



**OFFICE OF THE
CITY AUDITOR**

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

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Steven Hendrickson, Interim City Auditor

December 3, 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 October 16 through November 15, 2007 and schedule of audit costs for General Ledger Accounting Period #4 (September 23 – October 20, 2007).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #4 (September 23 – October 20, 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 November 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
Procurement Card Transactions	Completed	Completed	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		
Emergency Communication Center	Completed	In Progress			
Franchise Fees	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 October 16, 2007 through November 15, 2007, the Interim City Auditor and/or City Auditor Staff:

1. Issued *The 2005-06 and 2006-07 Annual Performance Audit of Team San Jose, Inc.*
2. Issued a memorandum entitled *Review of the Park Townsend Disposition And Development Agreement.*
3. Underwent the City Charter-required biennial audit of the City Auditor's Office. Three members of an *Association of Local Government Auditors (ALGA)* peer review team performed the audit, and issued a full compliance opinion letter.
4. Presented the memorandum, *Audit Recommendation Follow-Up: The SJPD's Staffing and Deployment*, to the PSFSS Committee.
5. Issued final draft reports of both *An Audit Of The Management Of The City's Tax-Exempt Bond Program And Use Of Interfund Loans To Provide Financing For Capital Bond Projects* and *The 2005-06 and 2006-07 Annual Performance Audit of Team San Jose, Inc.*
6. Introduced Mr. Kai-yan Lee, who presented his report, *Assessing Performance: An Analytical Framework For The San Jose McEnery Convention Center*, to both the PSFSS and CED Committees.
7. Met with City Council Members regarding various assignments.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR GENERAL LEDGER ACCOUNTING PERIOD #4
(September 23 – October 20, 2007)**

Audit Assignment	Audit Hours	Audit Costs	Percent- age ¹
TEAM San Jose	377	\$30,603	17.0%
Vacation, Sick, and Other Leaves	360	29,223	16.2
City Debt and Investment Administration	326	26,463	14.7
Emergency Communications Center	179	14,530	8.1
Training	121	9,822	5.5
Contract Cycle Times (aka Bridge Replacement)	93	7,549	4.2
Holiday	83	6,738	3.7
Internal Quality Control	68	5,520	3.1
Peer Review Preparation	67	5,439	3.0
RDA DDA – Park Townsend	63	5,114	2.8
Workers' Compensation	42	3,409	1.9
General Office Administration	32	2,598	1.4
Recommendations Follow-Up	28	2,273	1.3
Airport RFP	20	1,623	0.9
Debt & Investment Management Consultant		29,251	16.2
Totals	1,859	\$180,155	100.0%
Total Cost Per FMS		\$180,155	

¹ These may be slightly off because of rounding.