



THE CITY OF SAN DIEGO

DATE: August 19, 2014
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: **City Auditor Activity Report – July 2014**

This report provides information on the activities of the Office of the City Auditor for the month of July 2014. It includes the audit reports issued, status of current audit projects, and a summary of planned audits that we have not yet started.

July 7, 2014 – Issued our City Auditor’s Quarterly Fraud Hotline Report for the Fourth Quarter of Fiscal Year 2014. The report can be found on our website at:
http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/Fraud_Q4_2014_UpdateReport.pdf

July 9, 2014 – Issued our Performance Audit of the Office of Homeland Security. The report can be found on our website at:
http://www.sandiego.gov/auditor/reports/fy15_pdf/audit/15-001_Homeland_Security.pdf

July 10, 2014 – Issued our Hotline Investigation of Federal Seized Assets Funds and Certifications. The report can be found on our website at:
http://www.sandiego.gov/auditor/reports/fy15_pdf/hotline/15-002_Federal_Seized_Assets.pdf

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TO REPORT FRAUD, WASTE, OR ABUSE, CALL OUR FRAUD HOTLINE: (866) 809-3500



Audits in Progress – Report Writing				
Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Environmental Services – Waste Reduction and Disposal	The objective of this audit is to review the efficiency and effectiveness of Environmental Services' Waste Reduction and Disposal program.	Published: August 11, 2014	1,566	1,200
San Diego Convention Center – Human Resources Systems Contract Review	The objective of this audit is to assess the appropriateness of the controls and performance measures related to the human resources systems contract.	Published: August 14, 2014	208	240
Fire Rescue – Overtime	The objective of this audit is to review the City's Fire-Rescue Department's Overtime expenditures.	August 2014	2,289	2,200

Audits in Progress – Fieldwork				
Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Balboa Park Celebration, Inc.	The objective of this audit is to determine whether Balboa Park Celebration, Inc: 1) used City funds appropriately and 2) complied with the terms of the Memorandum of Understanding and Funding Agreements with the City of San Diego.	August 2014	1,051	1,350
Utilities Undergrounding – Phase II	The objective of this audit is to determine if the City is effectively managing costs and achieving efficiencies for the Utilities Undergrounding Program (UUP).	October 2014	577	1,500
Community Parking Districts	The objective of this audit is to evaluate the efficiency and effectiveness of the CPD program.	October 2014	501	1,470

Audits in Progress – Planning				
Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Citywide Contract Oversight	The objective of this audit is to review the City's overall process to ensure that a) contracts contain adequate provisions for oversight and performance measurement and b) departments are given adequate direction, and are held accountable for ensuring vendor compliance with contract requirements.	December 2014	14	1,800

Other Audit Activity				
Activity	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	The City Auditor tracks all audit recommendations made since fiscal year 2008. On a semi-annual basis, we conduct audit work to determine if audit recommendations reported as implemented are in fact, implemented. We report the implementation status on a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports.	On-going	13	800
Close-out Audits	Close-out audits are required by City Charter, Article VII, Section 111, when a City Official leaves office. The primary audit objectives are to verify that there are no outstanding debts owed by the City Official to the City, and to ensure that access to critical information and processes has been revoked.	As Needed	133	240
Fraud, Waste and Abuse Hotline	City Auditor investigative staff reviews Fraud Hotline calls received and performs investigations for allegations of material fraud, waste or abuse. Reports are issued for substantiated fraud-related allegations, and we issue a Quarterly Fraud Hotline Report with the status of activities.	On-going	155	1,450

FY 2015 Planned Audits Not Yet Started:

Planned Audit	Estimated Audit Hours
Public Utilities – Overhead Rate Review	900
Citywide Other/Special Funds	1,200
Neighborhood Code Compliance Division	1,400
General Services - Fleet Services	1,400
Transportation and Storm Water - Street Sweeping	1,400
Police Department – Property and Evidence Room and Inventory	1,400
Development Services - Entitlements	1,800
Fire - Lifeguard Services	1,400
Park and Recreation – Golf Operations	1,400
Business Improvement Districts	1,400
City's Fiscal Sustainability and Financial Condition	800
Airports – Real Estate Assets	1,400
Annual Mission Bay Fund Audit FY14	340
Annual Central Stores Inventory Audit FY15	40

Respectfully submitted,



Eduardo Luna
City Auditor

cc: Honorable Mayor Kevin Faulconer
Honorable Members of the City Council
Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Brian Pepin, Director of Council Affairs
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst