



THE CITY OF SAN DIEGO

DATE: September 16, 2015
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – August 2015

This report provides information on the activities of the Office of the City Auditor for the month of August 2015. It includes the audit reports issued, the status of current audit projects, and a summary of planned audits that we have not yet started.

August 6, 2015 – Issued our Performance Audit of the City's Financial Condition.

The report can be found on our website at:

www.sandiego.gov/auditor/reports/fy16_pdf/audit/16-002_City_Financial_Condition.pdf

August 14, 2015 – Issued our Audit of Accounts of Public Officials Terminating Office in Fiscal Year 2015. The report can be found on our website at:

www.sandiego.gov/auditor/reports/fy16_pdf/audit/16-003_Close-Out_Audits_FY15.pdf



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Audits in Progress – Report Writing

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Business Improvement Districts	The objective of this audit is to review the efficiency and effectiveness of the Business Improvement Districts.	Issued: September 9, 2015	2,130	1,400
Development Services – Code Enforcement Division	The objective of this audit is to review the efficiency and effectiveness of this program.	October 2015	1,249	1,400

Audits in Progress – Fieldwork

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Public Utilities – Overhead Rate Review	The objective of this audit is to review the accuracy and reasonableness of overhead rates charged by City departments for services provided to Public Utilities.	October 2015	649	1,010
Purchasing & Contracting Department – Selected Contract Review	This audit is a follow-up to the audit of Citywide Contract Oversight, issued in FY 2015. The objective of this audit is to review selected City contracts to evaluate areas of potential risk and loss to the City.	November 2015	646	1,500

Audits in Progress – Planning

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
San Diego Public Libraries	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Public Libraries.	TBD	175	1,400
San Diego Housing Commission	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Housing Commission.	TBD	144	2,000
Transportation & Storm Water Department: Street Division, and Public Works-Engineering & Capital Projects: Right-of-Way Design Division – Streets Audit	The tentative objective of this audit is to examine various issues pertaining to street trenching and paving issues, including, but not limited to, an evaluation of adherence to the requirements set forth in the City’s Street Preservation Ordinance.	TBD	133	1,500

Other Audit Activity

Audit	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 FY 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	56	700
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	28	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	328	1,410
IT Risk Assessment	The Office of the City Auditor will conduct a Risk Assessment on the City's IT Infrastructure, and based on the level of risk, the City Auditor will create a schedule of on-going IT audits.	TBD	144	560

FY 2016 Planned Audits Not Yet Started

Planned Audit	Estimated Audit Hours
San Diego Police Department (SDPD) – Property and Evidence Room	200
SDPD, and Public Works–Engineering & Capital Projects: Right-of-Way Design Division – Pedestrian Safety	1,600
Development Services Department (DSD) – Permitting	1,600
Fleet Services	1,600
Capital Improvements Program (CIP)	2,000
Convention Center	2,000
IT Audits	2,090

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