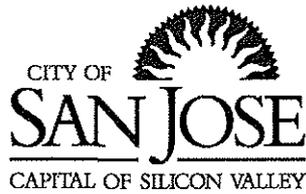




OFFICE OF THE
CITY AUDITOR

**REPORT OF ACTIVITIES FOR THE PERIOD
AUGUST 16 THROUGH SEPTEMBER 15, 2007**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Steven Hendrickson, Interim City Auditor

October 12, 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 August 16 through September 15, 2007 and schedule of audit costs for General Ledger Accounting Period #2 (July 15 – August 25 , 2007).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #2 (July 15 – August 25, 2007).

If you need any additional information, please let me know.

Respectfully submitted,

Steven Hendrickson
Interim City Auditor

SH:bh
Attachment

Office of the City Auditor
Status of Assignments in Progress as of September 15, 2007

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Initial Review of Los Lagos Golf Course	Completed	Completed	Completed	Completed	September 2007
Bay 101 Finding Reports	N/A	N/A	N/A	N/A	September 2007
Assignments In Progress					
TEAM San Jose (2005-06 and 2006-07)	N/A	N/A	Completed	Completed	November 2007
City Debt & Investment Program	Completed	Completed	Completed	Completed	December 2007
Redevelopment DDAs – Park Townsend	Completed	N/A	Completed	In Progress	January 2008
Bridge Replacement – Phase II	Completed	Completed	Completed	In Progress	January 2008
Arena Management	Completed	Completed	Completed	In Progress	
Santa Clara County Cities Association	Completed	N/A	Completed	In Progress	
Workers' Compensation	Completed	In Progress			
Franchise Fees	In Progress				
Emergency Communication Center	In Progress				
Assignments Not Yet Started					
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					
Retirement Services Travel Expenses					
On-going Assignments					
Review of Significant RFPs					
Cardroom Audit Overview					
Redevelopment DDAs					
Audit Recommendation Follow-up Report					
Procurement Card Transactions					
Annual Assignments					
Annual Financial Audit & Single Audit Overview					
Allied Waste Contract Expenditures					
TEAM San Jose Annual Performance Audit					
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 August 16, 2007 through September 15, 2007, the Interim City Auditor and/or City Auditor Staff:

1. Issued a memorandum entitled *Initial Review of the Los Lagos Golf Course*.
2. Issued the finding reports from Kafoury, Armstrong & Company relating to the Bay 101 Condition Approval of Stock Transfer for the quarter ended March 31, 2007.
3. Issued a final draft memorandum, entitled *City Auditor's Summary of "Assessing Performance: An Analytical Framework for the San Jose McEnery Convention Center"*.
4. Issued a draft memorandum on the *Review of the Forest City Disposition and Development Agreement and Ground Lease*.
5. Held an exit conference on the audit of Team San Jose.
6. Held an exit conference on the *Audit of the City's Debt and Investment Administration*.
7. Held an exit conference on *Audit Recommendation Follow-Up: The SJPD's Staffing Deployment*
8. Held an exit conference the *City Auditor's Summary of "Assessing Performance: An Analytical Framework for the San Jose McEnery Convention Center"*.
9. Held an entrance conference on the *Review of Procurement Process for the Airport Concession RFP*.
10. Met with the Mayor's Office staff and the City Manager's Budget Office staff to discuss the City Auditor's Office budget.
11. Met with City Attorney's Office staff and City Manager's Office staff regarding our audit of the City's Investment and Debt Administration.
12. Met with the Redevelopment Agency regarding Disposition and Development Agreements.
13. Met with the City's external auditors, Macias, Gini, & O'Connell, LLP, regarding the current fiscal year work plan and SAS 99.
14. Met with Finance Department and City Manager's Office staff regarding our ongoing audit of City procurement (credit) cards.
15. Met with and provided audit information to the Mexican Heritage consultant.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR GENERAL LEDGER ACCOUNTING PERIOD #2
(July 15 – August 25, 2007)**

Audit Assignment	Audit Hours	Audit Costs	Percent-age ¹
Vacation, Sick, and Other Leaves	1,034	\$81,772	33.4%
City Debt and Investment Administration	643	50,850	20.8
TEAM San Jose	444	35,113	14.3
Workers' Compensation	296	23,408	9.5
Contract Cycle Times (aka Bridge Replacement)	219	17,319	7.1
Los Lagos Golf Course	100	7,908	3.2
Recommendations Follow-Up	88	6,959	2.8
Peer Review Preparation	74	5,852	2.4
Franchise Fees--Allied Waste and Stevens Creek D&R	54	4,270	1.7
On-Going Purchase Card Audits	41	3,242	1.3
General Office Administration	33	2,610	1.1
Training	33	2,610	1.1
Santa Clara County Cities Association	24	1,898	0.8
Assistance to SJPD on Bay 101	8	633	0.3
Performance-Based Budgeting	2	158	0.1
Mexican Heritage Plaza	2	158	0.1
Totals	3,095	\$244,760	100.0%
Total Cost Per FMS		\$244,760	

¹ These may be slightly off because of rounding.

