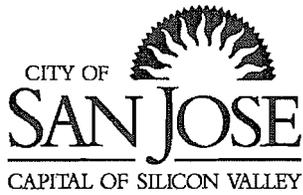




**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES AND FINDINGS
FOR THE PERIOD
MAY 16 THROUGH JUNE 15, 2006**

A REPORT TO THE SAN JOSE CITY COUNCIL



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

July 13, 2006

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 May 16 through June 15, 2006 and schedule of audit costs for May 2006.

The monthly report contains the following sections:

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

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 June 15, 2006

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Follow-up of Transport & Metered Equipment Audit Recommendations	N/A	N/A	Completed	Completed	June 2006
Review of Allied Waste Expenditures	Completed	Completed	Completed	Completed	May 2006
SJ Municipal Water System – Hydrant Maintenance	Completed	Completed	Completed	Completed	May 2006
Review of Significant RFPs—Airport Integrated Systems RFP	N/A	N/A	Completed	N/A	February 2006
Grant Oversight	Completed	Completed	Completed	Completed	February 2006
Administration of the Investigation into the Grand Jury Report on Recycle Plus	N/A	N/A	N/A	N/A	December 2005
Workers' Compensation	Completed	Completed	Completed	Completed	December 2005
Environmental Services Department Laboratory	Completed	Completed	Completed	Completed	October 2005
The Fil-Am SODC, Inc.'s Cash Flow Analysis for the Operation of the Northside Community Center	N/A	N/A	Completed	Completed	October 2005, November 2005
Joint Memorandum with the Finance and ES Departments on Workers' Compensation Liability	N/A	N/A	Completed	Completed	October 2005
2005-06 Marked Patrol Sedan Budget Reduction	N/A	N/A	Completed	Completed	September 2005
Update on Northside Community Center Operations	N/A	N/A	Completed	Completed	September 2005
Quarterly Sales Tax Audit for Quarter Ended 6/30/05, 9/30/05	N/A	N/A	On-going	Completed	September 2005, January 2006
Police Patrol Vehicle Contingency	N/A	N/A	Completed	Completed	August 2005
Assignments In Progress					
TEAM San Jose	Completed	Completed	In Progress		August 2006
Public Works Transportation Contract Cycle Times	Completed	Completed	Completed	In Progress	September 2006
Traffic Calming	Completed	Completed	Completed	In Progress	September 2006
Purchase Card Utilization	Completed	Completed	Completed	In Progress	
Arena Management	Completed	Completed	In Progress		
Northside RFP ***	N/A	N/A	In Progress		
Re-Use Strategy RFP ***	N/A	N/A	In Progress		
Recycle Plus RFP	N/A	N/A	In Progress		
City Debt & Investment Program	In Progress				
Redevelopment DDAs	In Progress				
Housing Rehabilitation ***	In Progress				
Assignments Not Yet Started					
Los Lagos Golf Course Operations and Finances					
Public Works Cost Estimation Process					
Vehicle Maintenance Procedures					
Specialized Vehicle Use					
Risk Management					
Police Overtime					
Police Department Radio Channel Staffing **					
Information Technology**					
On-going Assignments					
Quarterly Sales Tax Audit					
Review of significant RFPs					
Cardroom Audit Overview					
Audit Recommendation Follow-up Report					
Annual Financial Audit & Single Audit Overview					
Other Revenue Audits					
Petty Cash and Change Funds					
Information Systems Audits					
Fraud and Audit Hotline					

* 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

OTHER ACTIVITIES

During May 16, 2006 through June 15, 2006, the City Auditor:

1. Issued *Review of Allied Waste Expenditures for the Period of June 1, 2005 through May 31, 2006.*
2. Issued *Status Report On The Implementation Of The Auditor's Recommendations In The Three Audits Of The Utilization And Replacement Of The City's Transport Vehicles And Metered Equipment.*
3. Hosted the National Association of Local Government Auditors' (NALGA) and the National Intergovernmental Audit Forum (NIAF) annual conventions, both of which were held in San Jose in late May 2006.
4. Underwent a mid-year performance evaluation.
5. Interviewed candidates for vacant Program Performance Auditor positions.
6. Met the Director of Employee Relations regarding the City Fraud Hotline.
7. Met with City Council Members regarding various audit assignments.

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

Audit Assignment	Audit Hours	Audit Costs	% ¹
RDA DDA – Park Townsend	208	\$15,972	10.7%
Airport Terminal Area Improvement Program RFP	189	14,513	9.7
Contract Cycle Times	180	13,822	9.2
Administrative	149	11,441	7.7
TEAM San Jose	149	11,441	7.7
Sales and Business License Taxes ²	245	11,337	7.6
San Jose Municipal Water System	145	11,134	7.4
City Purchase (Credit) Cards	131	10,059	6.7
Vacation, Sick, and Other Leaves	120	9,213	6.2
Traffic Calming	109	8,370	5.6
Recycle Plus RFP	93	7,141	4.8
General Services Vehicles	76	5,836	3.9
Allied Waste Expenditures	64	4,914	3.3
Training	30	2,304	1.5
RDA DDA – 101 San Fernando St.	30	2,304	1.5
Revenue Audits	26	1,996	1.3
Northside Community Center	24	1,843	1.2
Arena Fees	21	1,612	1.1
Internal Quality Control	18	1,382	0.9
Community Center Re-Use RFP	15	1,152	0.8
Recommendations Follow-Up	13	998	0.7
Assistance to SJPd on Bay 101	2	154	0.1
Jet Fuel	2	154	0.1
MRC Compliance Review	2	154	0.1
Performance-Based Budgeting	2	154	0.1
Totals	2,045	\$149,554	100.0%
Total Cost Per FMS		\$149,554	

¹ These may be slightly off because of rounding.

² Includes 120 intern hours