deferred)
16. Community Based Organizations' (CBO) Financial Reporting and Accountability
17. Decentralized Cash Handling Processes
18. Convention and Visitors Bureau

Annual Assignments

19. Annual Financial Audit and Single Audit Overview
20. Allied Waste Contract Expenditures
21. TEAM San Jose, Inc. Annual Performance Audit
22. Workers' Compensation Program Claims Liability

On-going Assignments

23. Semiannual Audit Recommendation Follow-Up
24. Review of Significant Requests For Proposal
25. Cardroom Audit Overview
26. Redevelopment Disposition and Development Agreements
27. Procurement Card Transactions

New Audit Requests

28. Retirement Services Travel Expenses
29. Emergency Communications Center

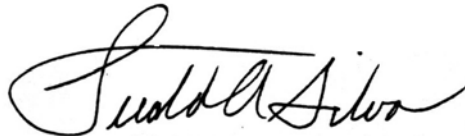
In addition, the City Auditor's Citywide Risk Assessment Model identified additional potential 2007-08 audit subjects. We scored each budgeted program or revenue source using the following criteria:

- Proposed 2006-07 expenditures
- Three-year expenditure trend
- Fund type
- Proposed 2006-07 capital expenditures
- Estimated 2006-07 revenues
- Three-year revenue trend
- Number of staff
- Estimated 2006-07 beginning fund balances
- Audit requests
- Date of last audit

A copy of our Citywide Risk Assessment Model is attached to this report.
(Attachment A).

This proposed Audit Workplan will be presented to the Rules and Open Government Committee at its September 5, 2007 meeting.

Respectfully submitted,



Gerald A. Silva
City Auditor

ATTACHMENT A
CITY-WIDE RISK ASSESSMENT

DEPARTMENT/ACTIVITY	CORE SERVICE/FUND/CATEGORY	TOTAL SCORE	AUDIT REQUEST	Audit Report Number	DATE OF LAST AUDIT	RISK SCORE	RISK WEIGHT	RISK COLOR	RISK LEVEL	FUND TYPE	RISK SCORE	RISK WEIGHT	RISK COLOR	RISK LEVEL	PROPOSED	ADOPTED	PROPOSED	Difference	%	REVENUES	REVENUES	Difference	%	EXPEND	EXPEND	Difference	%							
	RELATIVE WEIGHTS OF RISK FACTORS					5	1				5	1																						
PARKS, RECREATION, & NEIGHBORHOOD	NEIGHBORHOOD LIVABILITY SERVICES	240	2002	10	03-01	2003	3	15	21.27	9	45	GEN	10	50	20,474,397	9	45	14,579,234	20,474,397	5,895,163	28.79%	0	0	0	0	0								
TRANSPORTATION	TRANSPORTATION OPERATIONS	225	2002	10	50							GEN	10	50	7,530,014	7	35	6,712,295	7,530,014	817,719	10.86%	1	5	0	0	0								
PARKS, RECREATION, & NEIGHBORHOOD	LIFE ENJOYMENT SERVICES	220	2002	10	50	02-08	2002	4	20	410.58	9	45	GEN	10	50	35,573,534	10	50	32,142,163	35,573,534	3,431,371	9.65%	1	5	0	0	0							
POLICE	STRATEGIC SUPPORT	220	2001	50	02-08	2002	4	20	210.65	9	45	GEN	10	50	31,202,596	10	50	28,055,688	31,202,596	2,696,918	8.64%	1	5	0	0	0								
ECON DEVMT	WORKFORCE DEVELOPMENT	215	2003	50	00-01	2004	2	10	40.70	6	30	GEN	10	50	3,750,944	6	30	2,066,462	3,750,944	1,704,479	45.44%	9	45	0	0	0								
General Fund	Revenue from Money and Property	215	0	0	0	0	0	0	0	0	0	GEN	10	50	10,541,869	8	40	6,217,454	10,541,869	4,324,415	41.02%	9	45	7,946,444	6,217,454	(1,728,988)	-21.76%	6	30					
General Fund	Revenue from Federal Government	210	0	0	0	0	0	0	0	0	0	GEN	10	50	16,649,058	8	40	9,854,456	16,649,058	6,614,595	40.16%	9	45	2,592,762	9,854,456	7,261,692	280.08%	5	25					
INFORMATION TECHNOLOGY	PROVIDE ENTERPRISE TECH SYSTEMS AND SOLUTIONS	205	2004	10	04-06	2004	2	10	35.50	5	25	GEN	10	50	6,371,705	7	35	4,482,614	6,371,705	1,889,091	29.65%	7	35	0	0	0								
LIBRARY	PROMOTE LIFELONG LEARNING & PROVIDE ED. SUPPORT	205	0	0	0	0	0	0	0	0	0	GEN	10	50	5,664,167	6	30	3,270,285	5,664,167	1,945,400	34.31%	8	40	0	0	0								
ENVIRON SVCS	MANAGE WASTEWATER	200	2009	10	01-03	2001	5	25	271.50	9	45	SPEC	5	25	53,211,238	10	50	49,931,269	53,211,238	3,279,970	6.16%	1	5	0	0	0								
POLICE	RESPOND TO CALLS FOR SERVICE	200	0	0	97-08	1997	9	45	1,078.00	10	50	GEN	10	50	155,628,187	10	50	146,157,839	155,628,187	9,470,348	6.09%	1	5	0	0	0								
POLICE	INVESTIGATIVE SERVICES	200	0	0	0	0	0	0	0	0	0	GEN	10	50	50,468,766	10	50	46,313,839	50,468,766	4,154,927	8.23%	1	5	0	0	0								
INFORMATION TECHNOLOGY	SUPPORT DEPARTMENTAL TECHNOLOGY SERVICES	195	2001	10	50							GEN	10	50	2,042,947	5	25	1,934,071	2,042,947	108,876	5.33%	1	5	0	0	0								
LIBRARY	PROVIDE ACCESS TO INFO. LIB. MATS. & DIGITAL SOURCE	195	0	0	0	0	0	0	0	0	0	GEN	10	50	28,242,106	45	225	21,553,047	28,242,106	1,923,599	8.19%	1	5	0	0	0								
PARKS, RECREATION, & NEIGHBORHOOD	COMMUNITY STRENGTHENING SERVICES	195	2002	10	03-07	2003	3	15	64.43	7	35	GEN	10	50	5,492,175	6	30	5,083,404	5,492,175	(491,227)	-9.49%	3	15	0	0	0								
General Fund Capital, Transfers, Reserves	Strategic Support CSA	195	0	0	0	0	0	0	0	0	0	GEN	10	50	124,269,148	10	50	68,414,701	124,269,148	55,854,447	44.95%	9	45	0	0	0								
General Fund Capital, Transfers, Reserves	Transfers	195	0	0	0	0	0	0	0	0	0	GEN	10	50	28,925,668	9	45	3,509,431	28,925,668	25,416,237	87.87%	10	50	0	0	0								
INFORMATION TECHNOLOGY	STRATEGIC SUPPORT	190	2001	10	50							GEN	10	50	7,000	1	5	1,107,809	11,306,613	(37,185)	-3.29%	3	15	0	0	0								
PLANNING, BUILDING, & CODE ENFOR	COMMUNITY CODE ENFORCEMENT	190	2002	10	04-01	2004	2	10	84.48	7	35	GEN	10	50	9,317,488	7	35	8,820,205	9,317,488	497,283	5.34%	1	5	0	0	0								
General Fund Capital, Transfers, Reserves	Estimated Reserve	190	0	0	0	0	0	0	0	0	0	GEN	10	50	0	0	0	0	0	0	0	0	0	0	0	0	0							
FINANCE	DEBT AND RISK MANAGEMENT	185	2006	10	50							GEN	10	50	10,440	2	10	1,353,100	10,440	118,793	8.78%	1	5	0	0	0								
REDEVELOPMENT AGENCY	INITIATE & FACILITATE PRIVATE DEVELOPMENT	185	2002	10	95-25	1995	10	50	17.00	3	15	REDEV	7	35	3,418,744	6	30	3,348,269	3,418,744	70,472	2.06%	1	5	0	0	0								
TRANSPORTATION	SANITARY SEWER MAINTENANCE	185	0	0	0	0	0	0	0	0	0	GEN	10	50	10,126,277	8	40	9,547,296	10,126,277	578,981	5.72%	1	5	0	0	0								
TRANSPORTATION	TRAFFIC MAINTENANCE	185	2002	10	04-02	2004	2	10	54.66	6	30	GEN	10	50	10,431,234	11	55	10,131,313	10,431,234	710,340	6.80%	1	5	0	0	0								
City-Wide Expenses	Public Safety	185	0	0	0	0	0	0	0	0	0	GEN	10	50	13,343,457	8	40	7,078,173	13,343,457	6,265,278	46.95%	9	45	0	0	0								
General Fund Capital, Transfers, Reserves	Transportation and Aviation Services CSA	185	0	0	0	0	0	0	0	0	0	GEN	10	50	0	0	0	0	0	0	0	0	0	0	0	0	0							
General Fund Capital, Transfers, Reserves	Capital Contributions	185	0	0	0	0	0	0	0	0	0	GEN	10	50	23,073,635	9	45	14,359,594	23,073,635	8,714,041	37.77%	8	40	0	0	0								
General Fund	Property Taxes	185	0	0	0	0	0	0	0	0	0	GEN	10	50	183,914,000	10	50	143,996,000	183,914,000	39,918,000	21.70%	6	30	144,048,005	143,996,000	(52,005)	-0.04%	1	5					
EMERGENCY RESPONSE	EMERGENCY RESPONSE	180	0	0	01-05	2001	5	25	77.68	8	40	GEN	10	50	109,227,095	10	50	107,443,644	109,227,095	1,783,451	1.66%	1	5	0	0	0								
HOUSING	STRATEGIC SUPPORT	180	0	0	0	0	0	0	0	0	0	GEN	10	50	3,958,640	6	30	2,730,608	3,958,640	1,228,032	31.02%	8	40	0	0	0								
INFORMATION TECHNOLOGY	MANAGE SUPPORT INFORMATION TECH INFRASTRUCT	180	2001	10	04-07	2004	2	10	44.45	5	25	GEN	10	50	8,724,854	7	35	8,144,656	8,724,854	580,200	6.65%	1	5	0	0	0								
PARKS, RECREATION, & NEIGHBORHOOD	STRATEGIC SUPPORT	180	0	0	0	0	0	0	0	0	0	GEN	10	50	56,677	3	15	6,787,348	7	35	5,480,630	6,787,348	1,306,718	19.25%	2	10	0	0	0					
TRANSPORTATION	STREET LANDSCAPE MAINT	180	0	0	0	0	0	0	0	0	0	GEN	10	50	11,163,076	8	40	10,532,228	11,163,076	630,748	5.65%	1	5	0	0	0								
General Fund Capital, Transfers, Reserves	Community and Economic Development CSA	180	0	0	0	0	0	0	0	0	0	GEN	10	50	18,381,599	8	40	11,434,689	18,381,599	6,946,910	37.79%	8	40	0	0	0								
AIRPORT	AIRPORT CUSTOMER SERVICE	175	0	0	0	0	0	0	0	0	0	GEN	10	50	256,588	9	45	52,239,044	47,954,328	52,239,044	4,284,713	8.20%	1	5	0	0	0							
PLANNING, BUILDING, & CODE ENFOR	DEV. PLAN REVIEW & BLDG CONSTRUCTION INSPECTION	175	0	0	00-08	2000	6	30	212.95	9	45	GEN	10	50	26,311,371	9	45	22,980,587	26,311,371	3,330,784	12.66%	1	5	0	0	0								
POLICE	TRAFFIC SAFETY SERVICES	175	0	0	0	0	0	0	0	0	0	GEN	10	50	9,099,436	7	35	7,994,419	9,099,436	1,105,011	12.14%	1	5	0	0	0								
PUBLIC WORKS	PLAN, DESIGN, & CONSTRUCT PUBLIC FACILITIES & INFRA	175	2001	10	04-03	2004	2	10	275.31	9	45	CAP	3	15	30,565,505	10	50	28,832,493	30,565,505	1,733,012	5.67%	1	5	0	0	0								
PARKING SERVICES	PARKING SERVICES	175	0	0	0	0	0	0	0	0	0	GEN	10	50	11,288,286	8	40	10,483,247	11,288,286	805,039	7.07%	1	5	0	0	0								
TRANSPORTATION	PAVEMENT MAINTENANCE	175	0	0	0	0	0	0	0	0	0	GEN	10	50	57,417	3	15	5,888,305	6,483,898	625,591	9.65%	1	5	0	0	0								
TRANSPORTATION	STRATEGIC SUPPORT	175	0	0	0	0	0	0	0	0	0	GEN	10	50	18,944	3	15	1,749,609	2,401,968	652,359	27.16%	7	35	0	0	0								
General Fund	Other Revenue	175	0	0	0	0	0	0	0	0	0	GEN	10	50	0	0	0	19,562,247	(14,040,404)	-26,038.0	0	0	18,379,886	19,562,861	1,182,977	6.44%	3	15						
Nonmajor Special Revenue Funds	Special Assessment Special Services (Fund 350)	175	0	0	0	0	0	0	0	0	0	GEN	10	50	0	0	0	0	0	0	0	0	0	0	0	0	0							
CITY ATTORNEY	LEGAL TRANSACTIONS	170	0	0	0	0	0	0	0	0	0	GEN	10	50	40,523	6	30	6,223,170	731,960	1,669	0	0	95,644	13,189	(82,457)	-86.21%	10	50	25,948	11,651	(14,297)	-55.10%	10	50
CITY ATTORNEY	LEGAL REPRESENTATION	170	0	0	0	0	0	0	0	0	0	GEN	10	50	4,640	3	15	7,027,244	6,646,533	7,027,244	380,713	5.42%	1	5	0	0	0							
CITY MANAGER	MANAGE & COORD CITY-WIDE SERVICE DELIVERY	170	2003	10	03-05	2003	3	15	22.70	4	20	GEN	10	50	3,453,018	6	30	3,291,577	3,453,018	161,441	4.68%	1	5	0	0	0								
ENVIRON SVCS	PROTECT																																	

