



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

SUBJECT: Monthly Report of Activities
for October 2026

FROM: Joe Rois,
City Auditor

DATE: October 30, 2026

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for the month of October 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) 2026-27 Work Plan during the month of October 2026.

Activities During the Month of October:

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 2026-27 Work Plan is attached. Overall, the Office has completed 7 of the 20 projects on the FY 2026-27 Work Plan.¹ 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 The approved work plan includes 18 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.

**Status of the City Auditor's FY 2026-27 Audit Work Plan
As of October 2026**

Assignments Completed	Objective	Status	Issuance Date
1. 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>	Completed	June 2026
2. 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>	Completed	August 2026
3. 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>	Completed	August 2026
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, 2026.	Completed	September 2026
5. Vehicle Abatement	Assess the effectiveness and efficiency of the Vehicle Abatement program, including timeliness and other program goals, and communication with residents.	Completed	September 2026
6. 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 30 th .	Completed	September 2026
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 2026
Assignments in Process	Objective	Status	Issuance Date
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, 2026.	In process	November 2026 (projected)

Assignments in Process	Objective	Status	Issuance Date
9. 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, 2026.	In process	November 2026 (projected)
10. Annual Report on City Services	19 th 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.	In process	December 2026 (projected)
11. 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	February 2027 (projected)
12. Vacant Storefronts	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
13. 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).	In process (several projects complete)	September 2026 through March 2027 (projected)
14. Monthly Report of Activities	The City Auditor will provide the Rules and Open Government Committee with a monthly report on the Office's activities, including released audits, the status of the approved work plan, and other information necessary to keep the Council informed of the Office's activities.	In process	On-going

Assignments Not Yet Started	Objective	Status	Issuance Date
15. 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, 2026.	Not started	March 2027 (projected)
16. 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 December 31 st .	Not started	March 2027 (projected)
17. Cardroom oversight (<i>per Mayor request</i>)	Assess the Police Department's oversight of the City's cardrooms, including potential duplication of monitoring and enforcement with state regulators and benchmarking with other jurisdictions' oversight programs.	Not started	TBD
18. American Disabilities Act (ADA) complaint procedures (<i>outstanding audit requests</i>)	Assess the City's processes to respond to ADA complaints related to City programs and services.	Not started	TBD
19. Fleet procurement (<i>outstanding audit requests</i>)	Assess the efficiency and timeliness of the City's fleet acquisition process.	Not started	TBD
20. Data Governance Policy	Assess progress on implementation of key elements of the City's Data Governance Policy, such as policies, procedures, and roles for effective management and oversight of the City's data assets.	Not started	TBD

Note: The approved work plan includes 18 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 2026-27 Work Plan is online at:
<https://www.sanjoseca.gov/your-government/appointees/city-auditor/annual-work-plans>