CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: RULES AND OPEN GOVERNMENT COMMITTEE

FROM: Joe Rois, City Auditor

SUBJECT: **Monthly Report of Activities for June and July 2026**

DATE: August 5, 2026

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the months of June and July 2026.

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 months of June and July 2026.

Activities During the Months of June and July:

1. Issued **Affordable Multifamily Housing Loan Portfolio: Clearer Goals and Stronger Oversight Would Improve Monitoring**. The report is online at: https://www.sanjoseca.gov/home/showpublisheddocument/132465.
2. Hosted Linara Gunasekera, a Stanford in Government Fellow, who provided valuable assistance across multiple audit projects.

Information on the status of the City Auditor's FY 2025-26 Work Plan is attached. Overall, the Office has completed 16 of the 21 projects on the FY 2025-26 Work Plan. The remaining five projects are currently in process. 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

Status of the City Auditor's FY 2025-26 Audit Work Plan
As of June and July 2026

Assignments Completed	Objective	Status	Issuance Date
1. City costs for special events	Assess City-required security or other costs to organizers for special events. (*Request from the Mayor)*	Completed	June 2025 (*heard by Council in August*)
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. (O*utstanding audit requests from a Councilmember and the Mayor)*	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, and December 31, 2025.	Completed	September 2025 & March 2026
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. The independent certified public accounting firm Macias Gini & O'Connell LLP (MGO) will conduct the agreed-upon procedures as of June 30th and December 31st.	Completed	September 2025 & April 2026
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. (*Per City Council direction at the June 11, 2024, City Council meeting)*	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 was conducted in 2023.	Completed	November 2025

Assignments Completed	Objective	Status	Issuance Date
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
12. Annual Report on City Services	18th annual report providing data about the cost, quality, quantity, and timeliness of City services. The report includes performance data, showing ten-year historical trends, a variety of comparisons to other cities, and the results of resident surveys.	Completed	December 2025
13. Sewer rates	Assess the process for setting sewer rates for residential, commercial, and industrial customers. (*per Councilmember request*)	Completed	February 2026
14. Annual external financial audit and single audit (contracted audit service)	The City Charter requires an annual audit of the City's financial transactions. 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).	Completed	September 2025 – March 2026
15. Follow up on 2021 *Police, Staffing, Expenditures, and Workload* audit report	This is a follow up to the 2021 *Police Staffing, Expenditures, and Workload*[1] audit, the objective of which was to review and compare the Department's staffing, spending, and calls for service over time, including staff allocations, and use of overtime.	Completed	April 2026
16. Housing loan portfolio	Assess the Housing Department's processes for managing the affordable housing loan portfolio, including loan servicing and compliance monitoring. (*outstanding audit request)*	Completed	June 2026

Assignments in Process	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. (*per Councilmember request)*	In process	August 2026 (projected)

[1] See https://www.sanjoseca.gov/home/showpublisheddocument?id=70064

Assignments in Process	Objective	Status	Issuance Date
18. Office of Economic Development and Cultural Affairs performance measures	Assess the reliability, validity, and usefulness of the Office's reported or tracked performance measures. (*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)*	In process	August 2026 (projected)
19. 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.	In process	October 2026 (projected)
20. Park maintenance	As directed by the City Council on March 17, 2026, study the park maintenance program, with a scope to include staffing, routes, processes for evaluating maintenance needs, and geographic equity and provide recommendations on best practices.	In process	TBD
21. Fire technology needs	Assess the Fire Department's technology strategic planning and resources.	On hold	TBD
22. Vacant Storefronts *(Note: This project was not included in the FY 2025-26 work plan. It will be included in the FY 2026-27 proposed work plan.)*	As directed by the Rules and Open Government Committee on June 17, 2026, evaluate existing restaurant and small business programs within OEDCA and PBCE to identify opportunities to strengthen interdepartmental coordination and better align program resources toward activation of vacant storefronts. The analysis should assess program effectiveness, administrative feasibility, fiscal impacts, and policy implications.	In process	TBD

Assignments Not Yet Started	Objective	Status	Issuance Date
None			

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