



Memorandum

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for March 2012*
DATE: April 5, 2012

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for March 2012.

SUMMARY OF RESULTS

Charter Section 8.05(e) requires the City Auditor to submit a monthly report to the City Council of our activities, findings, and recommendations. This report summarizes reports issued, other activities, assignments in process, and the status of the City Auditor's Fiscal Year 2011-12 Work Plan during the month of March 2012.

Audit Reports Issued During the Month of March:

- 1. Police Department Secondary Employment** – We assessed the cost and effectiveness of the program. Our report made 30 recommendations and was accepted at the March 15, 2012 meeting of the Public Safety, Finance and Strategic Support Committee. It is tentatively scheduled to be presented at the April 17, 2012 City Council meeting.
- 2. Semi-Annual Follow-up Report On All Outstanding Audit Recommendations For the Six Months Ended December 31, 2011** – The report gave the status of the 172 recommendations outstanding from all previous audit reports, including the 13 new recommendations made since our last semi-annual report. During this reporting period, 20 recommendations became fully implemented. The report was accepted at the March 15, 2012 Public Safety, Finance and Strategic Support (PSFSS) Committee meeting.

Other Activities During the Month of March:

- Gave testimony to the Joint Legislative Audit Committee in Sacramento regarding a proposed audit of the City of San Jose's finances and pension obligations. The committee directed the State Auditor to conduct the audit.
- Spoke regarding the roles and responsibilities of the City Auditor's Office to the Council District 1 Leadership Group.
- Gave a presentation on performance measurement to a Public Administration class at San Jose State University.

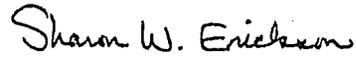
- Participated in a City Council candidate briefing regarding roles and responsibilities of the Auditor's Office and other Council-appointed officials.

Assignments in Process:

- 1. Cities Association of Santa Clara County** (annual review at the request of the Association's Board) – Review of expenditures and controls for the year ending June 30, 2011.
Project Status: Report writing completed.
Anticipated Release Date: April 2012.
- 2. Fire Department Performance Measures** – The City Auditor reports on City government performance through the annual *Service Efforts and Accomplishments Report*. In September 2009, the office issued *Performance Management and Reporting in San Jose: A Proposal for Improvement* including recommendations to improve data quality. This project will assess the accuracy and reporting of selected performance measures in the Fire Department.
Project Status: Report writing in process.
Anticipated Release Date: TBD.
- 3. Environmental Services Department Funding and Staffing** – Staffing and management audit of ESD, with special focus on how ratepayer funds are used.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 4. Water Pollution Control Plant Rehabilitation** – Review of opportunities to reduce the cost of the project, expedite the project, and create savings for ratepayers.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 5. Coordination of External Audit Work** – Identify other agencies' audits of City programs, the audit scopes, and any open audit recommendations.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 6. Fire Department Disability Rates** – Evaluation of workplace injuries and assessment of timeliness of treatment and recovery (follow-up to previous disability retirement and workers' compensation audit reports).
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 7. Impact of Staffing Reductions** –the impact of voluntary separations, layoffs, and bumping on the City's capacity to effectively manage its operations, including the loss of employees with special or technical competence.
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD.

Information on the status of the City Auditor's FY 2011-12 Work Plan is attached. On behalf of the Auditor's Office, I would like to express my appreciation to City staff for their cooperation and assistance during our reviews.

Respectfully submitted,



Sharon W. Erickson
City Auditor

SE:bh

Attachment: Status of the City Auditor's FY 2011-12 Work Plan

**Status of the City Auditor's FY 2011-12 Work Plan¹
as of March, 2012**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ²
Assignments Completed					
Police Department Secondary Employment	Completed	Completed	Completed	Completed	March 2012
Recommendation Follow-up Report (December 31, 2011)	—	—	Completed	Completed	March 2012
City Open Purchase Orders for Office Supplies	Completed	Completed	Completed	Completed	January 2012
Team San Jose Convention and CVB Activities	—	—	Completed	Completed	January 2012
Information Technology General Controls	Completed	Completed	Completed	Completed	January 2012
Annual Service Efforts and Accomplishments	—	—	Completed	Completed	December 2011
External Audit and Single Audit	—	—	Completed	Completed	December 2011
Form 700 Filers	Completed	Completed	Completed	Completed	November 2011
Annual Audits of Bond and Parcel Tax Measure	—	—	Completed	Completed	November 2011
Semi-annual Compliance Reviews of City's Investment Program	—	—	Completed	Completed	November 2011
Airport Service Level Performance Measures	Completed	Completed	Completed	Completed	October 2011
Recommendation Follow-up Report (June 30, 2011)	—	—	Completed	Completed	October 2011
Traffic Citation Revenue	Completed	Completed	Completed	Completed	August 2011
Recovery Act Funding	Completed	Completed	Completed	Completed	August 2011
Assignments In Process					
Santa Clara County Cities Association	—	—	Completed	Completed	April 2012
Fire Department Performance Measures	Completed	Completed	Completed	In Process	
Environmental Services Department Funding and Staffing	Completed	Completed	In Process		
Water Pollution Control Plan Rehabilitation	Completed	Completed	In Process		
Coordination of External Audit Work	Completed	Completed	In Process		
Fire Department Disability Rates	Completed	In Process			
Impact of Staffing Reductions	In Process				
Assignments Not Yet Started					
Fire Prevention					
Deferred Compensation					
Overhead Reimbursements					
Consulting Agreements					
Housing Programs					
Cardroom Oversight					
Annual Financial Scan of CBOs					

¹ The approved work plan is on the web at www.sanjoseca.gov/auditor/workplan.asp

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.