



**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES FOR THE PERIOD
FEBRUARY 16 THROUGH MARCH 15, 2008**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Sharon Erickson, City Auditor

March 28, 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 February 16 through March 15, 2008 and schedule of audit costs for General Ledger Accounting Period #8 (January 13, 2008 – February 23, 2008).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #8 (January 13, 2008 – February 23, 2008).

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

Respectfully submitted,

Sharon Erickson
City Auditor

SE:bh
Attachment

OTHER ACTIVITIES

On March 10, 2008, Sharon Winslow Erickson started work as the new City Auditor.

During February 16 through March 15, 2008, the City Auditor, Interim City Auditor and/or City Auditor Staff:

1. Presented *Review Of The Park Townsend Disposition And Development Agreement* to the Public Safety, Finance and Strategic Support Committee.
2. Held an exit conference on *An Audit of the Emergency Communication System Support Fee*.
3. Met with the Finance Department regarding *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*.
4. Reviewed and validated scoring results for a RFP for the Norman Y. Mineta San Jose International Airport food, beverage, and retail concessions.
5. Met with staff from Allied Waste regarding the Franchise and AB939 fees audit.
6. Attended Harvard University's Kennedy School of Government's City Fair and UC Berkeley's Goldman School Career Fair to recruit Program Performance Auditors.
7. Attended board meetings of both of the City's retirement systems.
8. Met with the City's Retirement Board.
9. Held an entrance conference with the Director of Retirement Services.
10. Presented Performance Auditing and Fraud training to students of SJSU's Operational auditing course.
11. Met with external auditors from Kafoury, Armstrong, and Co. to observe procedures during the 4th quarter testing for the quarterly Bay 101 audits.
12. Met with City Council Members regarding various assignments.

Office of the City Auditor
Status of Assignments in Progress as of March 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
Recommendation Follow-up Report as of 6/30/07	N/A	N/A	N/A	Completed	December 2007
City Debt Management	Completed	Completed	Completed	Completed	December 2007
Annual Financial Audit & Single Audit Overview	N/A	N/A	N/A	N/A	November 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
Bay 101 Finding Report as of 6/07	N/A	N/A	N/A	N/A	October 2007
Bay 101 Finding Report as of 3/07	N/A	N/A	N/A	N/A	September 2007
Initial Review of Los Lagos Golf Course	Completed	Completed	Completed	Completed	September 2007
Assignments In Progress					
Redevelopment DDAs – 101 San Fernando	Completed	N/A	Completed	Completed	April 2008
Emergency Communication System Support Fee	Completed	Completed	Completed	Completed	April 2008
Bridge Replacement – Phase II	Completed	Completed	Completed	In Progress	May 2008
Santa Clara County Cities Association	Completed	N/A	Completed	In Progress	May 2008
Recommendation Follow-up Report as of 12/31/07	N/A	N/A	In Progress		May 2008
Arena Management	Completed	Completed	Completed	In Progress	
Workers' Compensation	Completed	Completed	In Progress		
Review of Airport RFP – Concessions	N/A	N/A	In Progress		
Franchise Fees	Completed	N/A	In Progress		
Retirement Services Travel Expenses	In Progress				
CBO Financial Reporting and Accountability	In Progress				
Redevelopment DDAs – Museum Park	In Progress				
Assignments Not Yet Started					
Allied Waste Contract Expenditures					
City Investment Program					
Housing Rehabilitation					
Public Works Cost Estimation Process					
Vehicle Maintenance Procedures					
Risk Management					
Police Overtime					
Information Technology**					
Decentralized Cash Handling Processes					
Bay 101 Finding Reports as of 9/07, 12/07					
Convention and Visitors Bureau					

* 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

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR GENERAL LEDGER ACCOUNTING PERIOD #8
(January 13, 2008 – February 23, 2008)**

Audit Assignment	Audit Hours	Audit Costs	Percentage ¹
CBO Financial Reporting	363	\$29,824	14.7%
Emergency Communication System Support Fee	314	25,798	12.7
Franchise Fees–Allied Waste and Stevens Creek D&R	299	24,566	12.1
Vacation, Sick, and Other Leaves	236	19,388	9.6
Retirement Services Travel Expenditures	234	19,225	9.5
Bridge Replacement - II	212	17,418	8.5
Holiday	150	12,324	6.1
Workers' Compensation	119	9,777	4.8
City Debt and Investment Administration	100	8,216	4.0
Internal Quality Control	59	4,847	2.4
General Office Administration	55	4,519	2.2
Santa Clara County Cities Association	47	3,861	1.9
RDA DDA – Park Townsend	36	2,958	1.5
Training	35	2,876	1.4
RDA DDA – 101 San Fernando St	18	1,479	0.7
Assistance to SJPd on Bay 101	10	822	0.4
On-Going Purchase Card Audits	7	575	0.3
Arena Fees	4	329	0.2
Recommendations Follow-Up	2	164	0.1
Peer Review Preparation	2	164	0.1
Debt & Investment Management Consultant	N/A	13,704	6.8
Totals		\$202,834	100.0%
Total Cost Per FMS		\$202,834	

¹ These may be slightly off because of rounding.