DATE: May 7, 2024

TO: Honorable Members of the Audit Committee

FROM: Andy Hanau, City Auditor

SUBJECT: City Auditor Activity Report – April 2024

This report provides information on the Office of the City Auditor's activities as of April 2024. This includes any audit reports issued during the month of April, the status of current audit projects, and a list of planned audits that have not yet started.

The “Target Completion Date” provided for each audit project indicates our estimate of when the audit report will be issued. However, future circumstances may delay report issuances, such as delays in receiving data for review, numerous and extensive findings that require further evaluation, and additional discussions with management to demonstrate that our audit findings are valid and recommendations for improvement are necessary.

Audit reports and other work products were issued in April 2024

04/30/2024
City Auditor’s Quarterly Fraud Hotline Report – Q3 Fiscal Year 2024

04/29/2024
Re-Review of the 2013 Audit of the City’s Pothole Repair Operations

04/08/2024
Open Audit Recommendations where Departments Indicate Additional Resources are Necessary for Full Implementation
### Audits in Progress – Report Writing Stage

<table>
<thead>
<tr>
<th>Audit</th>
<th>Audit Objective</th>
<th>Target Completion Date</th>
<th>Audit Hours Used</th>
<th>Budgeted Hours</th>
</tr>
</thead>
</table>
| Purchasing and Contracting: Contract Management | The objective is to determine if the process for administering contracts and the governance process for contract extensions or increases allows for effective management and oversight, specifically:  
  - Does the City appropriately extend or increase the value of goods and services contracts in accordance with SDMC and best practices? | July 2024              | 1,590            | 1,600          |
| Facilities Maintenance                       | The objectives are Objective 1: Determine whether the City tracks and assesses the condition of City-owned, City-occupied facilities. Objective 2: Determine whether the City plans and conducts maintenance efficiently and effectively for City-owned, City-occupied facilities. Objective 3: Determine whether the City efficiently funded the maintenance needs of City-owned, City-occupied facilities from FY2016 through FY2023. | July 2024              | 1,176            | 1,800          |
Audits in progress in the Fieldwork Stage

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Annual Mission Bay and San Diego Regional Parks Improvement Funds Audit FY2023</td>
<td>The Annual Mission Bay Funds Audit is required by the City Charter, Article V, Section 55.2 (e). The objective of this audit is to verify the prior fiscal year collection, allocation, and use of Mission Bay Funds comply with City Charter requirements.</td>
<td>September 2024</td>
<td>129</td>
<td>310</td>
</tr>
<tr>
<td>Department of Finance and Government Affairs: Grants</td>
<td>The objectives are: 1) To determine if the City is competitive in planning for and pursuing grant funding; and 2) To determine if the City's policies and processes for grant research and application are followed and align with industry best practices.</td>
<td>November 2024</td>
<td>545</td>
<td>1,800</td>
</tr>
<tr>
<td>Fire-Rescue: Overtime</td>
<td>The objectives are: 1) To determine what factors contribute most to the Fire Rescue Department's overtime costs and if there are opportunities to reduce overtime costs; 2) To determine if the Fire-Rescue Department's current staffing model is optimized to meet the department's service delivery requirements; and 3) To determine if there are opportunities to improve the Fire-Rescue Department's overtime budgeting process.</td>
<td>November 2024</td>
<td>609</td>
<td>2,000</td>
</tr>
</tbody>
</table>
## Audits in Progress – Planning Stage

<table>
<thead>
<tr>
<th>Audit</th>
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</tr>
</thead>
<tbody>
<tr>
<td>General Services: Fleet Maintenance</td>
<td>The tentative objective is to determine if the fleet repair program is timely and cost-effective.</td>
<td>TBD</td>
<td>379</td>
<td>2,000</td>
</tr>
<tr>
<td>Public Utilities and Strategic Capital Projects: Pure Water</td>
<td>The tentative objective is to determine lessons learned from Part I of the Pure Water project as they relate to planning and project management and identify improvements for future phases of the project.</td>
<td>November 2024</td>
<td>340</td>
<td>2,400</td>
</tr>
<tr>
<td>Environmental Services: Trash, Recycling, and Organics Collection</td>
<td>The tentative objective is to determine if the City's trash, recycling, and organics collection and handling is efficient and in compliance with recent legislation such as SB 1383, AB1276, and the City's Recycling Ordinance.</td>
<td>TBD</td>
<td>22</td>
<td>2,000</td>
</tr>
<tr>
<td>IT Performance Audit of Citywide Cybersecurity Defenses</td>
<td>The primary goal of this audit is to evaluate the effectiveness of Citywide cyber defenses against both internal and external cyber threats, including cyberattacks. The audit may include a contract for specialized cybersecurity skills, which OCA anticipates could be funded through its current budget allocation.</td>
<td>TBD</td>
<td>68</td>
<td>1,000</td>
</tr>
</tbody>
</table>
Other Audit Activity

<table>
<thead>
<tr>
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<tr>
<td>Follow-up on Audit Report Recommendations</td>
<td>We report the implementation status in a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports. We issued our first report in September 2023, and we issued another report in March 2024. We will update our interactive recommendation tracking dashboard to accompany the report.</td>
<td>On-going</td>
<td>646</td>
<td>750</td>
</tr>
<tr>
<td>Fraud, Waste, and Abuse Hotline</td>
<td>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.</td>
<td>On-going</td>
<td>2,553</td>
<td>2,960</td>
</tr>
</tbody>
</table>
Honorable Members of the Audit Committee
May 7, 2024

Audit Reports and Other Work Products Completed During FY2024

04/30/2024
City Auditor’s Quarterly Fraud Hotline Report – Q3 Fiscal Year 2024

04/29/2024
Re-Review of the 2013 Audit of the City’s Pothole Repair Operations

04/08/2024
Open Audit Recommendations where Departments Indicate Additional Resources are Necessary for Full Implementation

03/28/2024
Confidential IT Performance Audit of SDPD Body Camera Management and Use

03/21/2024
March 2024 - Audit Recommendation Follow-Up Report

03/05/2024
Performance Audit of the San Diego Housing Commission's Property Acquisition Process

02/28/2024
Performance Audit of SDPD Overtime
  • SDPD Overtime Highlights

02/12/2024
Performance Audit of the City’s Street Maintenance Program
  • Street Maintenance Highlights

01/19/2024
CY2023 Annual Accomplishments Report

01/17/2024
City Auditor’s Quarterly Fraud Hotline Report – Q2 Fiscal Year 2024

11/14/2023
Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2022
  • Performance Audit of Mission Bay FY22 Highlights

11/13/2023
Agreed-Upon Procedures Report Related to the Central Stores Physical Inventory - Fiscal Year 2023

10/31/2023
City Auditor's Quarterly Fraud Hotline Report – Q1 Fiscal Year 2024

10/30/2023
Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety
  • City's Programs Responsible for Improving Pedestrian Safety Highlights

09/05/2023
Fraud Hotline Report of Purchase Order Approvals

07/18/2023
Performance Audit of the City's Classified Employee Hiring Process
  • City's Classified Employee Hiring Process Highlights

07/17/2023
Performance Audit of the City's Brush Management on City-Owned Land
  • City's Brush Management on City-Owned Land Highlights

07/11/2023
City Auditor's Quarterly Fraud Hotline Report - Q4 Fiscal Year 2023

FY2024 Planned Audits Not Yet Started

<table>
<thead>
<tr>
<th>Planned Audits</th>
<th>Estimated Audit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Audits – 2 Audits</td>
<td></td>
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<tr>
<td>IT Performance Audit of Accela Availability and Integration (800 hours)</td>
<td>2,000</td>
</tr>
<tr>
<td>IT Audit Project</td>
<td></td>
</tr>
<tr>
<td>Risk Assessment Improvement Project (200 hours)</td>
<td></td>
</tr>
<tr>
<td>Annual Central Stores Inventory Agreed-Upon Procedures Review FY2024</td>
<td>10</td>
</tr>
</tbody>
</table>

Respectfully submitted,

Andy Hanau
City Auditor
cc: Honorable Mayor Todd R. Gloria
    Honorable Members of the City Council
    Honorable City Attorney Mara Elliott
    Eric K. Dargan, Chief Operating Officer
    Christiana Gauger, Chief Compliance Officer
    Charles Modica, Independent Budget Analyst