



**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES AND FINDINGS
THROUGH MAY 15, 2004**

A REPORT TO THE SAN JOSE CITY COUNCIL

May 25, 2004

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 April 16, 2004 through May 15, 2004 and schedule of audit costs for April 2004.

The monthly report contains the following sections:

- Status of Assignments in Progress
- Summary of Audit Report Issued
- Other Activities
- Schedule of Audit Costs for April

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 May 15, 2004

	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		
Property Tax Allocation	On-going	On-going	On-going		
Information Systems Audits	On-going	On-going	On-going		
Assignments In Progress					
School Crossing Guard Program-Phase II	Completed	Completed	Completed	In Progress	June 2004
Airport Concessions Contracts	Completed	Completed	Completed	In Progress	June 2004
General Services-Phase III	Completed	Completed	Completed	In Progress	June 2004
Public Works Transportation Contract Cycle Times	Completed	Completed	In Progress		
Information Technology Department	Completed	Completed	In Progress		
Environmental Services Department Laboratory	Completed	Completed	In Progress		
Public Art Project Allocation Process	Completed	In Progress			
Traffic Calming	Completed	In Progress			
San Jose Municipal Water System	In Progress				
RDA Disposition and Development Agreements	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					
Public Works Real Estate Division - Acquisitions and Relocation	Completed	Completed	Completed	Completed	May 2004
Workforce Investment Network Service Delivery and Financial Reporting	Completed	Completed	Completed	Completed	April 2004
Concentrated Code Enforcement	Completed	Completed	Completed	Completed	April 2004
Hazardous Incident Team	Completed	Completed	Completed	Completed	April 2004
General Services-Vehicle Replacement Phase II	Completed	Completed	Completed	Completed	January 2004
Overhead Reimbursements Memorandum	Completed	Completed	In Progress	Completed	December 2003
Review of Accounts Receivable System Acquisition Memorandum	Completed	Completed	In Progress	Completed	December 2003
Bureau of Fire Prevention	Completed	Completed	Completed	Completed	December 2003
School Crossing Guard Program - Phase I	Completed	Completed	Completed	Completed	October 2003
Audit Recommendation Follow-up Reports as of 1) June 30, 2003 and 2) December 31, 2003	Completed	Completed	Completed	Completed	September 2003 April 2004
Quarterly Sales and Business Tax Results as of June 30, 2003; September 30, 2003; December 31, 2003, March 31, 2004	N/A	N/A	On-going	N/A	August 2003 January 2004 March 2004 April 2004
General Services-Building Management Division	Completed	Completed	Completed	Completed	August 2003
Redevelopment Agency Budget Analysis	Completed	Completed	Completed	Completed	August 2003
Strong Neighborhoods Initiative Memorandum	Completed	Completed	Completed	Completed	July 2003
Neighborhood Development Center	Completed	Completed	Completed	Completed	July 2003

* 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

**AN AUDIT OF THE DEPARTMENT OF PUBLIC
WORKS' REAL ESTATE DIVISION REAL PROPERTY
ACQUISITION PROCESS**

**FINDING I The Administration Can Reduce The
Cost And Time To Acquire Real
Property By Continuing To Address
The Issues That Impact Acquisition
Timeliness And Cost**

RECOMMENDATIONS

We recommend that the Real Estate Division and City Attorney's Office:

Recommendation #1 Continue to standardize legal documents related to the real property acquisition process. (Priority 3)

We recommend that the Department of Public Works:

Recommendation #2 Establish a process to ensure capital project construction plan changes are communicated when known and temporary construction easements and CEQA documents are requested timely. (Priority 3)

We recommend that the Real Estate Division:

Recommendation #3 Establish performance standards or benchmarks related to the costs to acquire real property. (Priority 2)

OTHER ACTIVITIES

During April 16, 2004 through May 15, 2004, the City Auditor:

1. Issued *An Audit Of The Property Appraisal Process of the Department of Public Works—Real Estate Division*.
2. Issued *Sales and Business Tax Audit Results for the Quarter Ended March 31, 2004*.
3. Issued a draft report of and held exit conferences on *An Audit of the Utilization and Replacement of the City's Transport Vehicles*.
4. Issued a draft report of *An Audit of the Crossing Guard Program*.
5. Met with the City Attorney, Director of Employee Relations, and the Chief Information Officer regarding the City's cell phone use policy.
6. Met with the Mayor's Budget Director regarding C.U.S.P.
7. Made a presentation at the Biennial National Intergovernmental Audit Forum in Atlanta, Georgia.
8. Met with City Council Members regarding various audit assignments.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR THE MONTH OF APRIL 2004**

Audit Assignment	Audit Hours	Audit Costs	% ¹
General Services Vehicles	606	\$55,060	18.0%
Information Technology Department	284	25,804	8.4
Public Works – Real Estate Division (Phase II)	277	25,168	8.2
Sales and Business License Taxes ²	857	23,995	7.8
Vacation, Sick, and Other Leaves	256	23,260	7.6
Hazardous Incident Team	211	19,171	6.3
Contract Cycle Times	208	18,899	6.2
Silicon Valley Workforce Investment Network	201	18,263	6.0
Airport Concessions	196	17,808	5.8
Crossing Guard Program ³	208	17,213	5.6
Holiday	106	9,631	3.2
Concentrated Code Enforcement	100	9,086	3.0
Internal Quality Control	82	7,450	2.4
Airport Shuttle Bus	80	7,269	2.4
Training	75	6,814	2.2
Revenue Audits	62	5,633	1.8
Performance-Based Budgeting	32	2,907	1.0
Public Art Program	30	2,726	0.9
Recommendations Follow-Up	26	2,362	0.8
Administrative ⁴	35	2,184	0.7
Fire Department	21	1,908	0.6
Traffic Calming	20	1,817	0.6
RDA DDA – Parking Garage	7	636	0.2
Park Staffing	7	636	0.2
PRNS Neighborhood Development Center	3	273	0.1
Totals	3,990	\$305,973	100.0%
Total Cost Per FMS	\$305,973		

¹ These may be slightly off because of rounding.

² Includes 703 intern hours.

³ Includes 22 intern hours.

⁴ Includes 13 intern hours.