DATE: May 20, 2025

TO: Honorable Members of the Audit Committee

FROM: Andy Hanau, City Auditor

SUBJECT: City Auditor Activity Report – April 2025

This report provides information on the Office of the City Auditor's activities in the month of April 2025. This includes audit reports issued, 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, report issuances may be delayed by future circumstances, 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.

The Office of the City Auditor issued the following work products in April 2025.

04/09/2025

Recommendation Follow-Up Report - Status Update as of December 31, 2024

- Interactive Dashboard

04/14/2025

City Auditor's Quarterly Fraud Hotline Report – Fiscal Year 2025 Quarter 3

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To report fraud, waste, or abuse, call our fraud hotline: (866) 809-3500
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Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Environmental Services: Trash, Recycling, and Organics Collection	The objective of this audit is to evaluate the agreements, oversight, and fee structure for the City's franchised waste haulers to determine if the agreements and operations align with City goals, state requirements, and other related objectives.	Report issued May 2, 2025	2,807	2,000
Fire-Rescue: Overtime	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.	Report issued May 8, 2025	4,417	2,000
Public Utilities and Strategic Capital Projects: Pure Water	The objective is to determine if the City ensures that project deliverables from Pure Water consultants, contractors, and City staff meet project requirements.	June 2025	3,815	2,400

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Disaster Response	In response to the January 2024 floods, the objectives are to: (1) Determine if the City's overall disaster planning and preparedness efforts aligned with best practices and positioned the City to respond effectively, facilitate recovery, and coordinate and communicate with key stakeholders; (2) Determine if roles and responsibilities for response and recovery were clear between the City, the County of San Diego, and other stakeholders; and (3) Determine if any changes are necessary to the City's disaster planning and preparedness efforts to respond effectively to—and facilitate recovery from—future major emergencies and disasters.	June 2025	2,873	2,200

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Mission Bay and San Diego Regional Parks Improvement Funds Audit, FY2024	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.	September 2025	234	310

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Performance Audit of Citywide Performance Monitoring	The tentative objective of this audit is to evaluate the effectiveness of the City's process for developing and reporting Key Performance Indicators (KPIs) and other performance metrics, including a review of performance metrics used by a sample of critical departments and programs.	TBD	591	1,800

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
IT Performance Audit of Citywide Cybersecurity Defenses	The primary objective 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.	September 2025	658	1,000
Fire-Rescue: Dispatch	To determine if the San Diego Fire-Rescue Department's dispatch process facilitates timely and efficient response to emergency calls.	TBD	19	1,600
Parks & Recreation: Golf Division	To determine if the Golf Division's operations and contracts for operating City-owned golf courses align with City objectives and municipal golf best practices.	TBD	18	1,400

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Performance Audit of the Historical Designation Process	The tentative objective of this audit is to determine whether the historical designation and related processes ensure a fair and consistent application of historical significance criteria, adhere to established timeframes for completion, and follow applicable best practices.	TBD	12	1,600

Other Audit Activity

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	We report the implementation status in a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports. We issued our second semi-annual report of the fiscal year in April 2025, and we updated our [interactive recommendation tracking dashboard](#) to accompany the report.	On-going	885	750
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. We issue reports for substantiated fraud-related allegations, and we issue a Quarterly Fraud Hotline Report with the status of activities.	On-going	2,999	2,960

Audit Reports and Other Work Products Completed During FY2025

07/12/2024
City Auditor's Quarterly Fraud Hotline Report – Fiscal Year 2024 Quarter 4

07/16/2024
Performance Audit of Facility Maintenance
- Report Highlights

07/17/2024
Performance Audit of the City's Contract Management Process
- Report Highlights

07/19/2024
Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2025

09/11/2024
Recommendation Follow-Up Report – Status Update as of June 30, 2024

09/30/2024
Agreed-Upon Procedures Related to the Central Stores Physical Inventory – Fiscal Year 2024

10/14/2024
City Auditor's Quarterly Fraud Hotline Report – Fiscal Year 2025 Quarter 1

11/06/2024
Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2023
- Report Highlights

11/13/2024
Hotline Report of Boat Storage Permits
- Report Highlights

01/23/2025
2024 Accomplishments Report

01/28/2025
City Auditor's Quarterly Fraud Hotline Report – Fiscal Year 2025 Quarter 2

01/31/2025
Performance Audit of the City's Fleet Maintenance
- Report Highlights
- Report Highlights (en español)

02/24/2025
[Performance Audit of the City's Grants Program](#)
- [Report Highlights](#)
- [Report Highlights (en español)](#)

04/09/2025
[Recommendation Follow-Up Report - Status Update as of December 31, 2024](#)

04/14/2025
[City Auditor's Quarterly Fraud Hotline Report – Fiscal Year 2025 Quarter 3](#)

05/02/2025
[Performance Audit of the City's Trash, Recycling, and Organics Collection and Handling](#)
- [Report Highlights](#)

05/08/2025
[Performance Audit of Fire-Rescue Overtime](#)
- [Report Highlights](#)

In addition, the Office of the City Auditor completed work in July 2024 on the IT Risk Assessment Improvement Project, which produced an improved inventory of City IT systems and applications, including how departments use those systems and applications and potential risks to City data and supported City activities. The refined inventory served as the foundation for the FY2025 IT Risk Assessment, which was completed in August 2024. However, both documents are confidential because they identify potential security risks.

FY2025 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
Unsafe Camping Ordinance	2,400
SDPD - Internal Affairs	2,200
Fire-Rescue – Brush Management on Private Property	1,000
Annual Central Stores Agreed-Upon Procedures Review FY2025	10

Respectfully submitted,

Andy Hanau
City Auditor

cc: Honorable Mayor Todd R. Gloria
        Honorable Members of the City Council
        Honorable City Attorney Heather Ferbert
        Christiana Gauger, Chief Compliance Officer
        Charles Modica, Independent Budget Analyst