



## **CITY OF PALO ALTO OFFICE OF THE CITY AUDITOR**

March 4, 2008

The Honorable City Council  
Attn: Finance Committee  
Palo Alto, California

### **Status of Audit Projects as of March 4, 2008**

This is an informational report and no action is required.

#### **DISCUSSION**

On January 29, 2008, I accepted the position of City Auditor with the City of San Jose. My last day with the City of Palo Alto will be March 6, 2008. On February 20, 2008, the City issued an email solicitation for an executive recruiting firm for the City Auditor search. Proposals (which will include a proposed process and timeline) are due by March 10, 2008. The recruitment and selection process can be anticipated to take several months.

Since the office's last quarterly report as of the December 31, 2007, we issued the Audit of Employee Ethics Policies and the Infrastructure Report Card for Palo Alto. Four projects are currently in process: (1) vehicle maintenance and replacement, (2) ambulance billing and revenue collection, (3) controls review of the SAP upgrade and Utilities module implementation, and (4) on-going sales tax reviews. Audit staff is fully capable of continuing work on these projects in the interim. We do not expect any of those reports would be issued before the new City Auditor is on board.

If work on those projects proceeds faster than expected, there are another 2 projects on the approved work plan that audit staff is prepared to begin (pending the arrival of the new City Auditor): (1) audit of wastewater treatment fund allocations of charges to partner agencies, and (2) audit of purchasing card transactions. I expect that the Police community survey project and property tax allocation review will not be started this year, and will be deferred. I also expect that the new City Auditor would be responsible for proposing the audit work plan for FY 2008-09 after he/she arrives later this spring/summer.

On behalf of the Auditor's Office, I would like to express my appreciation to the City Council and City staff for their cooperation and assistance during our reviews. It has been a pleasure to work for the residents of Palo Alto.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sharon W. Erickson".

Sharon W. Erickson  
City Auditor