



OFFICE OF THE
CITY AUDITOR

**REPORT OF ACTIVITIES FOR THE PERIOD
JULY 16 THROUGH AUGUST 15, 2007**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Steve Hendrickson, Interim City Auditor

September 12, 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 July 16 through August 15, 2007 and schedule of audit costs for General Ledger Accounting Period #1 (July 1 – 14, 2007).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #1 (July 1 – 14, 2007)

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

Respectfully submitted,

Steve Hendrickson
Interim City Auditor

SH:bh
Attachment

Office of the City Auditor
Status of Assignments in Progress as of August 15, 2007

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Allied Waste Expenditures	N/A	N/A	Completed	Completed	June 2007
Bridge Replacement and Rehabilitation Funds (formerly referred to as <i>Contract Cycle Times</i>)	Completed	Completed	Completed	Completed	May 2007
Traffic Calming	Completed	Completed	Completed	Completed	May 2007
Consolidated Water Utility Fund Transfers	Completed	Completed	Completed	Completed	April 2007
Mexican Heritage Plaza	N/A	N/A	Completed	Completed	March 2007
City Auditor Review of the Consolidated Storage & File Server Solution for City Hall	N/A	N/A	Completed	Completed	December 2006
American Musical Theatre of San Jose	N/A	N/A	Completed	Completed	October 2006
San Jose Repertory Theatre	N/A	N/A	Completed	Completed	October 2006
TEAM San Jose (2004-05)	Completed	Completed	Completed	Completed	October 2006
Purchase Card Utilization	Completed	Completed	Completed	Completed	September 2006
City Auditor Review of Recycle Plus RFP Protest	N/A	N/A	Completed	Completed	August 2006
Review of Significant RFPs—Recycle Plus RFP	N/A	N/A	Completed	Completed	August 2006
Northside RFP	N/A	N/A	Completed	N/A	N/A
Assignments In Progress					
City Debt & Investment Program	Completed	Completed	Completed	Completed	November 2007
TEAM San Jose (2005-06 and 2006-07)	N/A	N/A	In Progress		November 2007
Arena Management	Completed	Completed	Completed	In Progress	
Los Lagos Golf Course Operations and Finances	Completed	Completed	Completed	In Progress	
Santa Clara County Cities Association	Completed	N/A	Completed	In Progress	
Redevelopment DDAs	Completed	N/A	In Progress		
Franchise Fees	In Progress				
Workers' Compensation	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					
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					
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 July 16, 2007 through August 15, 2007, the Interim City Auditor and/or City Auditor Staff:

1. Issued a preliminary draft report of *An Audit Of The Finance Department's Administration and Management of the City's Tax-Exempt Bond Program*.
2. Issued a preliminary draft memorandum of *Audit Recommendation Follow-up: SJPD's Staffing and Deployment*.
3. Issued a preliminary draft memorandum of City Procurement Cards.
4. Met with ESD regarding Franchise Fees.
5. Met with Finance Department staff to discuss our draft audit of City procurement cards.
6. Met with Team San Jose staff to discuss the San Jose Convention Center report entitled *Assessing Performance: An Analytical Framework for the San Jose McEnery Convention Center*.
7. Met with Team San Jose staff regarding its hiring of a consultant to perform a study comparing the San Jose McEnery Convention Center with 10 other convention centers.
8. Participated in the retiree health discussion with the City Manager regarding Unit 99.
9. Made a presentation to the Mayor and Council assistants as part of the City Council Assistants Certification Program.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR GENERAL LEDGER ACCOUNTING PERIOD #1
(July 1 – 14, 2007)**

Audit Assignment	Audit Hours	Audit Costs	Percent-age ¹
Vacation, Sick, and Other Leaves	421	\$34,983	41.5%
City Debt and Investment Administration	134	11,135	13.2
TEAM San Jose	122	10,137	12.0
Holiday	101	8,392	9.9
Workers' Compensation	42	3,490	4.1
Los Lagos Golf Course	32	2,659	3.1
Performance-Based Budgeting	28	2,327	2.7
Recommendations Follow-Up	25	2,077	2.5
On-Going Purchase Card Audits	24	1,994	2.4
Internal Quality Control	24	1,994	2.4
Santa Clara County Cities Association	20	1,662	2.0
Contract Cycle Times (aka Bridge Replacment)	17	1,413	1.7
General Office Administration	9	748	0.9
Training	9	748	0.9
Peer Review Preparation	4	332	0.4
Consolidated Water Utility Fund	3	249	0.3
Totals	1,015	\$84,341	100.0%
Total Cost Per FMS		\$84,341	

¹ These may be slightly off because of rounding.