CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: Honorable Mayor and City Council

FROM: Joe Rois, City Auditor

SUBJECT: **Biennial Peer Review of the City Auditor's Office**

DATE: July 23, 2025

RECOMMENDATION

Approve the agreement with the Association of Local Government Auditors (ALGA) to perform an audit of the City Auditor's Office for Fiscal Year 2023-24 and FY 2024-25, pursuant to the peer review guidelines of ALGA, in exchange for reimbursement of expenses for the audit team and the provision of reciprocal audit services by the City Auditor's Office.

BACKGROUND

City Charter Section 805.2 requires the City Council to contract with an independent audit firm, which has no other contracts with the City, to conduct a performance audit of the City Auditor's Office at least every two years. An audit team associated with ALGA performed the last audit in San José two years ago.

The ALGA peer review provides a mechanism for skilled and qualified audit personnel to perform audits of other local government audit organizations. ALGA is prepared to send a team of two government auditors to conduct an audit of the San José City Auditor's Office beginning November 3, 2025.

The objectives of the review will be to determine whether, during the period (July 1, 2023 to June 30, 2025), the San José City Auditor's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of complying with applicable *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States.

The peer review team will select and review several audits the City Auditor issued in Fiscal Years 2023-24 and 2024-25, and submit a written report of the results to the City Council.

COST IMPLICATIONS

As a recipient of an ALGA peer review, the City of San José incurs two obligations. First, the City must pay for the travel, lodging, meals, and other expenses of the audit team. The City Auditor's Office estimates that these expenses will be approximately $5,000. The City will not be charged for the audit team's time. Second, the San José City Auditor's Office will be committed to providing up to two auditors to participate in similar peer reviews at another jurisdiction within the next two years.

Joe Rois
City Auditor

0801M