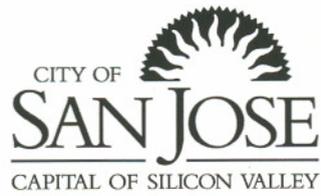


8/28/07  
2.19



**OFFICE OF THE  
CITY AUDITOR**

**REPORT OF ACTIVITIES FOR THE PERIOD  
JUNE 16 THROUGH JULY 15, 2007**

**A REPORT TO THE SAN JOSE CITY COUNCIL**



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

August 1, 2007

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 June 16 through July 15, 2007 and schedule of audit costs for June 2007.

The monthly report contains the following sections:

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

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 July 15, 2007**

|  | Preliminary Survey | Risk Assessment | Audit Field Work | Report Writing | Projected Issuance Date* |
|--|--------------------|-----------------|------------------|----------------|--------------------------|
| <b>Assignments Completed</b>   |                    |                 |                  |                |                          |
| Allied Waste Expenditures  | N/A                | N/A             | Completed        | Completed      | June 2007                |
| Bridge Replacement and Rehabilitation Funds (formerly referred to as <i>Contract Cycle Times</i> ) | Completed          | Completed       | Completed        | Completed      | May 2007                 |
| Traffic Calming  | Completed          | Completed       | Completed        | Completed      | May 2007                 |
| Consolidated Water Utility Fund Transfers  | Completed          | Completed       | Completed        | Completed      | April 2007               |
| Mexican Heritage Plaza   | N/A                | N/A             | Completed        | Completed      | March 2007               |
| City Auditor Review of the Consolidated Storage & File Server Solution for City Hall               | N/A                | N/A             | Completed        | Completed      | December 2006            |
| American Musical Theatre of San Jose   | N/A                | N/A             | Completed        | Completed      | October 2006             |
| San Jose Repertory Theatre   | N/A                | N/A             | Completed        | Completed      | October 2006             |
| TEAM San Jose (2004-05)  | Completed          | Completed       | Completed        | Completed      | October 2006             |
| Purchase Card Utilization  | Completed          | Completed       | Completed        | Completed      | September 2006           |
| City Auditor Review of Recycle Plus RFP Protest  | N/A                | N/A             | Completed        | Completed      | August 2006              |
| Review of Significant RFPs—Recycle Plus RFP  | N/A                | N/A             | Completed        | Completed      | August 2006              |
| Northside RFP  | N/A                | N/A             | Completed        | N/A            | N/A                      |
| <b>Assignments In Progress</b>   |                    |                 |                  |                |                          |
| Arena Management   | Completed          | Completed       | Completed        | In Progress    |                          |
| Los Lagos Golf Course Operations and Finances  | Completed          | Completed       | Completed        | In Progress    |                          |
| City Debt & Investment Program   | Completed          | Completed       | Completed        | In Progress    |                          |
| Santa Clara County Cities Association  | Completed          | N/A             | Completed        | In Progress    |                          |
| Redevelopment DDAs   | Completed          | N/A             | In Progress      |                |                          |
| TEAM San Jose (2006-07)  | N/A                | N/A             | In Progress      |                |                          |
| Franchise Fees   | In Progress        |                 |                  |                |                          |
| Workers' Compensation  | In Progress        |                 |                  |                |                          |
| <b>Assignments Not Yet Started</b>   |                    |                 |                  |                |                          |
| Housing Rehabilitation   |                    |                 |                  |                |                          |
| Public Works Cost Estimation Process   |                    |                 |                  |                |                          |
| Vehicle Maintenance Procedures   |                    |                 |                  |                |                          |
| Risk Management  |                    |                 |                  |                |                          |
| Police Overtime  |                    |                 |                  |                |                          |
| Information Technology**   |                    |                 |                  |                |                          |
| CBO Financial Reporting and Accountability   |                    |                 |                  |                |                          |
| Decentralized Cash Handling Processes  |                    |                 |                  |                |                          |
| Convention and Visitors Bureau   |                    |                 |                  |                |                          |
| <b>On-going Assignments</b>  |                    |                 |                  |                |                          |
| Review of significant RFPs   |                    |                 |                  |                |                          |
| Cardroom Audit Overview  |                    |                 |                  |                |                          |
| Redevelopment DDAs   |                    |                 |                  |                |                          |
| Audit Recommendation Follow-up Report  |                    |                 |                  |                |                          |
| Procurement Card Transactions  |                    |                 |                  |                |                          |
| <b>Annual Assignments</b>  |                    |                 |                  |                |                          |
| Annual Financial Audit & Single Audit Overview   |                    |                 |                  |                |                          |
| Allied Waste Contract Expenditures   |                    |                 |                  |                |                          |
| TEAM San Jose  |                    |                 |                  |                |                          |
| 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 June 16, 2007 through July 15, 2007, the City Auditor and/or City Auditor Staff:

1. Issued finding reports from Kafoury, Armstrong, & Company, LLP relating to the Bay 101 Conditional Approval of Stock Transfer.
2. Held an entrance conference on our performance audit of Team San Jose.

**OFFICE OF THE CITY AUDITOR  
SCHEDULE OF AUDIT COSTS  
FOR THE MONTH OF JUNE 2007**

| Audit Assignment                                  | Audit Hours  | Audit Costs      | Percentage <sup>1</sup> |
|---|--------------|------------------|-------------------------|
| Vacation, Sick, and Other Leaves                  | 1,457        | \$118,967        | 47.0%                   |
| City Debt and Investment Administration           | 571          | 46,623           | 18.4                    |
| TEAM San Jose                                     | 206          | 16,820           | 6.6                     |
| Training  | 163          | 13,309           | 5.2                     |
| Allied Waste Expenditures                         | 159          | 12,983           | 5.1                     |
| On-Going Purchase Card Audits                     | 98           | 8,002            | 3.2                     |
| Holiday   | 96           | 7,839            | 3.1                     |
| Traffic Calming                                   | 79           | 6,451            | 2.5                     |
| Citywide Risk Assessment                          | 61           | 4,981            | 2.0                     |
| General Office Administration                     | 37           | 3,021            | 1.2                     |
| Performance-Based Budgeting                       | 35           | 2,858            | 1.1                     |
| Recommendations Follow-Up                         | 33           | 2,695            | 1.1                     |
| Arena Fees  | 33           | 2,695            | 1.1                     |
| Mexican Heritage Plaza                            | 18           | 1,470            | 0.6                     |
| Los Lagos Golf Course                             | 17           | 1,388            | 0.5                     |
| Franchise Fees—Allied Waste and Stevens Creek D&R | 12           | 980              | 0.4                     |
| Santa Clara County Cities Association             | 9            | 735              | 0.3                     |
| Consolidated Water Utility Fund                   | 7            | 572              | 0.2                     |
| Internal Quality Control                          | 6            | 490              | 0.2                     |
| Assistance to SJPD on Bay 101                     | 5            | 408              | 0.2                     |
| <b>Totals</b>                                     | <b>3,102</b> | <b>\$253,285</b> | <b>100.0%</b>           |
| <b>Total Cost Per FMS</b>                         |              | <b>\$253,285</b> |                         |

<sup>1</sup> These may be slightly off because of rounding.