



**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES FOR THE PERIOD
DECEMBER 16, 2007 THROUGH JANUARY 15, 2008**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Steven Hendrickson, Interim City Auditor

January 31, 2008

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 December 16, 2007 through January 15, 2008 and schedule of audit costs for General Ledger Accounting Period #6 (November 18 – December 15, 2007).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #6 (November 18 – December 15, 2007).

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

Respectfully submitted,

Steven Hendrickson
Interim City Auditor

SH:bh
Attachment

Office of the City Auditor
Status of Assignments in Progress as of January 15, 2008

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Procurement Card Transactions	Completed	Completed	Completed	Completed	January 2008
City Debt Management	Completed	Completed	Completed	Completed	December 2007
TEAM San Jose (2005-06 and 2006-07)	N/A	N/A	Completed	Completed	November 2007
Redevelopment DDAs – Park Townsend	Completed	N/A	Completed	Completed	November 2007
Initial Review of Los Lagos Golf Course	Completed	Completed	Completed	Completed	September 2007
Bay 101 Finding Reports	N/A	N/A	N/A	N/A	September 2007
Assignments In Progress					
Redevelopment DDAs – 101 San Fernando	Completed	N/A	Completed	Completed	January 2008
Bridge Replacement – Phase II	Completed	Completed	Completed	In Progress	March 2008
Arena Management	Completed	Completed	Completed	In Progress	
Santa Clara County Cities Association	Completed	N/A	Completed	In Progress	
Workers' Compensation	Completed	Completed	In Progress		
Emergency Communication Center	Completed	Completed	In Progress		
Review of Airport RFP - Concessions	N/A	N/A	In Progress		
Franchise Fees	In Progress				
Retirement Services Travel Expenses	In Progress				
City Investment Program	In Progress				
CBO Financial Reporting and Accountability	In Progress				
Assignments Not Yet Started					
Housing Rehabilitation					
Public Works Cost Estimation Process					
Vehicle Maintenance Procedures					
Risk Management					
Police Overtime					
Information Technology**					
Decentralized Cash Handling Processes					
Convention and Visitors Bureau					
On-going Assignments					
Review of Significant RFPs					
Cardroom Audit Overview					
Redevelopment DDAs					
Audit Recommendation Follow-up Report					
Procurement Card Transactions					
Annual Assignments					
Annual Financial Audit & Single Audit Overview					
Allied Waste Contract Expenditures					
TEAM San Jose Annual Performance Audit					
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

OTHER ACTIVITIES

During December 16, 2007 through January 15, 2008, the Interim City Auditor and/or City Auditor Staff:

1. Issued *Review of the Procurement Card Program – Ongoing Audit*.
2. Presented 1) *An Audit Of The Management Of The City's Tax-Exempt Bond Program And Use Of Interfund Loans To Provide Financing For Capital Bond Projects* and 2) *Semi-Annual Follow-Up Report On All Outstanding Audit Recommendations For The Six Months Ended June 30, 2007* to the Public Safety, Finance and Strategic Support Committee.
3. Presented *The 2005-06 and 2006-07 Annual Performance Audit of Team San Jose, Inc.* at the City Council Special Meeting concerning the Management and Operations of the Convention Center and Cultural Facilities.
4. Interviewed several candidates for job openings we have for Program Performance Auditor positions.
5. Hired Michael C. Houston as a staff Program Performance Auditor.
6. Met with City Council Members regarding various assignments.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR GENERAL LEDGER ACCOUNTING PERIOD #6
(November 18 – December 15, 2007)**

Audit Assignment	Audit Hours	Audit Costs	Percentage ¹
City Debt and Investment Administration	287	\$23,866	16.5%
TEAM San Jose	204	16,964	11.8
Emergency Communications Center	184	15,301	10.6
Vacation, Sick, and Other Leaves	148	12,308	8.5
Contract Cycle Times (aka Bridge Replacement)	138	11,476	8.0
Holiday	134	11,144	7.7
Franchise Fees–Allied Waste and Stevens Creek D&R	129	10,727	7.4
General Office Administration	124	10,312	7.1
Workers' Compensation	100	8,316	5.8
Training	78	6,486	4.5
Recommendations Follow-Up	51	4,241	2.9
Internal Quality Control	18	1,497	1.1
Santa Clara County Cities Association	2	166	0.1
Debt & Investment Management Consultant		11,593	8.0
Totals	1,597	\$144,397	100.0%
Total Cost Per FMS		\$144,397	

¹ These may be slightly off because of rounding.

