

Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Joe Rois,
City Auditor

SUBJECT: Monthly Report of Activities for
November 2025

DATE: December 2, 2025

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of November 2025.

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) 2025-26 Work Plan during the month of November 2025.

Activities During the Month of November:

1. Issued **External Quality Control Review of the Office of the City Auditor, San Jose, CA for the Period July 1, 2023 to June 30, 2025.**
The report is online at:
<https://www.sanjoseca.gov/home/showpublisheddocument/126375/>.
2. Issued **Fire Inventory Controls over Controlled Substances: Clarifying Policies and Separating Duties Would Further Improve Security.**
The report is online at:
<https://www.sanjoseca.gov/home/showpublisheddocument/126794/>.
3. Issued **Team San Jose Performance FY 2024-25.** The report is online at: <https://www.sanjoseca.gov/home/showpublisheddocument/126812/>.
4. Macias, Gini & O'Connell (MGO) issued several of the City's annual financial audits. The reports are online at:
<https://www.sanjoseca.gov/your-government/appointees/city-auditor/external-financial-audits>.

Information on the status of the City Auditor's FY 2025-26 Work Plan is attached. Overall, the Office has completed 11 of the 22 projects on the FY 2025-26 Work Plan¹. 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
City Auditor

Attachment

¹ As noted in the attachment, the approved work plan includes 20 projects. The two semi-annual recommendation status reports are listed as one project on the work plan but separated here to show progress. Similarly, the two semi-annual compliance reviews of the City's investment program are listed as one project on the work plan but separated here.

**Status of the City Auditor's FY 2025-26 Audit Work Plan
As of November 2025**

| | Objective | Status | Issuance Date |
|--|---|-----------|--|
| Assignments Completed | | | |
| 1. City costs for special events | Assess City-required security or other costs to organizers for special events. <i>(Request from the Mayor)</i> | Completed | June 2025 <i>(heard by Council in August)</i> |
| 2. Access to and use of critical services by traditionally marginalized communities (traffic safety) | The second project in this series focused on Traffic Safety programs or services in the Increasing Community Safety City Council focus area. | Completed | August 2025 |
| 3. Procurement | Assess the efficiency of the City's procurement processes for goods and services, not including public works projects. <i>(Outstanding audit requests from a Councilmember and the Mayor)</i> | Completed | August 2025 |
| 4. Semi-annual audit recommendation status report | The City Auditor's Office will maintain an online dashboard of audit recommendations and issue a report on the implementation status of all open audit recommendations as of June 30, 2025. | Completed | September 2025 |
| 5. Semi-annual compliance reviews of the City's investment program (contracted audit service) | The City's investment policy requires semi-annual compliance audits of the City's investment portfolio. Macias Gini & O'Connell LLP (MGO) will conduct the agreed-upon procedures as of June 30 th . | Completed | September 2025 |
| 6. Homelessness coordination | Audit to explore the City's internal department structure related to homelessness response, including assessing coordination of activities and benchmarking with other jurisdictions. <i>(Per City Council direction at the June 11, 2024, City Council meeting)</i> | Completed | October 2025 |
| 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 Library Parcel Tax Fund, and the Public Safety and Infrastructure ("Measure T") Bond Fund satisfying the City's obligation for guaranteed annual audits. | Completed | October 2025 |
| 8. Compliance review of San José Clean Energy's risk management practices (contracted audit service) | MGO will conduct tests of SJCE investment and risk management practices to ensure compliance with the City's Energy Risk Management Policy and Energy Risk Management Regulations as of FY Ended June 30, 2025. | Completed | October 2025 |
| 9. Biennial peer review for FYs 2023-24 and 2024-25 (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 peer review | Completed | November 2025 |

| | Objective | Status | Issuance Date |
|--|--|---|---|
| | was conducted in 2023. | | |
| 10. Fire Department inventory controls over controlled substances | Assess inventory controls over controlled substances in the Fire Department. | Completed | November 2025 |
| 11. Annual Performance Review of Team San Jose and the Convention and Visitors Bureau | Annual review to determine whether Team San Jose met their performance metrics as of June 30, 2025. | Completed | November 2025 |
| Assignments in Process | | | |
| 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 Annual Comprehensive Financial Reports 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, Deferred Compensation, Tier 3 Defined Contribution Plan, Voluntary Employee Beneficiary Association (VEBA), Metropolitan Transportation Commission (MTC) grant compliance, South Bay Water Recycling, San José Clean Energy (SJCE), wastewater treatment funds, and the Single Audit (including Airport passenger facility charges and customer facility charges). | In process (multiple projects complete) | September 2025 – March 2026 (projected) |
| 13. Annual Report on City Services | 18 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. | In process | December 2025 (projected) |
| 14. Sewer rates | Assess the process for setting sewer rates for residential, commercial, and industrial customers. (<i>per Councilmember request</i>) | In process | February 2026 (projected) |
| 15. Follow up on 2021 <i>Police, Staffing, Expenditures, and Workload</i> audit report | This is a follow up to the 2021 <i>Police Staffing, Expenditures, and Workload</i> ² audit. There are outstanding audit recommendations over different aspects of Police operations. | In process | April 2026 (projected) |
| 16. Housing loan portfolio | Assess the Housing Department's processes for managing the affordable housing loan portfolio, including loan servicing and compliance monitoring. (<i>outstanding audit request</i>) | In process | June 2026 (projected) |

² See <https://www.sanjoseca.gov/home/showpublisheddocument?id=70064>

| | Objective | Status | Issuance Date |
|--|---|-------------|------------------------|
| 17. Employee turnover | Review turnover across departments and identify potential causes and strategies to mitigate negative impacts on services, including succession planning. <i>(per Councilmember request)</i> | In process | TBD |
| Assignments Not Yet Started | | | |
| 18. Semi-annual audit recommendation status report | The City Auditor's Office will maintain an online dashboard of audit recommendations and issue a report on the implementation status of all open audit recommendations as of December 31, 2025. | Not Started | March 2026 (projected) |
| 19. Semi-annual compliance reviews of the City's investment program (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 st . | Not Started | March 2026 (projected) |
| 20. Office of Economic Development and Cultural Affairs performance measures | Assess the reliability, validity, and usefulness of the Office's reported or tracked performance measures. <i>(Councilmembers have made multiple requests for audits about the City's performance management in prior years. This is the second of what is expected to be an ongoing series of audits related to the City's performance measurement and management systems)</i> | Not Started | TBD |
| 21. Vehicle Abatement | A follow up to the 2018 audit of vehicle abatement. Scope still to be determined but could review customer service and effectiveness of the vehicle abatement program for different types of vehicles or requests. | Not Started | TBD |
| 22. Fire technology needs | Assess the Fire Department's technology strategic planning and resources. | Not Started | TBD |

Note: The approved work plan includes 20 projects. The two semi-annual recommendation status reports are listed as one project but separated here to show progress. Similarly, the two semi-annual compliance reviews of the City's investment program are listed as one project on the work plan but separated here.

The City Auditor's Fiscal Year 2025-26 Work Plan is online at:
<https://www.sanjoseca.gov/your-government/appointees/city-auditor/annual-work-plans>