

Office of the City Auditor

Joe Rois, City Auditor

MISSION

Identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government by independently assessing and reporting on City operations and services

CITY SERVICE AREA

Strategic Support

CORE SERVICES

AUDIT SERVICES

Conducts performance audits and other services to provide independent analysis, reliable information, and recommendations for improvement to the City Council, City Administration, and the public.

Strategic Support: Administrative Support and Emergency Response and Recovery.

Office of the City Auditor

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Audit Services Core Service</i>	
Performance Audits	Conducts performance audits and other services to provide independent analysis, reliable information, and recommendations for improvement to the City Council, City Administration, and the public.
<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 Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Office of the City Auditor

Department Budget Summary

Expected 2025-2026 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 2025-2026 Audit Workplan will be submitted to the Rules and Open Government Committee in August 2025, 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, Single Audit, and audits of its component entities; the Audits of Parks and Recreation Bond, Library 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.
- Monitor the status of open audit recommendations and provide status updates through the online dashboard of audit recommendations and the issuance of two Status of Open Audit Recommendations reports.

2025-2026 Key Budget Actions

- Effective 2026-2027, eliminates 1.0 Program Performance Auditor position as a cost reduction measure, resulting in fewer audits per year and fewer recommendations to improve operations, enhance equity, or reduce risks to the City.

Operating Funds Managed

N/A

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Department Budget Summary

	2023-2024 Actuals ***	2024-2025 Adopted ****	2025-2026 Forecast	2025-2026 Proposed
Dollars by Core Service				
Audit Services	3,006,288	3,510,147	3,727,892	3,727,892
Strategic Support - City Council Appointees	236	201,964	207,649	207,649
Strategic Support - Other - Council Appointees	532,887	0	0	0
Total	\$3,539,411	\$3,712,111	\$3,935,541	\$3,935,541
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,754,005	2,892,768	3,100,248	3,100,248
Overtime	0	0	0	0
Subtotal Personal Services	\$2,754,005	\$2,892,768	\$3,100,248	\$3,100,248
Non-Personal/Equipment	52,586	47,238	47,238	47,238
Total Personal Services & Non-Personal/Equipment	\$2,806,591	\$2,940,006	\$3,147,486	\$3,147,486
<i>Other Costs *</i>				
City-Wide Expenses	532,887	526,150	542,100	542,100
Housing Loans and Grants	0	0	0	0
Other	199,933	245,955	245,955	245,955
Other - Capital	0	0	0	0
Overhead Costs	0	0	0	0
Total Other Costs	\$732,820	\$772,105	\$788,055	\$788,055
Total	\$3,539,411	\$3,712,111	\$3,935,541	\$3,935,541

* 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 position counts displayed in the 2023-2024 Actuals column reflect those included in the 2023-2024 Adopted Budget.

*** 2023-2024 Actuals may not subtotal due to rounding.

**** The amounts in the 2024-2025 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

	2023-2024 Actuals ***	2024-2025 Adopted ****	2025-2026 Forecast	2025-2026 Proposed
Dollars by Fund				
General Fund (001)	3,339,478	3,466,156	3,689,586	3,689,586
Airport Maintenance And Operation Fund (523)	100,510	83,033	83,033	83,033
San José Clean Energy Operating Fund (501)	99,423	130,650	130,650	130,650
Sewer Service And Use Charge Fund (541)	0	32,272	32,272	32,272
Total	\$3,539,411	\$3,712,111	\$3,935,541	\$3,935,541
Positions by Core Service **				
Audit Services	13.00	12.00	12.00	12.00
Strategic Support - City Council Appointees	1.00	1.00	1.00	1.00
Total	14.00	13.00	13.00	13.00

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Department Budget Summary

	2023-2024 Actuals **	2024-2025 Adopted	2025-2026 Forecast	2025-2026 Proposed	2025-2026 Proposed Positions
Dollars by Program*					
Audit Services					
Performance Audits	3,006,288	3,510,147	3,727,892	3,727,892	12.00
Sub-Total	3,006,288	3,510,147	3,727,892	3,727,892	12.00
Strategic Support - City Council Appointees					
City Auditor Management and Administration	236	201,964	207,649	207,649	1.00
Sub-Total	236	201,964	207,649	207,649	1.00
Strategic Support - Other - Council Appointees					
City Auditor Other Departmental - City-Wide	532,887	0	0	0	0.00
Sub-Total	532,887	0	0	0	0.00
Total	\$3,539,411	\$3,712,111	\$3,935,541	\$3,935,541	13.00

* 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.

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Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2024-2025 Adopted to 2025-2026 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2024-2025):	13.00	2,940,006	2,940,006
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• NONE			
One-time Prior Year Expenditures Subtotal:	0.00	0	0
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes		207,480	207,480
Technical Adjustments Subtotal:	0.00	207,480	207,480
2025-2026 Forecast Base Budget:	13.00	3,147,486	3,147,486
Budget Proposals Recommended			
1. Program Performance Audit Staffing (Effective 2026-2027)		0	0
Total Budget Proposals Recommended	0.00	0	0
2025-2026 Proposed Budget Total:	13.00	3,147,486	3,147,486

Office of the City Auditor

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2025-2026 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
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**1. Program Performance Audit Staffing
(Effective 2026-2027)**

***Strategic Support – Council Appointees CSA
Audit Services Core Service
Performance Audits Program***





This action eliminates 1.0 filled Program Performance Auditor I/II position, effective July 1, 2026. The Office of the City Auditor conducts audits annually in key areas including the City Council approved Focus Areas, critical City Service Area services and key programs, and Foundational Strategic Support Focus Areas. The Office sets a target to complete 1.5 audits per auditor and to generate two dollars in estimated monetary benefits for every one dollar in audit costs. The elimination of this position will result in fewer audits per year and fewer recommendations to improve operations, enhance equity, or reduce risks to the City. The foregone monetary benefits imply potential losses in budgetary savings, additional revenues, and efficiency gains. (Ongoing savings: \$140,761)

2025-2026 Proposed Budget Changes Total

Office of the City Auditor




Performance Summary

Four Key Budget Performance Measure Measurement Areas

			
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Audit Services

Performance Measures

	2023-2024 Actual	2024-2025 Target	2024-2025 Estimated	2025-2026 Target
 PM 1 % of audit recommendations implemented (cumulative over 10 years)	83%	80%	80%	80%
 PM 2 Ratio estimated monetary benefit to audit cost (cumulative over 3 years)	\$3.12 to \$1.00	\$2.00 to \$1.00	\$6.67 to \$1.00 ¹	\$2.00 to \$1.00
 PM 3 % of proposed workplan completed or substantially completed during the fiscal year ²	71%	80%	82%	80%

¹ Estimated monetary benefit vary each year depending on the audits included in the City Auditor's work plan. In 2024-2025, significant benefits were from the audits of Encumbrances and Animal Care and Services.

² Substantially completed means field work is completed and report writing has begun.

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Performance Summary

Audit Services

Activity and Workload Highlights

		2023-2024 Actual	2024-2025 Forecast	2024-2025 Estimated	2025-2026 Forecast
<i>AWH 1</i>	# of reports issued	17	17	14	18
<i>AWH 2</i>	# of reports per auditor ¹	1.5	1.5	1.4	1.5
<i>AWH 3</i>	Estimated monetary benefits	\$9,100,400	\$5,561,000	\$33,055,000 ²	\$5,561,000

¹ Includes recommendation follow-up and outside financial audit services they oversee

² Estimated monetary benefit vary each year depending on the audits included in the City Auditor's work plan. In 2024-2025, significant benefits were from the audits of Encumbrances and Animal Care and Services.

Data Sources: Audit Services

Number	Data Source
<i>PM 1</i>	City Auditor internal tracking
<i>PM 2</i>	City Auditor internal tracking
<i>PM 3</i>	City Auditor internal tracking
<i>AWH 1</i>	City Auditor internal tracking
<i>AWH 2</i>	City Auditor internal tracking
<i>AWH 3</i>	City Auditor internal tracking

Office of the City Auditor
Department Position Detail

Position	2024-2025 Adopted	2025-2026 Proposed	Change
Assistant City Auditor	1.00	1.00	-
City Auditor	1.00	1.00	-
Executive Assistant to City Auditor	1.00	1.00	-
Program Performance Auditor I/II	5.00	5.00	-
Senior Program Performance Auditor	3.00	3.00	-
Supervising Auditor	2.00	2.00	-
Total Positions	13.00	13.00	0.00
