

Memorandum

TO: Lee Price
City Clerk

FROM: Brad Handshy,
Executive Asst.
to the City Auditor

SUBJECT: AGENDA ITEM - AUDITOR'S
REPORT OF ACTIVITIES AND FINDINGS
THROUGH MARCH 15, 2005

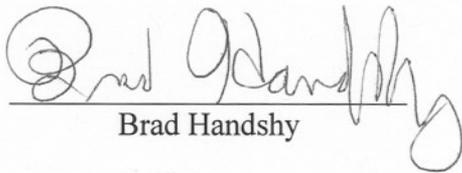
DATE: April 7, 2005

APPROVED

DATE

Please place the following on the "Consent Calendar" of the soonest possible (**preferably 4/19/05**) City Council agenda.

"Acceptance of the Office of the City Auditor's Report of Activities and Findings for the Period February 16 through March 15, 2005."


Brad Handshy

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**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES AND FINDINGS
FOR THE PERIOD
FEBRUARY 16 THROUGH MARCH 15, 2005**

A REPORT TO THE SAN JOSE CITY COUNCIL



CITY OF SAN JOSÉ, CALIFORNIA

800 N. First Street, San Jose, California 95110 • Tel: (408) 277-4601

GERALD A. SILVA
City Auditor

March 22, 2005

Honorable Members of the City Council
801 North First Street, Room 600
San Jose, CA 95110

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, 2005 and schedule of audit costs for February 2005.

The monthly report contains the following sections:

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

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 March 15, 2005

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
On-going Assignments					
Quarterly Sales and Business Tax Audit	N/A	N/A	On-going		
Cardroom Audit Overview	N/A	N/A	On-going		
Audit Recommendation Follow-up Report	N/A	N/A	On-going		
Annual Financial Audit & Single Audit Overview	N/A	N/A	N/A	N/A	N/A
Pre-emptive Auditor involvement in bond measures O & P and the Strong Neighborhoods Initiative	Completed	Completed	On-going		
Other Revenue Audits	Completed	Completed	On-going		
Petty Cash and Change Funds	Completed	Completed	On-going		
Information Systems Audits	On-going	On-going	On-going		
Assignments In Progress					
Northside Community Center	Completed	Completed	Completed	In Progress	March 2005
Public Art Project Allocation Process	Completed	Completed	Completed	In Progress	April 2005
Public Works Transportation Contract Cycle Times	Completed	Completed	Completed	In Progress	May 2005
Environmental Services Department Laboratory	Completed	Completed	In Progress		
San Jose Municipal Water System – Phase Two	Completed	Completed	In Progress		
Traffic Calming	Completed	In Progress			
Regional Parks Staffing and Maintenance Levels	In Progress				
Assignments Not Yet Started					
Call Center Information and Referral Services					
Los Lagos Golf Course Operations and Finances					
Police Department Radio Channel Staffing **					
Public Works Cost Estimation Process					
Assignments Completed					
Police Depart. Marked Patrol Vehicle Fleet Size	Completed	Completed	Completed	Completed	February 2005
Audit of City Manager's Reforms	Completed	Completed	Completed	Completed	December 2004
Audit Recommendation Follow-up Reports as of June 30, 2004	Completed	Completed	Completed	Completed	December 2004
Quarterly Sales and Business Tax Results as of June 30, 2004 and September 30, 2004	N/A	N/A	On-going	N/A	December 2004 August 2004
An Audit of Family Camp	Completed	Completed	Completed	Completed	November 2004
Information Technology Department – Cell Phones	Completed	Completed	Completed	Completed	November 2004
San Jose Family Camp	Completed	Completed	Completed	Completed	November 2004
SJMWS Compliance with Council Ordinance 26903	Completed	Completed	Completed	Completed	October 2004
Converged Network RFP	Completed	Completed	Completed	Completed	August 2004
Review of the CUSP RFP Process	Completed	Completed	Completed	Completed	June 2004

* 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 February 16, 2005 through March 15, 2005, the City Auditor:

1. Held an entrance conference on our audit of City Grant Oversight
2. Issued a preliminary draft report on our audit of the Northside Community Center.
3. Held an exit conference on our audit of the Northside Community Center
4. Issued the City's RFP for the annual financial audit.
5. Attended the Western Intergovernmental Audit Forum (WIAF) in San Diego, California.
6. Taught a class on *Risk Assessment* for the City's training program.
7. Spoke at a joint conference of Association of Government Accountancy, Institute of Internal Auditors, and Information Systems Audit Control Association on *Risk Assessment and Using Alternative Audit Reporting Forms* in Albany, New York.
8. Reviewed and commented on the Information Technology Planning Board Charter Revisions.
9. Met with Fire Department staff regarding overtime audit recommendations.
10. Reached conceptual agreement with the Office of Employee Relations regarding a proposed fraud hotline. The proposed hotline will be discussed at the March 23, 2005 Rules Committee meeting.
11. Advised the Department of Transportation (DOT) on revising the crossing guard safety index formula. DOT presented the revised formula to the Building Better Transportation Committee.
12. Met with City Council Members regarding various audit assignments.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR THE MONTH OF FEBRUARY 2005**

Audit Assignment	Audit Hours	Audit Costs	% ¹
Northside Community Center	443	\$35,174	22.4%
Public Art Project Allocation Process	262	20,803	13.2
Contract Cycle Times	214	16,992	10.8
Annual Audit RFP	169	13,419	8.5
Sales and Business License Taxes ²	246	12,307	7.8
San Jose Municipal Water System	114	9,052	5.8
Vacation, Sick, and Other Leaves	101	8,019	5.1
Traffic Calming	99	7,861	5.0
Holiday	96	7,622	4.9
CUSP RFP Process	91	7,225	4.6
City Manager Reforms	76	6,034	3.8
Training	48	3,811	2.4
Grant Oversight	29	2,303	1.5
Administrative ³	41	1,692	1.1
Fraud Hotline	15	1,191	0.8
General Services Vehicles	10	794	0.5
Peer Review Reciprocation	8	635	0.4
Revenue Audits	8	635	0.4
Recommendations Follow-Up	7	556	0.3
VOIP RFP	7	556	0.3
Performance-Based Budgeting	6	476	0.3
Crossing Guard Program	2	159	0.1
Totals	2,092	\$157,316	100.0%
Total Cost Per FMS	\$157,316		

¹ These may be slightly off because of rounding.

² Includes 111 intern hours.

³ Includes 24 intern hours.