



**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES FOR THE PERIOD
JUNE 16 THROUGH JUNE 30, 2008**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Sharon Erickson, City Auditor

July 31, 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 June 16 through June 30, 2008.

The report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #14 (May 18 – June 28, 2008).

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

Respectfully submitted,

Sharon W. Erickson
City Auditor

SE:bh
Attachment

Office of the City Auditor
Status of Assignments in Progress as of June 30, 2008¹

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ²
Assignments Completed					
Bay 101 Finding Reports as of 12/07	N/A	N/A	N/A	Completed	June 2008
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
Assignments In Progress					
Foxworthy Bridge Replacement	Completed	Completed	Completed	Completed	August 2008
Sister City Grant Reimbursements	N/A	N/A	Completed	Completed	August 2008
Franchise Fees and AB 939 Fees	Completed	N/A	Completed	In Progress	September 2008
Retirement Services Travel Expenses	Completed	Completed	Completed	In Progress	September 2008
Workers' Compensation	Completed	Completed	In Progress		
CBO Financial Reporting and Accountability	Completed	Completed	In Progress		
Assignments Not Yet Started					
Redevelopment DDAs – Museum Park					
City Investment Program ³					
Housing Rehabilitation					
Public Works Cost Estimation Process					
Vehicle Maintenance Procedures					
Risk Management					
Information Technology ⁴					
Decentralized Cash Handling Processes					
Convention and Visitors Bureau					

¹ This report shows the status of the City Auditor's FY 2007-08 workplan. Our next monthly report will reflect the FY 2008-09 workplan.

² 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.

³ To be completed by the City external auditors – Macias, Gini, and O'Connell LLP.

⁴ Deferred.

OTHER ACTIVITIES

During June 16 through June 30, 2008, the City Auditor and/or City Auditor Staff:

1. Submitted the finding report from Kafoury, Armstrong, & Company, LLP relating to the Bay 101 Conditional Approval of Stock Transfer for the quarter ended December 31, 2007.
2. Presented *Follow-up Review Of Arena Management Agreement* to the Public Safety, Finance and Strategic Support Committee.
3. Presented the City Auditor's proposed 2008-09 Workplan to the Rules and Open Government Committee.
4. Issued a preliminary draft report of *A Review of the 2005-06 Sister City Grant Reimbursement for the Pune Sister City Program*.
5. Issued a preliminary draft report of *An Audit of Retirement Services' Travel Expenses*.
6. Welcomed new staff members Diana Chavez, Program Performance Auditor I, and Avichai Yotam, Program Performance Auditor II.
7. Held an employee recognition picnic at Kelley Park.
8. Met with the City's external auditor regarding the next fiscal year's audits.
9. Conducted a pre-exit conference meeting with ESD regarding our audit of Franchise Fees.
10. 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 #14
(May 18, 2008 – June 28, 2008)**

Audit Assignment	Audit Hours	Audit Costs	Percentage ⁵
Retirement Services Travel Expenditures	360	\$37,307	15.1%
Franchise Fees and AB 939 Fees	295	30,571	12.4
Vacation, Sick, and Other Leaves	253	26,218	10.6
Training	246	25,493	10.3
Foxworthy Bridge Replacement	182	18,861	7.6
Workers' Compensation	161	16,685	6.8
Recommendations Follow-Up	158	16,374	6.6
Administrative Items	121	12,539	5.1
Arena Management Agreement Follow-up	91	9,430	3.8
Holiday	75	7,772	3.1
CBO Financial Reporting	55	5,700	2.3
RDA DDA – Museum Park	42	4,353	1.8
Auto Theft Investigations	36	3,731	1.5
Sister City Grant Reimbursement	30	3,109	1.3
Airport Concessions RFP	24	2,487	1.0
Conservation Corps	19	1,969	0.8
Retirement Rolls	16	1,658	0.7
RDA DDA – Park Townsend	5	518	0.2
Allied Waste Expenditures	4	415	0.2
Assistance to SJPD on Bay 101	3	311	0.1
Santa Clara County Cities Assoc. (external auditor)		21,600	8.7
Totals	2,176	\$247,101	100.0%
Total Cost Per FMS		\$247,101	

⁵ These may be slightly off because of rounding.

