

Memorandum

TO: Rules & Open Government Committee

FROM: Joe Rois,
City Auditor

SUBJECT: *Monthly Report of Activities for
May 2020*

DATE: June 4, 2020

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of May 2020.

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 (FY) 2019-20 Work Plan during the month of May 2020.

Activities During the Month of May:

Issued **Preliminary Review of Controls to Document COVID-19 Recovery Costs.**

The report is online at: <https://www.sanjoseca.gov/home/showdocument?id=59134>.

Information on the status of the City Auditor's FY 2019-20 Work Plan is attached. Because of the ongoing emergency, the completion dates of audits currently in process are still to be determined.



Joe Rois
City Auditor

Attachment

**Status of the City Auditor's FY 2019-20 Audit Work Plan
 As of May 2020**

| | Objective | Status | Projected Issuance Date |
|--|---|-----------|-------------------------|
| Assignments Completed | | | |
| 1. Form 700s | Follow-up review of the filing status of required Statements of Economic Interest (Form 700). | Completed | August 2019 |
| 2. Procurement Card Expenditures | Routine audit of City credit card usage (last audit was 2014). | Completed | September 2019 |
| 3. Semi-Annual Audit Recommendation Status Report as of June 30, 2019 | Update on the implementation status of all open audit recommendations. | Completed | September 2019 |
| 4. In-lieu Fees | Collection, tracking, and use of in-lieu fees with a focus on fees for traffic improvements and undergrounding activities. | Completed | September 2019 |
| 5. Semi-Annual Compliance Review of the City's Investment Program as of June 30, 2019 (contracted audit service) | The City's investment policy requires semi-annual compliance audits of the City's investment portfolio. MGO will conduct the agreed-upon procedures as of June 30, 2019. | Completed | September 2019 |
| 6. 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 2019 |
| 7. Annual Performance Review of Team San Jose | Annual review to determine whether Team San Jose met their performance metrics as of June 30, 2019 (as required in the City's agreements for the Convention Visitors Bureau, Convention Center, and Cultural facilities). | Completed | November 2019 |
| 8. Biennial Peer Review for FY 2017-18 and 2018-19 (contracted audit service) | The City Charter requires a performance audit of the Office of the City Auditor be conducted at least once every two years. To fulfill this requirement, the Office participates in the Association of Local Government Auditors' peer review program. The last audit was conducted in 2017. | Completed | November 2019 |
| 9. Technology Deployment | Follow-up to 2016 Audit of Technology Deployment to review the management and timeliness of the City's technology deployment process. | Completed | November 2019 |
| 10. 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 and the airport. MGO will also conduct audits of the financial statements of the Successor Agency to the Redevelopment Agency, Convention Center, 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 2019 |
| 11. Annual Services Report | 12 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. | Completed | December 2019 |
| 12. Semi-Annual Audit Recommendation Status Report as of December 31, 2019 | Update on the implementation status of all open audit recommendations. | Completed | March 2020 |

| | Objective | Status | Projected Issuance Date |
|---|---|------------|-------------------------|
| 13. Semi-Annual Compliance Review of the City's Investment Program as of December 31, 2019 (contracted audit service) | The City's investment policy requires semi-annual compliance audits of the City's investment portfolio. MGO will conduct the agreed-upon procedures as of December 31, 2019. | Completed | April 2020 |
| 14. Preliminary Review of Controls to Document COVID-19 Recovery Costs | Interim report on the status of internal controls for documenting COVID-19 related costs to support receipt of emergency public assistance grants through the Federal Emergency Management Agency (FEMA). | Completed | May 2020 |
| Assignments in Process | | | |
| 15. Fire Safety Code Compliance | Timeliness, efficiency, and consistency of on-site fire code inspections during the construction phase of development projects. | In process | TBD |
| 16. Fleet Maintenance | Efficiency of operations and timeliness of repairs for the City's vehicles and equipment. | In process | TBD |
| 17. Park Maintenance | Efficiency and effectiveness of park maintenance operations. | In process | TBD |
| 18. Development Fee Work in Progress Reserves | Tracking of development fee work in progress reserves. | In process | TBD |
| 19. Police Staffing | Review and compare Police Department staffing over time, including allocation of staff by bureau or division, vacancies, and use of overtime. (Added by the Rules Committee 10/9/19) | In process | TBD |
| 20. Emergency Management | Review and assess whether the City's guidelines for recovery documentation meet Federal Emergency Management Administration (FEMA) requirements for reimbursement, and whether City documentation meets those guidelines. | In process | TBD |
| Assignments Not Yet Started | | | |
| 21. 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. | | |
| 22. Fleet (take-home vehicles) | Assessment of current practices for take-home vehicles. | | |
| 23. Timeliness of Code Enforcement Responses | Timeliness of community code enforcement responses to complaints and violations for select programs. | | |
| 24. Real Estate Services | Process for tracking City properties and revenues. | | |
| 25. Sidewalk Repair Program | Operations of the sidewalk inspection and repair program. | | |
| 26. Municipal Water Billing and Customer Service | Accuracy of billings and customer service responses for Municipal Water services. | | |
| 27. Animal Services | Follow-up to 2009 audit regarding licensing and general operations. | | |

The City Auditor's Fiscal Year 2019-20 Work Plan is online at:
<https://www.sanjoseca.gov/home/showdocument?id=38956>