

City Auditor



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Office Description

The Office of the City Auditor is an independent office that reports, and is accountable to, the Audit Committee and City Council. The City Auditor conducts performance audits of City departments, offices, and agencies in accordance with government auditing standards.

The audits may assess internal controls over financial reporting and evaluate how well the City complies with applicable laws, rules, and regulations; achieves stated goals and objectives; reports financial and performance information (reliability); efficiently and effectively uses resources; and safeguards and protects assets.

The Office of the City Auditor also administers the City's Fraud Hotline program and performs investigations for all material complaints received related to fraud, waste, and abuse.

The Office's mission is:

To advance open and accountable government through accurate, independent, and objective audits and investigations that seek to improve the economy, efficiency, and effectiveness of City government

Goals and Objectives

The following goals and objectives represent the action plan for the Office:

Goal 1: Increase the economy, efficiency, and effectiveness of City government through audits and their recommendations

To fulfill its mission, the Office reports its independent and impartial reviews, conclusions, and recommendations based on performance audits and attestation engagements conducted. Some audit reports recommend ways to reduce costs or increase revenues. Other audit reports identify opportunities to increase effectiveness, use resources more efficiently, and improve internal controls. An annual audit workplan is prepared and presented to the Audit Committee each fiscal year. The audit workplan targets business processes and programs identified in the annual

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citywide risk assessment model. The Office will move towards accomplishing this goal by focusing on the following objectives:

- Improve performance of government programs and operations
- Utilize audits to identify opportunities for improved efficiency and the effective use of City resources
- Regularly report the status and encourage implementation of open recommendations

Goal 2: Provide independent, reliable, accurate, and timely information to the Mayor, Audit Committee, City Council, and other stakeholders

The City Auditor intends to provide results of all non-confidential audits to its stakeholders. To this end, the Office intends to provide regular updates to the Audit Committee, as well as copies of all issued audit reports to the Mayor and appropriate City management, members of the City Council and their staff, Audit Committee members, and the residents of San Diego via the City Auditor website. The Office will move towards accomplishing this goal by focusing on the following objective:

- Provide audit results, including findings and recommendations, to relevant stakeholders

Goal 3: Provide independent, confidential, and reliable investigations of all material allegations of fraud, waste, or abuse that are reported via the City's Fraud Hotline

The Office of the City Auditor will investigate all material complaints received related to fraud, waste, and abuse. The City Auditor will provide a means for City of San Diego employees, vendors, and residents to confidentially report any activity or conduct in which they suspect any instances of fraud, waste, abuse, or violations of laws and regulations that should be investigated. The Office will move towards accomplishing this goal by focusing on the following objective:

- Provide investigation results, including recommendations for necessary actions to be taken, for all allegations of fraud, waste, abuse, or violations of law and regulations that are found to be substantiated

Key Performance Indicators

Performance Indicator	Target FY2014	Actual FY2014	Estimated FY2015	Target FY2016
1. Percent of audit recommendations management agrees to implement	95%	100%	100%	95%
2. Percent of audit workplan completed during the fiscal year	90%	73% ¹	83%	90%
3. Percent of hotline investigation recommendations management agrees to implement	90%	100%	100%	90%

1. The percentage of audit workplan completed for Fiscal Year 2014 was below 90% due in part to the complexity of findings encountered for various audits such as the Community Facilities Districts, Graffiti Abatement, Fire Rescue overtime, and Personnel Department recruiting, which required additional time to complete these projects. In addition, staffing absences of approximately 1.3 FTE during the fiscal year also impacted the Office's ability to reach 90% completion.

Service Efforts and Accomplishments

The City Auditor will propose an annual audit workplan that will identify the planned audits to be undertaken during the fiscal year. The annual workplan will be based on the results of the comprehensive citywide risk assessment and identify required audits, such as the annual inventory audit, close-out audits, and hotline investigations. The goal will be to complete the required audit workplan and increase the economy, efficiency, and effectiveness of City operations through these audits and their recommendations.

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Additionally, the City Auditor will conduct testing of internal controls during each performance audit that is conducted, report on control weaknesses that are identified, and make recommendations for corrective action that should be taken. The City Auditor will perform follow-up work on all audit recommendations that are made to determine if proper actions have been taken by management.

The City Auditor will provide regular updates to the Audit Committee regarding the activities and accomplishments of the Office, including producing an annual report and information on management's implementation of audit recommendations.

The Office of the City Auditor has established a national reputation, earning four Knighton Awards for best performance audit in the Large Audit Shop category. The audit reports were judged on several key elements, such as the potential for significant impact, persuasiveness of the conclusions, focus on improving government efficiency and effectiveness, and its clarity, conciseness, and innovation.

Government Auditing Standards require that an audit organization's internal quality control system is evaluated at least every three years. In October 2013, an independent peer review team found the City's Office of the City Auditor has conducted work in full compliance with Government Auditing Standards for the period of July 1, 2010, through June 30, 2013. To reach full compliance reflects the Office of the City Auditor staff's dedication to audit excellence and the City Auditor's own desire to be the best audit organization possible.



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Department Summary

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
FTE Positions (Budgeted)	21.00	21.00	21.00	0.00
Personnel Expenditures	\$ 2,705,686	\$ 2,735,557	\$ 2,850,280	\$ 114,723
Non-Personnel Expenditures	809,545	839,645	870,842	31,197
Total Department Expenditures	\$ 3,515,231	\$ 3,575,202	\$ 3,721,122	\$ 145,920
Total Department Revenue	\$ 298	\$ -	\$ -	\$ -

General Fund

Department Expenditures

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
City Auditor	\$ 3,515,231	\$ 3,575,202	\$ 3,721,122	\$ 145,920
Total	\$ 3,515,231	\$ 3,575,202	\$ 3,721,122	\$ 145,920

Department Personnel

	FY2014 Budget	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
City Auditor	21.00	21.00	21.00	0.00
Total	21.00	21.00	21.00	0.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2015 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	\$ 114,723	\$ -
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	21,153	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	10,044	-
Total	0.00	\$ 145,920	\$ -

Expenditures by Category

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
PERSONNEL				
Personnel Cost	\$ 1,766,399	\$ 1,857,934	\$ 1,884,843	\$ 26,909
Fringe Benefits	939,287	877,623	965,437	87,814
PERSONNEL SUBTOTAL	2,705,686	2,735,557	2,850,280	114,723

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Expenditures by Category (Cont'd)

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
NON-PERSONNEL				
Supplies	\$ 14,085	\$ 23,437	\$ 22,182	\$ (1,255)
Contracts	662,695	690,114	691,406	1,292
Information Technology	84,468	74,962	85,006	10,044
Other	6,318	8,220	8,220	-
Transfers Out	41,979	42,912	64,028	21,116
NON-PERSONNEL SUBTOTAL	809,545	839,645	870,842	31,197
Total	\$ 3,515,231	\$ 3,575,202	\$ 3,721,122	\$ 145,920

Revenues by Category

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
Other Revenue	\$ 298	\$ -	\$ -	\$ -
Total	\$ 298	\$ -	\$ -	\$ -

Personnel Expenditures

Job Number	Job Title / Wages	FY2014 Budget	FY2015 Budget	FY2016 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
21000000	Assistant City Auditor	1.00	1.00	1.00	\$34,694 - \$207,210	\$ 154,500
20001233	Assistant to the Director	2.00	2.00	2.00	46,966 - 172,744	106,706
20001252	City Auditor	1.00	1.00	1.00	59,155 - 224,099	168,000
21000001	Performance Audit Manager	0.00	3.00	3.00	46,966 - 172,744	320,347
20001135	Performance Auditor	17.00	14.00	14.00	19,323 - 151,840	1,135,290
FTE, Salaries, and Wages Subtotal		21.00	21.00	21.00		\$ 1,884,843
Fringe Benefits						
	Employee Offset Savings	\$ 20,393	\$ 20,382	\$ 20,610		\$ 228
	Flexible Benefits	168,140	187,364	221,376		34,012
	Insurance	323	-	-		-
	Long-Term Disability	14,338	6,390	6,203		(187)
	Medicare	26,029	26,941	27,330		389
	Other Post-Employment Benefits	130,392	127,386	125,685		(1,701)
	Retiree Medical Trust	2,545	2,800	2,849		49
	Retirement 401 Plan	8,098	9,225	6,195		(3,030)
	Retirement ADC	462,847	415,680	422,327		6,647
	Risk Management Administration	19,371	19,887	22,449		2,562
	Supplemental Pension Savings Plan	53,049	53,314	83,423		30,109
	Unemployment Insurance	4,915	3,659	3,544		(115)
	Workers' Compensation	28,846	4,595	23,446		18,851
Fringe Benefits Subtotal		\$ 939,287	\$ 877,623	\$ 965,437		\$ 87,814
Total Personnel Expenditures					\$ 2,850,280	