

Memorandum

TO: Rules & Open Government Committee

FROM: Sharon W. Erickson,
City Auditor

SUBJECT: *Monthly Report of Activities for
September 2018*

DATE: October 2, 2018

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of September 2018.

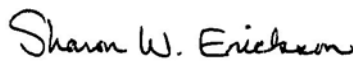
SUMMARY OF RESULTS

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 2018-19 Work Plan during the month of September 2018.

Activities During the Month of September:

1. Issued **Community Center Reuse: Efficient Monitoring and Better Data Can Help Determine the Next Phase of Reuse** (September 2018).
The report is online at: <http://www.sanjoseca.gov/DocumentCenter/View/79622>.
2. Issued **Status of Open Audit Recommendations as of June 30, 2018** (September 2018).
The report is online at: <http://www.sanjoseca.gov/DocumentCenter/View/79641>.
3. Presented the Interactive Dashboard of the Status of Open Audit Recommendations to the City Council.

Information on the status of the City Auditor's FY 2018-19 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.


Sharon W. Erickson
City Auditor

Attachment

**Status of the City Auditor's FY 2018-19 Audit Work Plan
As of September 2018**

| | Objective | Status | Projected Issuance Date |
|--|--|------------|-------------------------|
| Assignments Completed | | | |
| 1. Public Works Department Cost to Deliver Projects | Review and evaluate capital project delivery costs. | Completed | July 2018 |
| 2. Vehicle Abatement | Review the efficiency and effectiveness of vehicle abatement including the division of responsibility, response times, and costs per vehicle towed. This audit is part one of a two-part audit of vehicle abatement and towing. | Completed | August 2018 |
| 3. Cities Association of Santa Clara County | Routine expenditure review fiscal years ending June 20, 2017 & 2018. | Completed | August 2018 |
| 4. Community Center Reuse Program | Review tenant monitoring, services offered, costs and revenues. | Completed | September 2018 |
| 5. Semi-Annual Audit Recommendation Status Report as of June 30, 2018 | Update on the implementation status of all open audit recommendations. | Completed | September 2018 |
| Assignments In Process | | | |
| 6. Semi-Annual Compliance Review of the City's Investment Program as of June 30, 2018 (contracted audit service) | The City's investment policy requires semi-annual compliances audits of the City's investment portfolio. MGO will conduct the agreed-upon procedures as of June 30 2018. | In process | October 2018 |
| 7. Homeless Assistance Programs | Performance metrics and effectiveness of city-funded homeless assistance programs. | In process | November 2018 |
| 8. Annual External Financial Audit and Single Audit (contracted audit service) | The City Charter requires an annual audit of the City's financial transactions. The independent certified public accounting firm MGO will conduct the annual audits of the Comprehensive Annual Financial Reports (CAFRs) of the city, the airport, and the pension systems. MGO will also conduct audits of the financial statements of the Successor Agency to the Redevelopment Agency, Convention Center, Hayes Mansion, the Clean Water Financing Authority, Deferred Compensation, Tier 3 Defined Contribution Plan, Voluntary Employee Beneficiary Association (VEBA), MTC compliance, and the Single Audit (including Airport passenger facility charges and customer facility charges). | In process | November 2018 |
| 9. Annual Audits of Voter-Approved Bond and Parcel Tax Measures (contracted audit service) | MGO will conduct audits of the Branch Library Bond Projects Fund, the Parks and Recreation Bond Projects Fund, the Public Safety Bond Projects Fund, and the Library Parcel Tax Fund, satisfying the City's obligation for guaranteed annual audits. | In process | November 2018 |
| 10. Towing Services | Review the City's monitoring of tow service agreements and evaluate the current towing services program structure. This audit is part two of an audit of vehicle abatement and towing. | In process | December 2018 |
| 11. 911 and 311 Calls | Workload, call answering times, and customer service. | In process | TBD |
| 12. Development Noticing | Effectiveness of outreach for new development including radius, timing, and languages. | In process | TBD |
| 13. Employee Benefit Funds | Administration and reconciliation of contributions and expenditures in the benefit funds. Budgeted expenditures in the health, dental, life, and unemployment insurance funds total \$92 million per year. | In process | TBD |
| 14. BEST Program | Review the evolution of the Mayor's Gang Prevention Task Force and BEST program over time, including the allocation process, contract monitoring, and grantee performance. | In process | TBD |

| | Objective | Status | Projected Issuance Date |
|---|--|--------|-------------------------|
| Assignments Not Yet Started | | | |
| 15. Annual Review of Team San Jose Performance | Annual review to determine whether Team San Jose met its performance metrics as of June 30, 2018. (as required in the City's agreement with Team San Jose) | | November 2018 |
| 16. Annual Services Report | 11 th annual report providing data about the cost, quality, quantity, and timeliness of city services. The report incorporates existing performance measurement data, showing ten-year historical trends, a variety of comparisons to other cities, and the results of resident surveys. It also incorporates information about the financial condition of the city through graphics, standardized measures, and benchmarking to other jurisdictions. | | December 2018 |
| 17. Semi-Annual Audit Recommendation Status Report as of December 31, 2018 | Update on the implementation status of all open audit recommendations. | | March 2019 |
| 18. Semi-Annual Compliance Review of the City's Investment Program as of December 31, 2018 (contracted audit service) | The City's investment policy requires semi-annual compliances audits of the City's investment portfolio. MGO will conduct the agreed-upon procedures as of December 31, 2018. | | March 2019 |
| 19. In-lieu Fees | Collection, tracking, and use of in-lieu fees | | |
| 20. Procurement Card Expenditures | Routine audit of city credit card usage (last audit was 2014). | | |
| 21. Form 700 filings | Follow-up review of the filing status of required Statements of Economic Interest (Form 700). | | |
| 22. Employee Reimbursements | Audit of employee reimbursements not covered in our 2017 Audit of Employee Travel Expenses . | | |
| 23. Housing Department Grant Programs | Assess the efficiency and effectiveness of the allocation process and monitoring of grantees, including whether grants are achieving the intended benefits. | | |

The City Auditor's Fiscal Year 2018-19 Work Plan is online at:
<http://www.sanjoseca.gov/DocumentCenter/View/79200>