



**OFFICE OF THE  
CITY AUDITOR**

**REPORT OF ACTIVITIES FOR THE PERIOD  
MAY 16 THROUGH JUNE 15, 2008**

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



*Office of the City Auditor*  
*Sharon Erickson, City Auditor*

June 18, 2008

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 May 16 through June 15, 2008 and schedule of audit costs for General Ledger Accounting Period #11 (April 20, 2008 – May 17, 2008).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #11 (April 20, 2008 – May 17, 2008).

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

Respectfully submitted,

Sharon Erickson  
City Auditor

SE:bh  
Attachment

**Office of the City Auditor**  
**Status of Assignments in Progress as of June 15, 2008**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
<b>Assignments Completed</b>					
Arena Management Agreement	Completed	Completed	Completed	Completed	June 2008
Santa Clara County Cities Association	Completed	N/A	Completed	In Progress	June 2008
Review of Airport RFP – Concessions	N/A	N/A	Completed	Completed	May 2008
Allied Waste Contract Expenditures	Completed	N/A	Completed	Completed	May 2008
Recommendation Follow-up Report as of 12/31/07	N/A	N/A	Completed	Completed	May 2008
Bay 101 Finding Report as of 09/07	N/A	N/A	N/A	N/A	April 2008
Redevelopment DDAs – 101 San Fernando	Completed	N/A	Completed	Completed	April 2008
Emergency Communication System Support Fee	Completed	Completed	Completed	Completed	April 2008
Procurement Card Transactions	Completed	Completed	Completed	Completed	January 2008
Recommendation Follow-up Report as of 6/30/07	N/A	N/A	N/A	Completed	December 2007
City Debt Management	Completed	Completed	Completed	Completed	December 2007
Annual Financial Audit & Single Audit Overview	N/A	N/A	N/A	N/A	November 2007
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
Bay 101 Finding Report as of 6/07	N/A	N/A	N/A	N/A	October 2007
Bay 101 Finding Report as of 3/07	N/A	N/A	N/A	N/A	September 2007
Initial Review of Los Lagos Golf Course	Completed	Completed	Completed	Completed	September 2007
<b>Assignments In Progress</b>					
Bay 101 Finding Reports as of 12/07	N/A	N/A	N/A	Completed	June 2008
Bridge Replacement – Phase II	Completed	Completed	Completed	In Progress	August 2008
Sister City Grant Reimbursements	N/A	N/A	In Progress		
Workers' Compensation	Completed	Completed	In Progress		
CBO Financial Reporting and Accountability	Completed	Completed	In Progress		
Franchise Fees	Completed	N/A	In Progress		
Retirement Services Travel Expenses	Completed	Completed	In Progress		
Redevelopment DDAs – Museum Park	In Progress				
<b>Assignments Not Yet Started</b>					
City Investment Program					
Housing Rehabilitation					
Public Works Cost Estimation Process					
Vehicle Maintenance Procedures					
Risk Management					
Police Overtime **					
Information Technology***					
Decentralized Cash Handling Processes					
Convention and Visitors Bureau					

\* 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.

\*\* This will be addressed as part of our next Recommendation Follow-up Report.

\*\*\* Deferred

## OTHER ACTIVITIES

During May 16 through June 15, 2008, the City Auditor and/or City Auditor Staff:

1. Issued *Follow-up Review Of Arena Management Agreement*.
2. Issued *Santa Clara County Cities Association Independent Auditor's Report and Basic Financial Statements and Report to the Board of Directors for the Years Ended June 20, 2007, 2006, 2005, 2004, and 2003*. The Executive Board of the SCCCA approved the reports and is implementing the recommendations. The full report is on the web at:  
[www.sanjoseca.gov/auditor/AuditReports/SCCCA/SCCCAreport.pdf](http://www.sanjoseca.gov/auditor/AuditReports/SCCCA/SCCCAreport.pdf)
3. Attended the Association of Local Government Auditors (ALGA) annual conference in Philadelphia (City Auditor plus nine staff members).
4. Attended the Western Intergovernmental Audit Forum (WIAF) annual conference in Philadelphia, where City Auditor Sharon Erickson received the *David M. Walker Excellence in Government Performance and Accountability Award* "for sustained contributions to improve government performance and accountability at the local level" (press release attached).
5. Held entrance conferences with the Pune Sister City Committee and Pacific Neighbors in connection with *An Audit of the 2005-06 Grant Reimbursement for Sister City Programs*.
6. Interviewed several job applicants for openings the office has for Program Performance Auditors.
7. Submitted to the Rules and Open Government Committee a proposed work plan for the City Auditor's Office for the 2008-09 fiscal year.
8. Met with City Council Members and key department heads regarding various assignments.

**OFFICE OF THE CITY AUDITOR  
SCHEDULE OF AUDIT COSTS  
FOR GENERAL LEDGER ACCOUNTING PERIOD #11  
(April 20, 2008 – May 17, 2008)**

Audit Assignment	Audit Hours	Audit Costs	Percentage <sup>1</sup>
Franchise Fees–Allied Waste and Stevens Creek D&R	216	\$20,549	13.3%
Vacation, Sick, and Other Leaves	215	20,454	13.3
Retirement Services Travel Expenditures	215	20,454	13.3
Bridge Replacement – II	161	15,316	9.9
Training	129	12,272	8.0
Workers' Compensation	127	12,082	7.8
General Office Administration	108	10,274	6.7
CBO Financial Reporting	96	9,133	5.9
Arena Management Agreement Follow-up	65	6,184	4.0
Recommendations Follow-Up	53	5,042	3.3
Allied Waste Expenditures	53	5,042	3.3
Airport Concessions RFP	38	3,615	2.4
Emergency Communication System Support Fee	26	2,473	1.6
Internal Quality Control	12	1,142	0.7
Sister City Grant Reimbursement	8	761	0.5
RDA DDA – Museum Park	7	666	0.4
City Debt and Investment Administration	4	381	0.3
RDA DDA – 101 San Fernando St	3	285	0.2
RDA DDA – Park Townsend	2	190	0.1
Assistance to SJPd on Bay 101	1	95	0.1
Debt & Investment Management Consultant	N/A	7,588	4.9
<b>Totals</b>	<b>1,539</b>	<b>\$153,998</b>	<b>100.0%</b>
<b>Total Cost Per FMS</b>		<b>\$153,998</b>	

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



United States Government Accountability Office  
Washington, DC 20548

Office of the Comptroller General  
of the United States

## PRESS RELEASE

For Immediate Release  
Contact: GAO Office of  
Public Affairs (202) 512-4800

### **National Awards Presented for Excellence in Government Auditing**

*Winners from Washington, D.C.; Texas, and California*

Philadelphia (May 21, 2008) – Gene L. Dodaro, chairman of the National Intergovernmental Audit Forum (NIAF) and Acting Comptroller General of the United States, presented this year's David M. Walker Excellence in Government Performance and Accountability Awards at the 17<sup>th</sup> Biennial Forum of Government Auditors in Philadelphia, Pennsylvania today. NIAF, which chose the winners, renamed the award this year in honor of the former Comptroller General, who left the U.S. Government Accountability Office in March to head the newly formed Peter G. Peterson Foundation.

“David Walker’s nearly decade-long tenure at GAO was marked by continuous efforts to improve government programs and services and better align them with modern needs to serve the American people. Walker worked with all levels of government to help achieve these goals. The winners today represent this commitment to the best in government service,” said Dodaro.

The NIAF award recognizes federal, state, and local auditors for outstanding efforts to transform their own operations, improve overall government efficiency and effectiveness, and hold government entities accountable for results. This year’s recipients are Gordon Milbourn, Assistant Inspector General for Audit in the U.S. Postal Service’s Office of Inspector General; John Keel, CPA, the Texas state auditor; and Sharon Erickson, city auditor in San Jose California.

- At the Postal Service Inspector General’s Office, Milbourn helps oversee the largest federal civilian agency and one of the nation’s major employers. Milbourn’s office was responsible last year for recommendations that generated \$3.5 billion in financial benefits for the Postal Service. He is also recognized for pioneering innovative techniques, particularly a value proposition approach to auditing, that improved how his office does business.

(more)

- In the Texas state government, Keel encouraged greater use of private auditing firms and built stronger ties between the State Auditor's Office and the internal audit community in Texas. He is also recognized for improving training opportunities available to local and state internal auditors. Among his other accomplishments, Keel headed a key investigation in 2007 that examined problems plaguing the Texas Youth Commission.
- After becoming the Public Auditor for the city of Palo Alto, California, in 2001, Erickson issued a series of hard-hitting and highly-regarded reports on a range of city services, from utilities to the police force to public pensions. Known for her professionalism, collaboration, and tact, Erickson has seen many of her recommendations adopted, even on sensitive subjects. Erickson is now the city auditor in San Jose, California.

Established in 1973, NIAF is an association of audit executives from all levels of government that seeks to address common problems; enhance government performance, transparency, and accountability; and build public trust. The biennial forums bring together audit professionals from across the country to discuss major trends, issues, and challenges facing government auditors. This year's topics include accountability in Iraq reconstruction, the economy's impact on government operations, and new developments in financial management and information technology.

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