



OFFICE OF THE
CITY AUDITOR

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

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Steven Hendrickson, Interim City Auditor

November 15, 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 September 16 through October 15, 2007 and schedule of audit costs for General Ledger Accounting Period #3 (August 26 – September 22, 2007).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #3 (August 26 – September 22, 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 October 15, 2007

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
TEAM San Jose (2005-06 and 2006-07)	N/A	N/A	Completed	Completed	November 2007
Redevelopment DDAs – Park Townsend	Completed	N/A	Completed	Completed	November 2007
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					
City Debt & Investment Program	Completed	Completed	Completed	Completed	December 2007
Bridge Replacement – Phase II	Completed	Completed	Completed	In Progress	January 2008
Redevelopment DDAs – 101 San Fernando	Completed	N/A	Completed	Completed	January 2008
Arena Management	Completed	Completed	Completed	In Progress	
Santa Clara County Cities Association	Completed	N/A	Completed	In Progress	
Workers' Compensation	Completed	Completed	In Progress		
Review of Airport RFP - Concessions	N/A	N/A	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 September 16, 2007 through October 15, 2007, the Interim City Auditor and/or City Auditor Staff:

1. Issued both a final draft and finalized memorandum entitled *Audit Recommendation Follow-Up: The SJPD's Staffing and Deployment*.
2. Issued a memorandum entitled *City Auditor's Summary of "Assessing Performance: An Analytical Framework for the San Jose McEnery Convention Center"*.
3. Issued a preliminary draft and held an exit conference on *The 2005-06 and 2006-07 Annual Performance Audit Of Team San Jose, Inc.*
4. Issued a preliminary draft of *A Review Of The Park Townsend Disposition And Development Agreement*.
5. Issued *Initial Review of Process Integrity In The Airport Concessions Procurement*.
6. Held an additional exit conference on the *Audit of the City's Debt and Investment Administration*.
7. Met with staff from the City Manager's office to provide audit training.
8. Met with staff from the City Manager's Office regarding *Audit of the City's Debt and Investment Administration*.
9. Held an entrance conference in preparation for the Emergency Communications Center (911 Fee) audit.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR GENERAL LEDGER ACCOUNTING PERIOD #2
(August 26 – September 22, 2007)**

Audit Assignment	Audit Hours	Audit Costs	Percentage ¹
Vacation, Sick, and Other Leaves	459	\$57,541	21.4%
City Debt and Investment Administration	358	44,879	16.7
TEAM San Jose	331	41,494	15.5
Workers' Compensation	155	19,431	7.2
Contract Cycle Times (aka Bridge Replacement)	142	17,801	6.6
RDA DDA – Park Townsend	133	16,673	6.2
Internal Quality Control	100	12,536	4.7
Peer Review Preparation	96	12,035	4.5
Holiday	93	11,658	4.3
Training	68	8,524	3.2
RDA DDA – 101 San Fernando St	65	8,148	3.1
On-Going Purchase Card Audits	23	2,883	1.1
Recommendations Follow-Up	19	2,382	0.9
Emergency Communications Center	19	2,382	0.9
General Office Administration	16	2,006	0.7
Allied Waste Expenditures	16	2,006	0.7
Santa Clara County Cities Association	15	1,880	0.7
Mexican Heritage Plaza	8	1,003	0.4
Los Lagos Golf Course	7	878	0.3
Franchise Fees–Allied Waste and Stevens Creek D&R	6	752	0.3
Arena Fees	4	501	0.2
Assistance to SJPD on Bay 101	2	251	0.1
Debt & Investment Management Consultant	N/A	799	0.3
Totals	2,135	\$268,443	100.0%
Total Cost Per FMS		\$268,443	

¹ These may be slightly off because of rounding.