



OFFICE OF THE
CITY AUDITOR

**REPORT OF ACTIVITIES FOR THE PERIOD
NOVEMBER 16 THROUGH DECEMBER 15, 2006**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Gerald A. Silva, City Auditor

January 10, 2007

Honorable Members of the City Council
200 East Santa Clara Street
San Jose, CA 95113

In accordance with Charter Section 805(e), I am submitting a written report of the Office of the City Auditor's activities for the period of November 16 through December 15, 2006 and schedule of audit costs for November 2006.

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for November

If you need any additional information, please let me know.

Respectfully submitted,

Gerald A. Silva
City Auditor

GS:bh
Attachment

Office of the City Auditor
Status of Assignments in Progress as of December 15, 2006

| | Preliminary Survey | Risk Assessment | Audit Field Work | Report Writing | Projected Issuance Date* |
|---|--------------------|-----------------|------------------|----------------|--------------------------|
| Assignments Completed | | | | | |
| American Musical Theatre of San Jose | N/A | N/A | N/A | N/A | October 2006 |
| San Jose Repertory Theatre | N/A | N/A | N/A | N/A | October 2006 |
| TEAM San Jose | Completed | Completed | Completed | In Progress | October 2006 |
| Purchase Card Utilization | Completed | Completed | Completed | Completed | September 2006 |
| City Auditor Review of Recycle Plus RFP Protest | N/A | N/A | Completed | Completed | August 2006 |
| Review of Significant RFPs—Recycle Plus RFP | N/A | N/A | Completed | Completed | August 2006 |
| Quarterly Sales Tax Audit for Quarter Ended 3/31/06 | N/A | N/A | On-going | Completed | July 2006 |
| Assignments In Progress | | | | | |
| Public Works Transportation Contract Cycle Times | Completed | Completed | Completed | Completed | February 2007 |
| Traffic Calming | Completed | Completed | Completed | In Progress | February 2007 |
| Arena Management | Completed | Completed | In Progress | In Progress | February 2007 |
| Los Lagos Golf Course Operations and Finances | Completed | Completed | In Progress | | |
| Northside RFP *** | N/A | N/A | In Progress | | |
| Mexican Heritage Plaza | N/A | N/A | In Progress | | |
| Redevelopment DDAs | Completed | N/A | In Progress | | |
| Santa Clara County Cities Association | Completed | N/A | In Progress | | |
| City Debt & Investment Program | Completed | In Progress | | | |
| Workers' Compensation *** | In Progress | | | | |
| Assignments Not Yet Started | | | | | |
| Housing Rehabilitation *** | | | | | |
| Public Works Cost Estimation Process | | | | | |
| Vehicle Maintenance Procedures | | | | | |
| Specialized Vehicle Use | | | | | |
| Risk Management | | | | | |
| Police Overtime | | | | | |
| Information Technology** | | | | | |
| Housing Rehabilitation | | | | | |
| CBO Financial Reporting and Accountability | | | | | |
| Decentralized Cash Handling Processes | | | | | |
| Convention and Visitors Bureau | | | | | |
| Consolidated Water Utility Fund | | | | | |
| On-going Assignments | | | | | |
| Quarterly Sales Tax Audit | | | | | |
| Review of significant RFPs | | | | | |
| Cardroom Audit Overview | | | | | |
| Redevelopment DDAs | | | | | |
| Audit Recommendation Follow-up Report | | | | | |
| Other Revenue Audits | | | | | |
| Procurement Card Transactions | | | | | |
| Annual Assignments | | | | | |
| Annual Financial Audit & Single Audit Overview t | | | | | |
| Allied Waste Contract Expenditures | | | | | |
| TEAM San Jose (2005-06) | | | | | |
| Workers' Compensation Program Claims Liability | | | | | |

* 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.

** Deferred

*** On Hold due to staff reassignment to other City Council-requested audits

OTHER ACTIVITIES

During November 16, 2006 through December 15, 2006, the City Auditor:

1. Issued *Semi-Annual Follow-Up Report On All Outstanding Audit Recommendations For The Six Months Ended June 30, 2006*.
2. Participated in a meeting of the Advisory Council on Government Auditing Standards in Washington, D.C.
3. Taught a class on *Risk Assessment* for City employees as part of the Citywide Training Program.
4. Met with Finance Department staff regarding on-going audits of City procurement cards.
5. Met with City Manager's Office staff regarding the Mexican Heritage Plaza.
6. Met with City Council Members regarding various audit assignments.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR THE MONTH OF NOVEMBER 2006**

| Audit Assignment | Audit Hours | Audit Costs | % ¹ |
|---|--------------|------------------|----------------|
| City Debt and Investment Administration | 263 | \$21,303 | 11.6% |
| Contract Cycle Times | 217 | 17,577 | 9.6 |
| Traffic Calming | 214 | 17,334 | 9.4 |
| RDA DDA – Park Townsend | 207 | 16,767 | 9.1 |
| American Musical Theatre of San Jose | 196 | 15,876 | 8.6 |
| Workers' Compensation | 146 | 11,826 | 6.4 |
| Santa Clara County Cities Association | 128 | 10,368 | 5.7 |
| Revenue Audits | 122 | 9,882 | 5.4 |
| Vacation, Sick, and Other Leaves | 112 | 9,071 | 4.9 |
| Holiday | 110 | 8,910 | 4.9 |
| Sales and Business License Taxes ² | 192 | 7,885 | 4.3 |
| Training | 93 | 7,533 | 4.1 |
| Los Lagos Golf Course | 90 | 7,290 | 4.0 |
| Northside Community Center | 72 | 5,832 | 3.2 |
| TEAM San Jose | 58 | 4,698 | 2.6 |
| Camera Cinemas | 39 | 3,159 | 1.7 |
| Peer Review Reciprocation | 32 | 2,592 | 1.4 |
| Significant RFPs/Procurement Manual | 26 | 2,106 | 1.1 |
| Administrative ³ | 23 | 1,671 | 0.9 |
| Performance-Based Budgeting | 10 | 810 | 0.4 |
| Recommendations Follow-Up | 4 | 324 | 0.2 |
| Arena Fees | 4 | 324 | 0.2 |
| RDA DDA – 101 San Fernando St | 4 | 324 | 0.2 |
| San Jose Repertory Theatre | 2 | 162 | 0.1 |
| Totals | 2,364 | \$183,624 | 100.0% |
| Total Cost Per FMS | | \$183,624 | |

¹ These may be slightly off because of rounding.

² Includes 116 intern hours

³ Includes 3 intern hours