

COUNCIL AGENDA: 8-9-05

ITEM NO.: 2.3



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 JUNE 15, 2005*

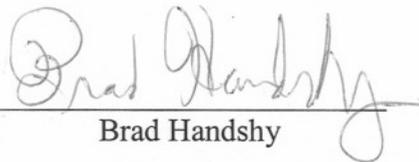
DATE: July 21, 2005

APPROVED

DATE

Please place the following on the "Consent Calendar" of the soonest possible City Council agenda.

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


Brad Handshy

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**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES AND FINDINGS
FOR THE PERIOD
MAY 16 THROUGH JUNE 15, 2005**

A REPORT TO THE SAN JOSE CITY COUNCIL



GERALD A. SILVA
City Auditor

CITY OF SAN JOSÉ, CALIFORNIA

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

June 28, 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 May 16 through June 15, 2005 and schedule of audit costs for May 2005.

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, 2005

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Allied Waste Expenditures	N/A	N/A	Completed	Completed	May 2005
Public Art Project Allocation Process	Completed	Completed	Completed	Completed	May 2005
City Fleet Special Purpose Vehicles	Completed	Completed	Completed	Completed	May 2005
Annual Financial Audit RFP	N/A	N/A	N/A	N/A	April 2005
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, December 31, 2004	Completed	Completed	Completed	Completed	December 2004 April 2005
Quarterly Sales and Business Tax Results as of June 30, 2004; September 30, 2004; December 31, 2004; and March 31, 2005	N/A	N/A	On-going	N/A	August 2004, December 2004 April 2005 May 2005
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
Assignments In Progress					
Northside Community Center	Completed	Completed	Completed	Completed	June 2005
Public Works Transportation Contract Cycle Times	Completed	Completed	Completed	In Progress	August 2005
San Jose Municipal Water System – Phase Two	Completed	Completed	In Progress		
Environmental Services Department Laboratory	Completed	Completed	In Progress		
Traffic Calming	Completed	In Progress			
Grant Oversight	Completed	In Progress			
Assignments Not Yet Started					
Call Center Information and Referral Services					
Los Lagos Golf Course Operations and Finances					
Public Works Cost Estimation Process					
TEAM San Jose					
Workers' Compensation					
Vehicle Maintenance Procedures					
City and RDA Property Acquisitions					
Police Department Radio Channel Staffing **					
Information Technology**					
On-going Assignments					
Quarterly Sales Tax Audit					
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

OTHER ACTIVITIES

During May 16, 2005 through June 15, 2005, the City Auditor:

1. Issued *Review of Allied Waste Expenditures for the Period of June 1, 2004 Through May 25, 2005*.
2. Participated in the City Budget Study Sessions.
3. Made a presentation to the San Fernando Valley and San Gabriel Valley chapters of I. I. A. Los Angeles on Performance Measurement & Performance Auditing.
4. Attended the National Association of Local Government Auditors (NALGA) Annual Conference in Milwaukee, Wisconsin. The City Auditor and staff made presentations on our CUSP, Converged Network, and cell phone audits, as well as a presentation on implementing a Fraud Hotline for the City of San Jose.
5. Met with the Director of Employee Relations regarding the City Fraud Hotline.
6. Renewed his employment contract with the City of San Jose for an additional four years.
7. Met with City Council Members regarding various audit assignments.

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

Audit Assignment	Audit Hours	Audit Costs	% ¹
Northside Community Center	506	\$40,612	23.5%
Internal Quality Control	310	24,881	14.4
Grant Oversight	227	18,219	10.5
Contract Cycle Times	150	12,039	7.0
San Jose Municipal Water System	130	10,434	6.0
Revenue Audits	119	9,551	5.5
Public Art Project Allocation Process	105	8,427	4.9
Traffic Calming	94	7,545	4.4
Annual Audit RFP	82	6,581	3.8
Vacation, Sick, and Other Leaves	68	5,459	3.2
Sales and Business License Taxes ²	214	5,225	3.0
Allied Waste Expenditures	62	4,976	2.9
Training	55	4,414	2.5
Disability Retirement	54	4,334	2.5
Peer Review Reciprocity	40	3,210	1.8
Administrative ³	38	2,457	1.4
Recommendations Follow-Up	28	2,247	1.3
Performance-Based Budgeting	15	1,204	0.7
Assistance to SJPD on Bay 101	9	722	0.4
Fraud Hotline	6	482	0.3
Totals	2,312	\$173,019	100.0%
Total Cost Per FMS		\$173,019	

¹ These may be slightly off because of rounding.

² Includes 181 intern hours.

³ Includes 9 intern hours.