CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: Rules & Open Government Committee

FROM: Joe Rois, Acting City Auditor

SUBJECT: *Monthly Report of Activities for March 2019*

DATE: April 2, 2019

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of March 2019.

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 March 2019.

Activities During the Month of March 2019:

1. Issued the audit of **Employee Benefit Fund Administration: Opportunities Exist to Improve Controls**.
   The report is online at: http://www.sanjoseca.gov/DocumentCenter/View/83274.
2. Issued the **Status of Open Audit Recommendations as of December 31, 2018**.
   The report is online at: http://www.sanjoseca.gov/DocumentCenter/View/83286.
3. Issued the audit of **Development Noticing: Ensuring Outreach Policies Meet Community Expectations**.
   The report is online at: http://www.sanjoseca.gov/DocumentCenter/View/83324.
4. Macias, Gini & O'Connell (MGO) issued another of the City's annual financial audits. The reports are online at: http://www.sanjoseca.gov/index.aspx?NID=323.

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.

Joe Rois
Acting City Auditor

Attachment

Status of the City Auditor's FY 2018-19 Audit Work Plan
As of March 2019

	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
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.	Completed	October 2018
7. 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.	Completed	October 2018
8. Homeless Assistance Programs	Performance metrics and effectiveness of city-funded homeless assistance programs.	Completed	November 2018
9. 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)	Completed	November 2018
10. Annual Services Report	11th 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.	Completed	December 2018
11. 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.	Completed	December 2018
12. 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).	Completed	December 2018
13. 911 and 311 Calls	Workload, call answering times, and customer service.	Completed	February 2019

	Objective	Status	Projected Issuance Date
14. 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.	Completed	March 2019
15. Semi-Annual Audit Recommendation Status Report as of December 31, 2018	Update on the implementation status of all open audit recommendations.	Completed	March 2019
16. Development Noticing	Effectiveness of outreach for new development including radius, timing, and languages.	Completed	March 2019
Assignments In Process			
17. Mayor's Gang Prevention Task Force and 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	May 2019
18. In-lieu Fees	Collection, tracking, and use of in-lieu fees.	In process	TBD
19. Form 700s	Follow-up review of the filing status of required Statements of Economic Interest (Form 700).	In process	TBD
20. Procurement Card Expenditures	Routine audit of city credit card usage (last audit was 2014).	In process	TBD
21. Employee Reimbursements	Audit of employee reimbursements not covered in our 2017 Audit of Employee Travel Expenses.	In process	TBD
22. 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.	In process	April 2019
Assignments Not Yet Started			
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