

## **CITY OF SAN JOSE OFFICE OF THE CITY AUDITOR - INTERIM PROCEDURES RELATED TO COVID-19 EMERGENCY OPERATIONS**

The purpose of these procedures is to provide guidance to audit staff regarding their responsibilities under the City's Pandemic Management Plan, the City's Emergency Operations Plan (EOP), and the Recovery Annex to the EOP. As of March 21, 2020, City actions related to COVID-19 have included the following:

- On January 24, the Centers for Disease Control and Prevention (CDC) confirmed the first diagnosed case of a U.S. resident with COVID-19. The City established and activated its Pandemic Management Team and the City's Pandemic Response Time. At that time, the Pandemic Response was in Stage 1 (Monitoring).
- On January 31, 2020, the first case of the COVID-19 was confirmed in the County of Santa Clara (County) and the City elevated its response from Pandemic Response Stage 1 to 2 (Low Risk).
- On February 10, 2020, the County declared a local health emergency and the City followed on February 26 by escalating from Stage 2 to Stage 3 (Medium Risk).
- By March 4, the first case within the County confirmed to be through "community spread" was announced and the state reported its first death related to COVID-19. The City activated the Emergency Operations Center (EOC).
- On March 6, 2020, the City Manager, under his authority as the City's Director of Emergency Services, issued a Proclamation of a Local Emergency which was ratified by the City Council on March 10, 2020. The City moved from Stage 3 to Stage 4 (High Risk).
- On March 15, 2020, the City moved from Stage 4 to Stage 5 (Extremely High Risk) of the Pandemic Management Plan to prevent the spread and infection of the COVID-19 virus. Under Stage 5:
  - All City facilities, except the Airport, were to be closed to the public beginning March 17.
  - Essential services were to continue to be provided, including public safety (e.g., Police, Fire, and emergency medical), critical infrastructure (e.g., wastewater, garbage, roads, and communications) and services for at-risk populations (e.g., homeless residents).
  - Essential employees will be allowed to work in City facilities if they are not able to perform their work at home.
  - Non-essential employees are expected to work remotely.
  - Staff who perform non-essential duties may be reassigned to perform other duties deemed essential as Disaster Service Workers (described below).
- On March 16, 2020, the County issued a Shelter in Place order beginning on March 17, 2020. The order provides that individuals may leave their residence only to perform Essential Activities, as defined by the order.
- Effective March 19, 2020, the City established a new City Administrative Policy COVID-19 Guidance (CPM 1.3.9) <sup>1</sup>

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<sup>1</sup> <https://www.sanjoseca.gov/home/showdocument?id=55562>

## City Auditor's Role in Disaster Assistance

On February 19, 2020, the City approved its current Emergency Operations Plan, Base Plan that describes how the City of San Jose will operate during response and recovery to a proclaimed emergency. Based on the Emergency Operations Plan,<sup>2</sup>

*Disaster recovery in the City of San José will be led by the City Manager's Office, with significant support from many other departments. The City Manager's Office is responsible for coordinating, delegating, and/or overseeing recovery activities with the understanding that almost every department in the City will be responsible for an aspect of recovery, from supporting community restoration to the recovery of their core functions and services and the rebuilding of facilities.*

The City Auditor's Office role in the Emergency Operations Plan, Base Plan is to "Conduct internal audits related to incident-related costs".

In December 2019, the City finalized a Recovery Annex to the Base Plan that provides a framework for the recovery process and identifies the roles and responsibilities of City Departments. In the Annex, the role of the City Auditor's Office is described as:

*City Auditor's Office will: Support the Budget Office, Office of Emergency Management, and Finance Department with cost recovery oversight, including compliance with federal and state record-keeping, procurement, and audit requirements, as requested.*

The City Auditor is the Office's designated liaison with the EOC. The Executive Assistant to the City Auditor is the backup liaison.

### Disaster Service Workers

In addition to the above, all public employees are obligated to serve as Disaster Service Workers (DSW) and may be reassigned to tasks separate from their normal duties. Per California Government Code Title 1, Division 4, Chapter 8, Sections 3100 et seq. and the San Jose Municipal Code, Chapter 8.08, all City employees (who are not already in public safety fields like police or fire) are obligated to serve as DSWs. DSWs provide services and aid during conditions, including the recovery phase, of an emergency, disaster, or catastrophic event. Under the Emergency Operations Plan:

- DSWs may be asked to serve at locations, times and under conditions other than normal work assignments.
- Assignments may include duties within the EOC, in the field, or at another designated location.
- Under no circumstances will City employees that do not usually have a response role in their day-to-day responsibilities be asked to perform duties or functions that are hazardous, that they have not been trained to perform, or that are beyond their recognized capabilities.
- The expectation is that in the event of an emergency, DSWs will secure their homes and families, and then, if possible and if they are so instructed, will return to the City to assist in response activities.

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<sup>2</sup> <https://www.sanjoseca.gov/home/showdocument?id=48699>

It is the policy of the City Auditor's Office that we will not perform nonaudit services.<sup>3</sup> We recognize our defined role of providing audit services as well as serving as DSWs may present potential threats to independence<sup>4</sup> and these procedures, and actions are meant to identify, eliminate, or reduce the threats to an acceptable level. We acknowledge that the work of audit staff in their role as a DSW may be of such significance that the threat of independence is not able to be eliminated or reduced. In these instances, we will follow the Yellow Book requirements under Section 3.84:

*Auditors in a government entity may be required to provide a nonaudit service that impairs the auditors' independence with respect to a required engagement. If, because of constitutional or statutory requirements over which they have no control, the auditors can neither implement safeguards to reduce the resulting threat to an acceptable level nor decline to provide or terminate a nonaudit service that is incompatible with engagement responsibilities, auditors should disclose the nature of the threat that could not be eliminated or reduced to an acceptable level and modify the GAGAS compliance statement as discussed in paragraph 2.17b accordingly. Determining how to modify the GAGAS compliance statement in these circumstances is a matter of professional judgment.*

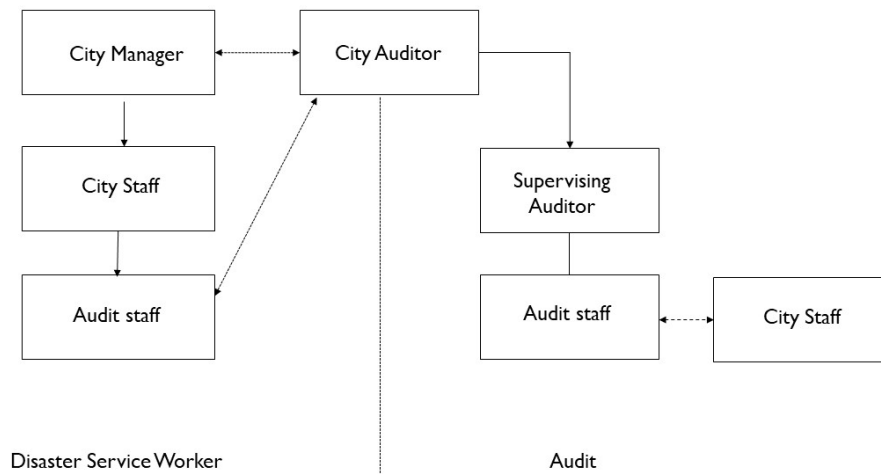
### **Interim Organizational Structure for COVID-19 Emergency Operations**

The City Auditor's Office utilizes the GAGAS conceptual framework to assess threats to independence as described in the Office's Policies and Procedures. In order to maintain structural independence to provide audit services, as well as provide services as DSWs, we have developed an interim organizational chart that functionally segregates the two responsibilities.

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<sup>3</sup> Per GAS 3.80-3.82, nonaudit services include such things as: making decisions regarding the acquisition, deployment, and control of human, financial, physical, and intangible resources; setting policies and strategic direction for the audited entity; directing and accepting responsibility for the actions of the audited entity's employees in the performance of their routine, recurring activities; accepting responsibility for the management of an audited entity's project; developing an audited entity's performance measurement system; and/or accepting responsibility for designing, implementing, or maintaining internal control.

<sup>4</sup> These could include familiarity threats, self-review threats, and management participation threats. See GAS 3.30-3.44 for further detail on these and other threats.



### *Responsibilities of Disaster Service Workers*

The City Auditor will work with the Administration to reassign staff as requested for emergency operations. Audit staff may be reassigned based on skills requested, need, and potential conflicts with current audit work. For example, if staff's work performing as a DSW would impair their future performance of a current audit post emergency, the City Auditor may request that the Administration reassign them to a different DSW role. However, the City Auditor may determine this is unavoidable because of the nature of the emergency and need. This will be documented and disclosed in any future audit reports.

Staff reassigned to provide a service outside their normal audit responsibilities should clearly document the work performed and the lines of authority within that function. Audit staff who work as a DSW may take direction from City staff regarding the work needed at the EOC, but will keep the City Auditor informed and updated about the work being performed (on a daily or weekly basis as necessary).

If audit staff has concerns about the work that they are being tasked with, they should contact the City Auditor who can raise those concerns with the Administration. These could be related to safety, making management-type decisions, or other concerns.

Staff reassignments as DSWs will be documented in the Office's standard Independence Statements for current or future audits.

### *Responsibilities for Audit Role under the Emergency Operations Plan*

Audit staff may be assigned by the City Auditor to conduct an audit within the Office's designated responsibilities under the Emergency Operations Plan, Base Plan and the Recovery Annex. The audit work will be overseen by a Supervising Auditor who reports to the City Auditor.

All audit work will be performed per government auditing standards and per office policies and procedures. Under EOC guidelines audit work may include, but is not limited, to the following audit services:

- Review the City's compliance with Federal or State guidelines
- Assess the sufficiency of the City's internal controls related to reimbursements and expenditures
- Assess the City's readiness to receive Federal and State funds to mitigate impacts of the COVID-19 emergency
- Review Federal and State transparency and accountability requirements and general provisions and the City's proposed internal controls to meet those requirements (this may include a review of FEMA and State guidelines and requirements)
- Assess whether the City's expenditures met the guidelines set forth by the City's procedures
- Assess the appropriateness of purchases and expenditures

Although the audits will follow the City Auditor's Office's normal audit procedures, some aspects will be streamlined to accommodate the current environment. For example, under the City's COVID-19 guidelines, all in person meetings have been cancelled; as a result, progress meetings (including the exit and entrance conferences) will need to be conducted through Zoom or other teleconferencing tools. Other variances from normal procedures will be documented in audit workpapers as necessary.

There may be instances where audit work involves reviewing work conducted by other audit staff in their role as a DSW. The audit team will determine the extent that this presents a threat to independence. This potential threat will be disclosed in the final audit report, and if necessary, a modified GAGAS statement may be included in the report.

The City Auditor will coordinate all communications between the EOC and the City Auditor's Office.

### **Conducting Work Remotely**

Under the City's guidelines under Stage 5 of the Pandemic Management Plan,<sup>5</sup> audit staff is required to work remotely, unless work as a DSW requires them to be at the EOC, City Hall, or some other location. It should be noted that City Hall is open to City staff; as such, audit staff can retrieve documents or other materials as necessary. However, this should only occur under exceptional circumstances.

If audit staff is not working remotely or is present in City Hall, they should follow the City's guidelines on social distancing (at least three to six feet between persons, or two employees should be able to put their arms out horizontally without touching each other).

Audit staff working remotely should track their hours appropriately according to the City's Remote Access Policy.<sup>6</sup> Remote work can include work done through SharePoint, OneDrive, Microsoft Teams, and/or Zoom meetings. Teams should communicate to determine the frequency and need of these meetings.

Regular staff meetings will be conducted through Zoom. Additional required meetings, as determined by the City Auditor, will also be conducted through Zoom.

### *Timekeeping*

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<sup>5</sup> Under Stage 4 of the plan, audit staff is encouraged to work remotely.

<sup>6</sup> <https://www.sanjoseca.gov/home/showdocument?id=55562>

Timekeeping should be done in compliance with the City's timekeeping guidelines<sup>7</sup>.

- The City has made the decision to pay employees, who are unable to work for various reasons, administrative leave through March 30. This includes employees who are quarantined or ill; are caring for ill family members or children who are out of school; or are unable to telecommute due to the nature of their work.
- Essential and non-essential employees who continue to work in the workplace or via telecommuting will be paid regular time.
- Employees who are currently working and have the need for a leave should discuss their need with the City Auditor. The City may elect to exclude essential employees (e.g., DSWs) from leave, as appropriate, and as allowed by Federal law.
- Any COVID-19 activities should be coded as directed by the City's timekeeping guidelines, and described in the comment fields in their online timesheet.

Staff should complete their online timesheets through their remote access to eWay. The Executive Assistant to the City Auditor will assist in entering the correct codes and comment fields.

*Essential administrative duties conducted remotely*

Because of the range of her responsibilities, the Executive Assistant to the City Auditor has been designated as essential to the Office's day-to-day operations by the City Auditor. For these reasons, she has been granted VPN access by the City's Information Technology Department to conduct her work remotely. This includes overseeing the Office's timekeeping, paying Office invoices (with the approval of the City Auditor), coordinating staff meetings, tracking training and audit hours, and other functions as necessary.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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<sup>7</sup> <https://www.sanjoseca.gov/Home/ShowDocument?id=55508>