



OFFICE OF THE
CITY AUDITOR

**REPORT OF ACTIVITIES AND FINDINGS
FOR THE PERIOD
AUGUST 16 THROUGH SEPTEMBER 15, 2005**

A REPORT TO THE SAN JOSE CITY COUNCIL



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

September 30, 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 August 16 through September 15, 2005 and schedule of audit costs for August 2005.

The monthly report contains the following sections:

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

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 September 15, 2005

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Police Patrol Vehicle Contingency	N/A	N/A	Completed	Completed	August 2005
Northside Community Center	Completed	Completed	Completed	Completed	June 2005
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
Assignments In Progress					
Environmental Services Department Laboratory	Completed	Completed	Completed	In Progress	October 2005
Public Works Transportation Contract Cycle Times	Completed	Completed	Completed	In Progress	November 2005
San Jose Municipal Water System – Phase Two	Completed	Completed	In Progress		
Traffic Calming	Completed	Completed	In Progress		
Grant Oversight	Completed	Completed	In Progress		
Workers' Compensation	Completed	Completed	In Progress		
Review of Significant RFPs—Airport Integrated Systems RFP	N/A	N/A	In Progress		
Administration of the Investigation into the Grand Jury Report on Recycle Plus	N/A	N/A	In Progress		
Follow-up of Transport & Metered Equipment Audit Recommendations	N/A	N/A	In Progress		
The Fil-Am SODC, Inc.'s Cash Flow Analysis for the Operation of the Northside Community Center	N/A	N/A	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					
Vehicle Maintenance Procedures					
Specialized Vehicle Use					
A Comparison of the Real Estate Division & RDA Real Property Acquisition Process					
Purchase Card Utilization					
Risk Management					
Housing Rehabilitation					
Police Overtime					
Police & Fire Retirement Plan **					
Police Department Radio Channel Staffing **					
Information Technology**					
On-going Assignments					
Quarterly Sales Tax Audit					September 2005
Cardroom Audit Overview					September 2005
Audit Recommendation Follow-up Report					November 2005
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 August 16, 2005 through September 15, 2005, the City Auditor:

1. Issued a memorandum, entitled "*2005-06 Marked Patrol Sedan Budget Reduction*".
2. Issued a memorandum entitled "*Extension of Vehicle Replacement Freeze*".
3. Issued the finding reports from Kafoury, Armstrong, & Company, LLP for the quarter ending June 30, 2005 relating to the Bay 101 Conditional Approval of Stock Transfer.
4. Co-issued a memorandum with PRNS entitled, "*Update on Northside Community Center Operations*".
5. Met with Employee Services staff regarding the City's Health Plan.
6. Met with the City's external auditor, Macias, Gini, & Co., regarding workers' compensation.
7. Met with General Services staff regarding past recommendations we made regarding vehicle maintenance.
8. Met with Employee Relations and City Attorney's Office staff regarding the City's Fraud Hotline.
9. Participated in a conference call regarding the National Association of Local Government Auditors' (NALGA) 2006 convention, which will be held in San Jose.
10. Participated in Council District #7 candidate orientation.
11. Hosted visitors from the China National Auditing Bureau, People's Republic of China.
12. Met with City Council Members regarding various audit assignments.

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

Audit Assignment	Audit Hours	Audit Costs	% ¹
Vacation, Sick, and Other Leaves	476	\$35,641	22.8%
Grant Oversight	442	33,095	21.2
Northside Community Center	199	14,900	9.5
Contract Cycle Times	197	14,751	9.4
Sales and Business License Taxes ²	284	10,387	6.6
General Services Vehicles	120	8,985	5.8
Norcal Investigator Selection	110	8,236	5.3
Traffic Calming	71	5,316	3.4
Peer Review/Biennial Report	61	4,567	2.9
Training	60	4,493	2.9
Citywide Risk Assessment	40	2,995	1.9
Administrative ³	39	2,619	1.7
Recommendations Follow-Up	30	2,246	1.4
ESD Laboratory	29	2,171	1.4
Annual Audit RFP	26	1,947	1.2
Revenue Audits	22	1,647	1.1
Performance-Based Budgeting	14	1,048	0.7
Assistance to SJPD on Bay 101	8	599	0.4
CUSP RFP Process	7	524	0.3
MRC Compliance Review	2	150	0.1
Totals	2,237	\$156,317	100.0
Total Cost Per FMS		\$156,317	

¹ These may be slightly off because of rounding.

² Includes 180 intern hours.

³ Includes 5 intern hours.