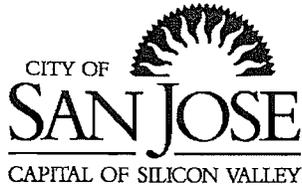




OFFICE OF THE  
CITY AUDITOR

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

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



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

August 3, 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 June 16 through July 15, 2006 and schedule of audit costs for June 2006.

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, 2006**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
<b>Assignments Completed</b>					
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
<b>Assignments In Progress</b>					
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				
<b>Assignments Not Yet Started</b>					
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**					
<b>On-going Assignments</b>					
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 June 16, 2006 through July 15, 2006, the City Auditor:

1. Issued a finding report from Kafoury, Armstrong, & Company, LLP relating to the Bay 101 Conditional Approval of Stock Transfer for the quarter ended March 31, 2006.
2. Met with the City's external auditor, Macias, Gini, and Co. regarding the City's investments
3. Met with the City Manager's Budget Director regarding Sales Tax issues.
4. Met with the Redevelopment Agency Director regarding the Park Townsend DDA.
5. Met with the City Manager and the City Attorney regarding California Waste Solutions.
6. Interviewed candidates for vacant Program Performance Auditor positions.
7. Hosted an employee recognition picnic.
8. Met with the City Attorney regarding a complaint against the Fil-Am SODC.
9. Met with City Council Members regarding various audit assignments.

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

Audit Assignment	Audit Hours	Audit Costs	% <sup>1</sup>
Vacation, Sick, and Other Leaves	408	\$32,758	13.6%
Training	367	29,466	12.2
RDA DDA – Park Townsend	352	28,262	11.7
City Purchase (Credit) Cards	300	24,087	10.0
Traffic Calming	233	18,708	7.8
Contract Cycle Times	205	16,459	6.8
TEAM San Jose <sup>2</sup>	218	16,318	6.8
Administrative <sup>3</sup>	193	13,916	5.8
Sales and Business License Taxes <sup>4</sup>	245	10,649	4.4
Holiday	94	7,547	3.1
Recycle Plus RFP	94	7,547	3.1
Northside Community Center	73	5,861	2.4
General Services Vehicles	72	5,781	2.4
Allied Waste Management	68	5,460	2.3
Citywide Risk Assessment	63	5,058	2.1
Airport Terminal Area Improvement Program RFP	30	2,409	1.0
Revenue Audits	29	2,328	1.0
RDA DDA – 101 San Fernando St	26	2,088	0.9
Internal Quality Control	20	1,606	0.7
Arena Fees	15	1,204	0.5
San Jose Municipal Water System	11	883	0.4
Assistance to SJPd on Bay 101	10	803	0.3
Performance-Based Budgeting	10	803	0.3
Jet Fuel	4	321	0.2
Community Center Re-Use RFP	2	161	0.1
Fraud Hotline	2	161	0.1
<b>Totals</b>	<b>3,144</b>	<b>\$240,644</b>	<b>100.0%</b>
<b>Total Cost Per FMS</b>		<b>\$240,644</b>	

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

<sup>2</sup> Includes 18 intern hours

<sup>3</sup> Includes 24 intern hours

<sup>4</sup> Includes 137 intern hours