

Annual Citywide Risk Assessment and Audit Work Plan

JULY 2025

Fiscal Year 2026

Andy Hanau, City Auditor
Matthew Helm, Assistant City Auditor

CITY OF SAN DIEGO



OFFICE of the CITY AUDITOR



July 17, 2025

Honorable Members of the Audit Committee
City of San Diego, California

Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2026

In accordance with City Charter Section 39.2 and San Diego Municipal Code Section 26.1710(a), the Office of the City Auditor (OCA) has prepared the attached Audit Work Plan for Fiscal Year 2026 and will present it to the Audit Committee for review and approval at the meeting of July 25, 2025. The list of 21 proposed items for Fiscal Year 2026 includes performance audits and other projects and activities, such as administering the City's Fraud, Waste, and Abuse Hotline.

Our Audit Work Plan was developed by considering the required audits mandated by the City Charter and the San Diego Municipal Code; results of our Fiscal Year 2026 Citywide Risk Assessment; and input from the City Council, Audit Committee, City Management, the public, and other sources. Notably, this year we enhanced our risk assessment by including additional factors to measure the risks to different City programs. In addition, we increased our outreach to the public and other stakeholders, and, as a result, we received a record number of requests for audits this year.

OCA fully recognizes and understands the challenging budget environment the City faces in Fiscal Year 2026 and beyond. City staff are being asked to continue to deliver essential services to our residents and taxpayers while simultaneously contending with constrained resources. Our audits and investigations always consider the context and realities that operating departments face, and that consideration is especially important in times of scarcity. In light of that fact, our proposed Fiscal Year 2026 Audit Work Plan is heavily focused on topics that may yield opportunities for increased revenues, reduced costs, and ensuring the efficient and equitable use of taxpayer dollars.

Respectfully submitted,

Andy Hanau
City Auditor

cc: Honorable Mayor Todd Gloria
Honorable City Councilmembers
Honorable City Attorney Heather Ferbert
Matthew Vespi, Chief Financial Officer
Christiana Gauger, Chief Compliance Officer
Charles Modica, Independent Budget Analyst

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Mission Statement

The mission of the Office of the City Auditor (OCA) is to advance open and accountable government through independent, objective, and accurate audits and investigations that seek to improve the efficiency, effectiveness, and equity of City government.

Introduction

Auditing standards encourage an organization's Chief Audit Executive to establish a risk-based approach for determining audit priorities. OCA has completed a Citywide Risk Assessment for Fiscal Year (FY) 2026 to help identify and prioritize OCA's potential audits based on risk. OCA developed risk scores as part of this assessment, and those scores were considered when selecting audits for OCA's proposed FY2026 Audit Work Plan.

Audit Resources

OCA's FY2026 budget includes 24 staff members at a budgeted cost of \$5.9 million for salaries, fringe benefits, and non-personnel expenses, such as office equipment, training, and supplies.¹ This total also includes \$310,000 for the cost of the external audit services contract, which includes an audit of the City's Annual Comprehensive Financial Report (ACFR). In FY2026, OCA will have one City Auditor, one Assistant City Auditor, and 18 performance auditors² to conduct audits and investigations, with an estimated 25,689 hours available to perform audits, follow-up and report on the status of audit recommendations, and administer the City's Fraud, Waste, and Abuse Hotline. The estimated audit hours available were calculated as follows.

¹ The Adopted FY2026 Budget for OCA includes \$184,799 in reductions. In FY2026, OCA will make up less than 10 cents out of every \$100 the City spends, which is far below audit shops in other jurisdictions.

² Includes 4 audit managers, 12 staff auditors, and 2 fraud investigators.

Estimated Audit Hours Available

Maximum Hours per Auditor ¹	2,080
Less hours for: ²	
Leave ³	(307)
Training ⁴	(151)
Other Audit-Related Activities ⁵	(137)
Administrative Activities ⁶	(57)
Available Hours per Auditor	1,427
Number of Auditors ⁷	18
Total Audit Hours Available⁸	25,689

Notes:

Figures may not foot due to rounding.

¹ Maximum hours are based on an auditor working 8 hours per day, 5 days per week for 52 weeks in a year.

² Subtracted amounts reflect an average of actual hours spent on those activities by audit staff in the 12-month period between June 1, 2024 and May 31, 2025.

³ "Leave" includes annual leave (vacation and sick leave); court leave (jury duty); discretionary leave; holidays; bereavement leave; and voluntary furlough.

⁴ "Training" includes time spent earning Continuing Professional Education credits (required by Government Auditing Standards) and time spent completing in-service training (required by the City for all employees).

⁵ "Other Audit-Related Activities" includes tasks such as responding to City Council and other stakeholder requests; preparing for presentations; attending Audit Committee, City Council, and other stakeholder meetings; conducting outreach; researching future audit projects; attending staff meetings; etc.

⁶ "Administrative Activities" includes completion of timecards; annual and post-project forms; organization of office/projects/tasks, etc.; research for training opportunities; and other time not attributed to a specific project or task assigned by management.

⁷ Includes 4 audit managers, 12 staff auditors, and 2 fraud investigators.

⁸ Hours for executive management and internal operations are not included.

Performance Audits and Other Audit Activities

The City Charter requires the City Auditor to follow Government Auditing Standards. The standards apply to three main types of audits: financial statement audits, attestation engagements, and performance audits.

The City hires an external audit firm to perform a financial statement audit of the City's Annual Comprehensive Financial Report (ACFR).

The City Auditor conducts performance audits of the City's departments, agencies, and their activities. Under Government Auditing Standards, performance audits provide objective analyses, findings, and conclusions to assist management and those charged with governance and oversight with improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability. A performance audit is a dynamic process that includes consideration of applicable standards throughout the course of the audit. Performance audit objectives may vary widely and include assessments of program effectiveness, efficiency, and equity; internal controls; compliance with laws and regulations; and prospective analyses. Examples of performance audit objectives may include but are not limited to:

- Assessing the extent to which legislative, regulatory, and/or organizational goals and objectives are being achieved;
- Analyzing the relative efficiency, effectiveness, and equity of a program or activity;
- Evaluating whether the audited entity is following sound procurement practices;
- Assessing the reliability, validity, and/or relevance of performance measures concerning program effectiveness and results or economy and efficiency;
- Assessing internal controls designed to provide reasonable assurance of achieving effective and efficient operations and reliable financial and performance reporting; and
- Determining if program activities comply with laws, regulations, contract provisions, grant agreements, and other requirements.

OCA may also perform attestation engagements based on agreed-upon procedures, which consist of specific testing procedures performed on a subject matter. An example of an attestation engagement includes the annual Agreed-Upon Procedures Related to the Central Stores Physical Inventory, which is currently performed by an external audit firm and overseen by OCA.

Additionally, we perform other non-audit services, such as investigating complaints received through the City's [Fraud Hotline](#) regarding allegations of fraud, waste, and abuse. We perform investigations in compliance with California Government Code Section 53087.6 and follow the procedures recommended by the Association of Certified Fraud Examiners for allegations of improper financial activity, fraud, waste and/or abuse that appear to be material in nature.

Citywide Risk Assessment

Risk assessment is a process of systematically scoring (or rating) the relative impact of a variety of risk factors. Risk Factors are observable or measurable indicators of conditions or events that could adversely affect the organization. Our risk assessment process is comprised of the following steps.

1. Define the audit universe.

The audit universe represents all potential audits of the City that could be performed. In practice, the audit universe is a list of City departments and City agencies and their primary Activity Groups. To develop a list of Activity Groups, we used:

- Budget data from SAP, the City's enterprise resource planning system; and
- Information about the City's component units from the City's most current financial statements.

We reduced the number of Activity Groups by combining some activities within departments to target more areas of risk using our existing resources, address cross-cutting issues that impact multiple units within a department, and create efficiencies in conducting future audits. However, a department may still be broken out into several Activity Groups as shown in the example in **Exhibit 1**.

Exhibit 1

Example Department and Activity Groups

Fire-Rescue Department



Activity Groups



Emergency
Operations



Lifeguard
Service



Fire
Prevention



Communications

2. Identify, score, and weigh Risk Factors associated with each Activity Group.

In previous years, our risk assessment considered 10 Risk Factors that may increase an Activity Group's risk of operating less efficiently, effectively, and/or equitably. This year, we augmented our process by considering additional Risk Factors, amounting to 14 in total. Some of the Risk Factors we considered include but are not limited to the following:

- The Activity Group's staffing level, revenues, and expenditures.
- Employee turnover and employee satisfaction within the Activity Group.
- The extent to which the Activity Group has past-due audit recommendations from our office.
- The extent to which our office receives allegations about the Activity Group through the City's Fraud, Waste, and Abuse Hotline.
- How recently our office has audited the Activity Group.

We organized the Activity Groups and Risk Factors in a matrix and determined a score for each Activity Group and Risk Factor combination as follows:

- 0 (low)
- 3 (medium-low)
- 5 (medium)
- 7 (medium-high)
- 9 (high)

We then adjusted and weighted these scores based on input from audit staff and their professional judgment about the relative importance of each Risk Factor. We increased scores for Activity Groups that our office has not audited within five fiscal years.

3. Calculate the Total Risk Score for each Activity Group and sort results from highest to lowest.

We combined the weighted scores to produce a Total Risk Score for each Activity Group. Finally, we sorted the resulting Total Risk Scores to identify Activity Groups in order of highest risk. **Attachment A** represents the resulting Citywide Risk Assessment for FY2026.

Interpreting Risk Assessment Results

We tabulated the Total Risk Scores for each Activity Group in **Attachment A**. We considered these scores when preparing the FY2026 Audit Work Plan that follows.

If an Activity Group has a high risk score, this merely indicates that the services it provides—or the functions it is responsible for—are, by nature, a high-risk activity due to factors such as having large expenditures and/or revenues, having a high level of liquid assets (like cash), or a high degree of public interest. A high risk score does not mean that an Activity Group is being managed ineffectively or that it is not functioning properly. Instead, high risk scores reflect opportunities to address activities that are mission critical, provide substantial support for other City operations, reflect high public need, or consume significant financial resources. The overall results identify the activities with the highest risk scores that may warrant and benefit from our audit services.

Other Risk and Audit Factors Considered

In addition to our risk assessment model, we periodically interview key City personnel to consider other potential vulnerabilities and risk factors, including the risk of fraud, that could impede the achievement of a department's mission, goals, and objectives. We also considered past audit report findings, reviewed other entities' audit reports, and researched trending municipal issues. In addition, we solicited input from a wide variety of stakeholders to inform the risk assessment and proposed audit work plan. These include the Audit Committee and City Council, the City Administration and City Management, and the public at large.

Public Outreach

To facilitate receiving input from stakeholders, we developed a survey in both English and Spanish and conducted the following activities:

- We sent the survey to more than 500 individuals and organizations, including members of or representatives for City boards and commissions, community planning groups, recognized employee organizations, community development centers, chambers of commerce, business improvement districts, local industry associations, and nonprofit organizations.
- We sent the survey to department directors and City leadership.
- Flyers linking to the survey were posted in recreation centers and libraries across the City. As pictured in **Exhibit 2**, the flyers were posted in both English and Spanish.
- The flyer linking to the survey was broadcast on CityTV.
- We announced the survey and provided a link to it through our social media pages.
- We announced the survey and provided a link to it for members of the public who attended an Audit Committee meeting.

In total, we received 120 responses to our survey. **Exhibit 3** shows the top 10 areas of the City's work that respondents indicated were most important to them and **Exhibit 4** shows the top 5 City services that respondents indicated they would most like to see improve.

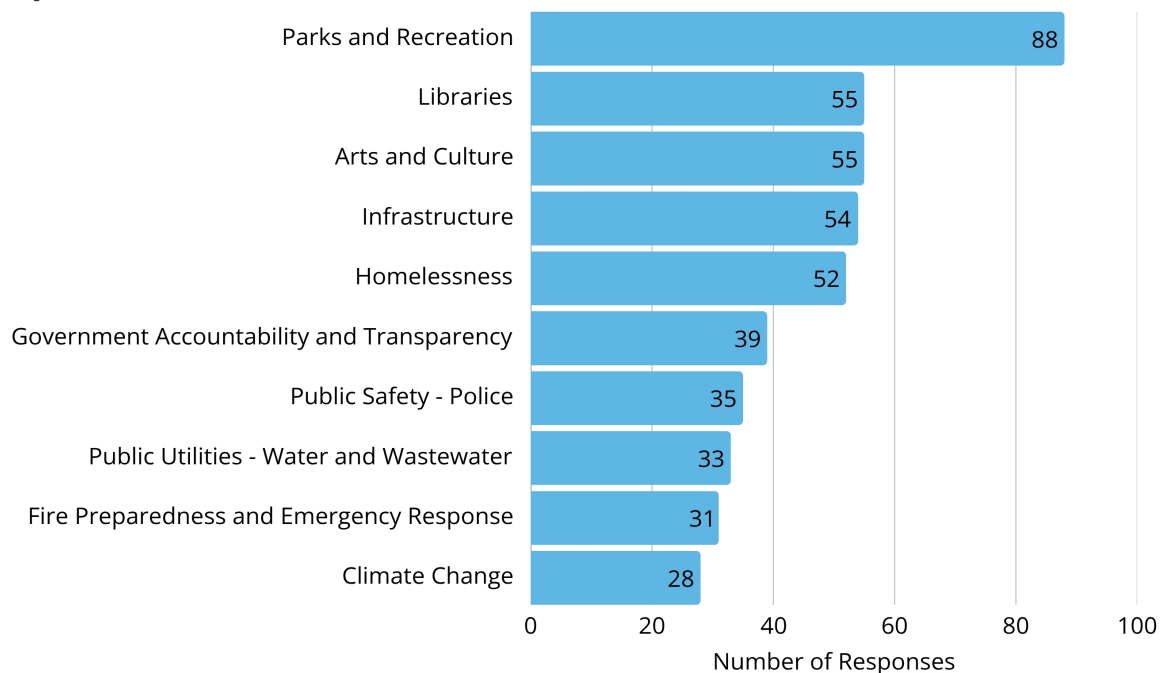
Exhibit 2

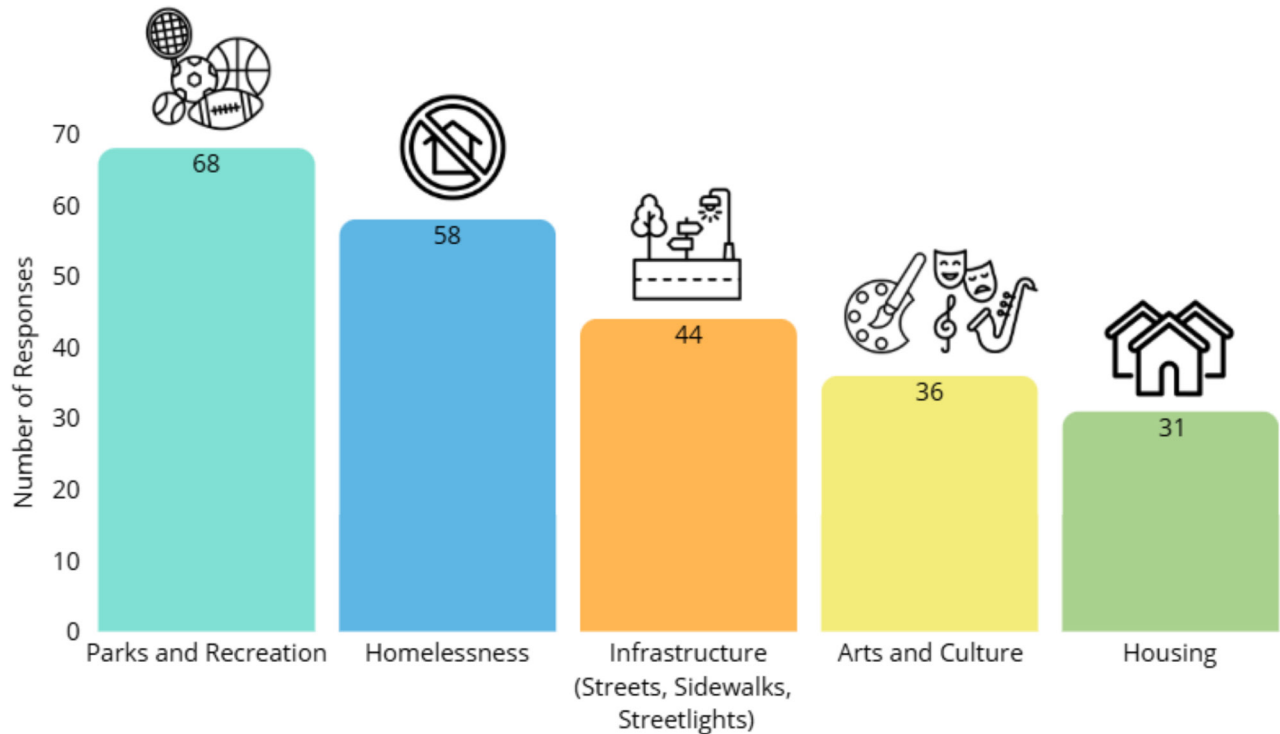
Flyers Linking to Our Survey Were Posted in Both English and Spanish



Exhibit 3

Top 10 Areas of City Work That Respondents Indicated Were Most Important



*Exhibit 4***Top 5 City Services Respondents Would Like to See Improve**

Nearly 75 percent of respondents submitted ideas for potential performance audits or program reviews. **Exhibit 5** summarizes a few common themes across the ideas we received.

*Exhibit 5***Common Themes from Respondents' Ideas for Performance Audits**

We incorporated the public feedback into the proposed Audit Work Plan through a performance audit of homelessness expenditures and returns on investment, which will include assessing effective strategies employed by other cities; a performance audit on streetlight equity; and a performance audit of arts and culture funding equity. We have recently completed audits of recreation equity, facility maintenance, potholes, and street maintenance, all of which can be found on our website: <https://www.sandiego.gov/auditor/reports>.

Proposed Audit Work Plan

In FY2026, we are proposing a work plan that addresses areas of critical importance to the City. The following Audit Work Plan includes in-process audits from our prior year's Audit Work Plan and new audit topics that cover a broad array of critical areas, several of which are foundational to the City's strategic objectives and core operations.

Additionally, the plan allocates staff hours to carry out investigations and other duties associated with the Fraud, Waste, and Abuse Hotline, including our annual mandated audits and other core annual activities. Included with each audit activity is the tentative audit objective for each assignment and estimated audit hours needed to complete it.

We will perform an in-depth risk assessment on each Activity Group selected for audit to ensure our audit objectives cover the areas of highest risk for that activity, and we will adjust the audit objective, procedures, and hours accordingly. Performance audit objectives vary widely and may include assessments of program effectiveness, efficiency, and equity; internal control; compliance; and prospective analyses. Our estimated audit hours for each audit activity are based on an analysis of average audit hours spent completing audits in previous years and our knowledge of the complexity of the Activity Groups selected for audit. The actual hours may vary based on the audit scope (which is determined in part by the detailed risk assessment performed for each engagement) and the extent and complexity of findings revealed during the audit engagement itself.

Amendments to the Audit Work Plan

We may propose amendments to the Audit Work Plan during the fiscal year for a variety of reasons. For example, if we receive a time-sensitive request to perform an audit not on the Work Plan, we may present the request to the Audit Committee along with an analysis of the impact that the proposed change would have on our ability to complete the rest of the Audit Work Plan. We may also find, for example, that performing an audit on the Work Plan is not viable or warranted based on current circumstances, and we may therefore propose that the audit is removed from the Work Plan in favor of a different one. When proposing changes to the Audit Work Plan, we would prioritize audits that pertain to the health and safety of City residents and employees, have potential for significant financial or operational impact, and/or relate to issues of equity or integrity.

Audit Work Plan – Fiscal Year 2026

Performance Audits – Carried Over from the Fiscal Year 2025 Audit Work Plan ³						
Work Plan Item No.	Risk Assess Line No. ⁴	Risk Score	Activity Subject Activity Group	Audit Objectives	FY2026 Audit Hours	Status as of July 1, 2025
1	100	550	Annual Agreed-Upon Procedures re: Central Stores Inventory (FY2025) Purchasing & Contracting	San Diego Municipal Code Section 22.0501 requires an annual count of the inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of the Central Stores inventory.	10	Report Writing
2	51 69 36	625 600 678	Pure Water Public Utilities Strategic Capital Projects	Determine if the City ensures that project deliverables from Pure Water consultants, contractors, and City staff meet project requirements.	100	Report Writing
3	29 96	694 567	Annual Mission Bay Funds Audit (FY2024) Parks & Recreation Citywide Other/Special Funds	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 that the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements.	200	Fieldwork
4	N/A	N/A	Cybersecurity Defenses Citywide	Evaluate the effectiveness of Citywide cyber defenses against both internal and external cyber threats, including cyberattacks.	400	Fieldwork
5	169	379	Performance Monitoring Performance and Analytics / Citywide	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.	600	Fieldwork

³ There is one audit from the FY2025 Audit Work Plan (the Performance Audit of the Historical Designation Process) that we are proposing to not carry over into FY2026 due to ongoing City efforts to significantly overhaul that program.

⁴ Risk Assessment line numbers and scores for the carry over audits are from previous Citywide Risk Assessments.

Performance Audits – Carried Over from the Fiscal Year 2025 Audit Work Plan ³						
Work Plan Item No.	Risk Assess Line No. ⁵	Risk Score	Activity Subject Activity Group	Audit Objectives	FY2026 Audit Hours	Status as of July 1, 2025
6	79	594	Brush Management on Private Property Fire-Rescue – Community Risk Reduction	Determine whether the City conducts regular and effective inspections of private property in accordance with City-established wildfire resiliency goals.	1,000	Planning
7	6	844	Golf Division Parks & Recreation	Determine if the Golf Division's operations and contracts for operating City-owned golf courses align with City objectives and municipal golf best practices.	1,400	Planning
8	30	691	Dispatch Fire-Rescue	Determine if the San Diego Fire-Rescue Department's dispatch process facilitates timely and efficient response to emergency calls.	1,600	Planning
9	92 90	575 577	Unsafe Camping Ordinance Homelessness Strategies and Solutions San Diego Police Department – Neighborhood Policing	Determine if the implementation of the Unsafe Camping Ordinance has effectively and equitably reduced encampments on public property while protecting the rights of individuals experiencing homelessness, including an analysis of the program's outcome data.	2,069	Planning
10	16	764	Internal Affairs San Diego Police Department	Determine if the San Diego Police Department's Internal Affairs Unit is structured and operates in line with best practices and whether it handles investigations effectively, equitably, and in compliance with applicable laws and policies.	2,200	Planning

5 Risk Assessment line numbers and scores for the carry over audits are from previous Citywide Risk Assessments.

Performance Audits – Newly Proposed for Fiscal Year 2026

Work Plan Item No.	Risk Assess Ln No.	Risk Score	Activity	Audit Objectives	FY2026 Audit Hours	Status
11	6	764	Police Armory San Diego Police Department – Operations	Determine if SDPD has controls and procedures in place to ensure that weapons and ammunition are adequately managed for operational efficiency, security and safety, and prevention of loss and misuse.	1,000	Not Started
12	17	706	Streetlight Equity Transportation Department – Streets Division	Evaluate the efficiency of the City's efforts to address its backlog of streetlight repairs and determine if the City has invested equitably in streetlights across the City.	1,600	Not Started
13	49	616	Business Tax Program City Treasurer	Determine if the City's business tax rates are comparable with other local jurisdictions and if the City is collecting all tax revenue owed by required businesses.	1,600	Not Started
14	87 78	556 563	Citywide Vehicle Rentals General Services – Vehicle Acquisition Purchasing & Contracting	Evaluate the efficiency of the City's vehicle rental expenditures, including whether the City optimizes the balance of rentals vs. ownership, and whether controls over vehicle rental contracts ensure appropriate authorization and oversight of expenditures.	1,800	Not Started
15	89 108	555 500	Arts and Culture Funding Equity Economic Development Department – Cultural Affairs Division	Determine if funding and other benefits for arts and culture programs, such as lease agreements, are allocated appropriately, distributed equitably, and reported transparently.	1,800	Not Started
16	106 117 72	507 475 574	Returns on Homelessness Investments Department of Finance – Financial Reporting Homelessness Strategies and Solutions Department San Diego Housing Commission	Determine City expenditures associated with homelessness across all City departments and agencies, identify duplications of services or gaps, measure outcomes related to investments, and compare to strategies employed by other cities that have shown the most success in addressing homelessness.	2,200	Not Started

Performance Audits – Newly Proposed for Fiscal Year 2026

Work Plan Item No.	Risk Assess Ln No.	Risk Score	Activity	Audit Objectives	FY2026 Audit Hours	Status
17	N/A	N/A	IT Audits	To be determined.	1,300	Not Started

Additional Audit Activities for Fiscal Year 2026

Work Plan Item No.	Risk Assess Ln No.	Risk Score	Activity	Audit Objectives	FY2026 Audit Hours	Status
18	N/A	N/A	Fraud, Waste, and Abuse Hotline	The Office of the City Auditor administers the City's Fraud Hotline to provide individuals a way to confidentially report evidence of fraud, waste, or abuse involving City of San Diego employees or operations. Investigations are performed for all material accusations. We will issue quarterly reports providing an overview of Hotline activities. We may also issue separate, more detailed reports on specific investigations if we deem it to be in the public interest given the findings of the investigation.	3,500	Ongoing
19	N/A	N/A	Recommendation Follow-Up	The Office of the City Auditor tracks and follows-up on all audit recommendations to determine if they were properly implemented by City Management. We will issue follow-up reports for the periods ending June 30, 2025, and December 31, 2025. In addition, we will continue to update our recommendation tracking dashboard .	900	Ongoing
20	29 96	694 567	Annual Mission Bay Funds Audit (FY2025) Parks & Recreation Citywide Other/ Special Funds	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 that the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements.	400	Not Started

Additional Audit Activities for Fiscal Year 2026						
Work Plan Item No.	Risk Assess Ln No.	Risk Score	Activity	Audit Objectives	FY2026 Audit Hours	Status
21	64	588	Annual Agreed-Upon Procedures re: Central Stores Inventory (FY2026) Purchasing & Contracting – Central Stores	San Diego Municipal Code Section 22.0501 requires an annual count of the inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of the Central Stores inventory.	10	Not Started

Total Planned Audit Hours for FY2026: 25,689

Next Steps

I will present the proposed Audit Work Plan to the Audit Committee for review and approval at the meeting scheduled for July 25, 2025. After the Audit Work Plan is approved, I will provide the Audit Committee with monthly updates about the status of audit projects and progress towards completion, as well as quarterly updates about the status of reports received through the Fraud Hotline. Our office will provide the Audit Committee with the results of all completed audits in the form of an audit report, and we will present these reports to the Audit Committee at scheduled meetings and to the City Council and other stakeholders upon request.

I look forward to discussing the proposed FY2026 Audit Work Plan with you, and I sincerely appreciate your support for our office and our mission.

Respectfully submitted,



Andy Hanau,
City Auditor

Attachment A – Fiscal Year 2026 Citywide Risk Assessment

<div><div><div></div><div></div></div><div><div></div><div></div></div></div> <div>OFFICE of the CITY AUDITOR</div> <div>Risk Factors>>> (see full descriptions below table)</div> <div>Weights>>></div>			1. Public Service Nature		2. Mission-Critical Nature		3. Supporting Nature		4. Exposure to Pub Displeasure		5. Cash-Cnvrtrbl Nature		6. Effect/Impact of Regulations		7. Staffing Level (Budgeted FTEs)		8. Budgeted Revenues		9. Budgeted Expenses		10. Employee Satsification		11. Employee Turnover		12. Past-Due Audit Recs		13. Hotline Reports Recvd		14. Not Audited Recently		Total Risk Score
			9		9		7		7		7		8		7		9		9		6		7		6		9		10		
			Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	
Ln #	Department	Activity Group	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	
1	Police	Centralized Investigations Division	9	81	9	81	5	35	9	63	3	21	7	56	9	63	5	45	9	81	9	54	5	35	7	42	9	81	5	50	788
2	Parks & Recreation	Community Parks I	9	81	9	81	9	63	9	63	5	35	9	72	7	49	5	45	7	63	3	18	7	49	7	42	9	81	3	30	772
3	Parks & Recreation	Community Parks II	9	81	7	63	9	63	9	63	5	35	9	72	9	63	5	45	7	63	3	18	7	49	7	42	9	81	3	30	768
4	Parks & Recreation	Open Space	9	81	7	63	7	49	9	63	3	21	9	72	7	49	7	63	7	63	3	18	7	49	7	42	9	81	5	50	764
5	Police	Patrol Operations Division	9	81	9	81	9	63	9	63	3	21	9	72	9	63	3	27	9	81	9	54	5	35	7	42	9	81	0	0	764
6	Police	Police Operations	9	81	9	81	9	63	9	63	5	35	9	72	7	49	5	45	7	63	9	54	5	35	7	42	9	81	0	0	764
7	Public Utilities	Water Production	9	81	9	81	7	49	9	63	3	21	9	72	7	49	3	27	9	81	7	42	5	35	5	30	9	81	5	50	762
8	Public Utilities	Water Distribution	9	81	9	81	9	63	9	63	3	21	7	56	9	63	0	0	9	81	7	42	5	35	5	30	9	81	5	50	747
9	Fire-Rescue	Emergency Operations	9	81	9	81	9	63	9	63	0	0	7	56	9	63	5	45	9	81	9	54	5	35	3	18	5	45	5	50	735
10	Public Utilities	Public Utilities	7	63	7	63	7	49	7	49	5	35	9	72	0	0	9	81	9	81	7	42	5	35	5	30	9	81	5	50	731
11	Police	Support Operations	9	81	9	81	9	63	9	63	0	0	7	56	9	63	3	27	9	81	9	54	5	35	7	42	9	81	0	0	727
12	Police	Traffic, Youth & Event Services	9	81	7	63	7	49	7	49	3	21	5	40	9	63	9	81	7	63	9	54	5	35	7	42	9	81	0	0	722
13	Public Utilities	WWTD	7	63	9	81	5	35	9	63	5	35	9	72	7	49	0	0	9	81	7	42	5	35	5	30	9	81	5	50	717
14	Parks & Recreation	Balboa Park Division	9	81	7	63	7	49	9	63	3	21	9	72	5	35	5	45	5	45	3	18	7	49	7	42	9	81	5	50	714
15	Stormwater	Stormwater	9	81	9	81	7	49	9	63	3	21	9	72	9	63	7	63	7	63	7	42	5	35	3	18	7	63	0	0	714
16	Parks & Recreation	Citywide Maintenance Services	9	81	7	63	7	49	9	63	3	21	9	72	7	49	5	45	5	45	3	18	7	49	7	42	9	81	3	30	708
17	Transportation	Street	9	81	9	81	7	49	9	63	3	21	5	40	9	63	9	81	9	81	3	18	5	35	5	30	7	63	0	0	706
18	Fire-Rescue	Lifeguard Services	9	81	9	81	9	63	9	63	0	0	5	40	7	49	7	63	7	63	9	54	5	35	3	18	5	45	5	50	705
19	City Council	Council Administration and all Districts	9	81	9	81	9	63	9	63	3	21	5	40	7	49	3	27	5	45	9	54	9	63	0	0	3	27	9	90	704
20	Parks & Recreation	Mission Bay Park & Shoreline Parks	9	81	7	63	7	49	9	63	3	21	9	72	7	49	7	63	5	45	3	18	7	49	7	42	9	81	0	0	696
21	Parks & Recreation	Park Ranger Division	9	81	7	63	7	49	9	63	3	21	9	72	5	35	5	45	3	27	3	18	7	49	7	42	9	81	5	50	696
22	Public Utilities	Water Meter Services	9	81	9	81	9	63	9	63	3	21	7	56	7	49	0	0	7	63	7	42	5	35	5	30	9	81	3	30	695
23	Environmental Services	Collection Services	9	81	9	81	3	21	7	49	3	21	7	56	9	63	9	81	9	81	3	18	5	35	0	0	5	45	5	50	682
24	Police	Neighborhood Policing	9	81	9	81	9	63	9	63	0	0	9	72	5	35	0	0	5	45	9	54	5	35	7	42	9	81	3	30	682
25	City Attorney	Civil Advisory	9	81	9	81	9	63	9	63	3	21	9	72	7	49	5	45	7	63	3	18	5	35	0	0	0	0	9	90	681
26	Police	Training/Employee Development	5	45	9	81	7	49	7	49	0	0	5	40	9	63	3	27	7	63	9	54	5	35	7	42	9	81	5	50	679
27	Development Services	Business Operations Support Services	9	81	7	63	7	49	5	35	3	21	7	56	5	35	9	81	7	63	0	0	3	21	7	42	9	81	5	50	678
28	Public Utilities	Customer Support Service	9	81	9	81	9	63	9	63	5	35	5	40	7	49	0	0	5	45	7	42	5	35	5	30	9	81	3	30	675
29	Environmental Services	Disposal & Environmental Protection	9	81	7	63	9	63	9	63	5	35	9	72	7	49	9	81	7	63	3	18	5	35	0	0	5	45	0	0	668
30	Transportation	Admin & Right-of-Way Management	9	81	9	81	7	49	9	63	3	21	3	24	5	35	9	81	9												

Attachment A – Fiscal Year 2026 Citywide Risk Assessment

<div><div><div></div><div></div></div><div>Risk Factors>>> (see full descriptions below table)</div><div>OFFICE of the CITY AUDITOR</div></div>			Risk Factors>>>		1. Public Service Nature		2. Mission-Critical Nature		3. Supporting Nature		4. Exposure to Pub Displeasure		5. Cash-Cnvrtrbl Nature		6. Effect/Impact of Regulations		7. Staffing Level (Budgeted FTEs)		8. Budgeted Revenues		9. Budgeted Expenses		10. Employee Satsification		11. Employee Turnover		12. Past-Due Audit Recs		13. Hotline Reports Recvd		14. Not Audited Recently		Total Risk Score
			Weights>>>		9		9		7		7		7		8		7		9		9		6		7		6		9		10		
			Ln #	Department	Activity Group	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	
71	Fire-Rescue	Communications	9	81	9	81	7	49	9	63	0	0	3	24	5	35	5	45	5	45	9	54	5	35	3	18	5	45	0	0	575		
72	San Diego Housing Commission	San Diego Housing Commission	9	81	5	45	5	35	5	35	3	21	5	40	9	63	9	81	9	81	5	30	5	35	0	0	3	27	0	0	574		
73	City Attorney	Management/Administration	9	81	9	81	9	63	9	63	3	21	9	72	3	21	0	0	3	27	3	18	5	35	0	0	0	0	9	90	572		
74	Environmental Services	Clean SD	9	81	9	81	7	49	9	63	0	0	5	40	5	35	3	27	5	45	3	18	5	35	0	0	5	45	5	50	569		
75	Compliance	Compliance	7	63	9	81	7	49	5	35	3	21	7	56	3	21	3	27	3	27	3	18	7	49	5	30	0	0	9	90	567		
76	Department of Information Technology	Information Technology	9	81	7	63	9	63	9	63	0	0	9	72	3	21	5	45	3	27	0	0	5	35	3	18	3	27	5	50	565		
77	Human Resources	Human Resources	3	27	9	81	9	63	9	63	0	0	9	72	5	35	3	27	3	27	0	0	9	63	5	30	5	45	3	30	563		
78	Purchasing & Contracting	Purchasing & Contracting	9	81	7	63	9	63	7	49	3	21	5	40	5	35	0	0	5	45	3	18	7	49	9	54	5	45	0	0	563		
79	Citywide Other/Special Funds	Citywide Other/Special Funds	3	27	9	81	5	35	5	35	0	0	5	40	0	0	9	81	9	81	5	30	5	35	0	0	3	27	9	90	562		
80	Fire-Rescue	Special Operations	9	81	7	63	5	35	4	28	3	21	7	56	3	21	3	27	3	27	9	54	5	35	3	18	5	45	5	50	561		
81	Parks & Recreation	Los Penasquitos Reserve	9	81	7	63	5	35	7	49	3	21	9	72	0	0	0	0	0	0	3	18	7	49	7	42	9	81	5	50	561		
82	Engineering & Capital Projects	Facilities & Parks Project Delivery	9	81	9	81	5	35	9	63	0	0	9	72	5	35	0	0	3	27	0	0	3	21	5	30	7	63	5	50	558		
83	Engineering & Capital Projects	Infrastructure Construction Management	9	81	9	81	7	49	9	63	0	0	9	72	3	21	0	0	3	27	0	0	3	21	5	30	7	63	5	50	558		
84	Fire-Rescue	Employee Services	7	63	7	63	9	63	5	35	0	0	3	24	5	35	3	27	5	45	9	54	5	35	3	18	5	45	5	50	557		
85	City Planning	City Planning	9	81	9	81	5	35	9	63	0	0	7	56	7	49	7	63	5	45	3	18	5	35	0	0	0	0	3	30	556		
86	Engineering & Capital Projects	Utilities Project Delivery	9	81	9	81	5	35	9	63	0	0	9	72	5	35	0	0	5	45	0	0	3	21	5	30	7	63	3	30	556		
87	General Services	Vehicle Acquisition	0	0	7	63	9	63	7	49	5	35	3	24	0	0	9	81	9	81	9	54	7	49	0	0	3	27	3	30	556		
88	City Clerk	Legislative Services	7	63	9	81	9	63	9	63	3	21	9	72	3	21	0	0	0	0	7	42	3	21	3	18	0	0	9	90	555		
89	Economic Development	Economic Development	7	63	9	81	7	49	5	35	0	0	7	56	3	21	5	45	3	27	7	42	7	49	5	30	3	27	3	30	555		
90	City Clerk	Elections & Information Services	9	81	9	81	9	63	9	63	3	21	9	72	0	0	0	0	0	0	7	42	3	21	3	18	0	0	9	90	552		
91	Fire-Rescue	Fire-Rescue	9	81	9	81	9	63	9	63	3	21	5	40	0	0	0	0	0	0	9	54	5	35	3	18	5	45	5	50	551		
92	Environmental Services	Waste Reduction	9	81	9	81	5	35	7	49	3	21	7	56	5	35	5	45	5	45	3	18	5	35	0	0	5	45	0	0	546		
93	Personnel	Recruiting & Exam Management	9	81	9	81	9	63	5	35	3	21	5	40	3	21	0	0	3	27	3	18	3	21	7	42	5	45	5	50	545		
94	Environmental Services	Environmental Services	9	81	5	45	9	63	7	49	0	0	5	40	5	35	7	63	7	63	3	18	5	35	0	0	5	45	0	0	537		
95	City Treasurer	Delinquent Accounts	9	81	7	63	9	63	3	21	5	35	3	24	3	21	5	45	3	27	0	0	3	21	0	0	5	45	9	90	536		
96	Department of Information Technology	Enterprise Resource Planning	3	27	7	63	9	63	9	63	0	0	5	40	3	21	7	63	7	63	0	0	5	35	3	18	3	27	5	50	533		
97	Real Estate & Airport Management	Real Estate & Airport Management	7	63	9	81	9	63	5	35	3	21	5	40	3	21	9	81	3	27	9	54	0	0	0	0	5	45	0	0	531		
98	San Diego Convention Center Corporation	San Diego Convention Center Corporation	9	81	3	27	0	0	7	49	3	21	3	24	9	63	9	81	7	63	5	30	5	35	0	0	3	27	3	30	531		
99	Fire-Rescue	Fiscal Services	7	63	7	63	7	49	5	35	7	49	3	24	3	21	5	45	3	27	9	54	5	35	3	18	5	45	0	0	528		
100	Economic Development	BID & Commercial MAD	7	63	5	45	3	21	9	63	3	21	3	24	0	0	5	45	3	27	7	42	7	49	5	30	3	27	7	70	527		
101	Development Services	Urban & Innovation	9	81	7	63	9	63	7	49	0	0	9	72	0	0	0																

Attachment A – Fiscal Year 2026 Citywide Risk Assessment

Ln # Department		Activity Group		Risk Factors>>>		1. Public Service Nature		2. Mission-Critical Nature		3. Supporting Nature		4. Exposure to Pub Displeasure		5. Cash-Cnvrtrl Nature		6. Effect/Impact of Regulations		7. Staffing Level (Budgeted FTEs)		8. Budgeted Revenues		9. Budgeted Expenses		10. Employee Satsification		11. Employee Turnover		12. Past-Due Audit Recs		13. Hotline Reports Recvd		14. Not Audited Recently		Total Risk Score
				(see full descriptions below table)																														
				Weights>>>		9		9		7		7		7		8		7		9		9		6		7		6		9		10		
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score			
141	Concourse & Parking Garage	Concourse & Parking Garage	5	45	5	45	3	21	5	35	3	21	3	24	0	0	5	45	3	27	5	30	5	35	0	0	0	0	9	90	418			
142	Publishing Services	Publishing Services	0	0	7	63	9	63	5	35	3	21	5	40	0	0	3	27	0	0	5	30	7	49	0	0	0	0	9	90	418			
143	City Treasurer	Parking Meter Transfers	3	27	5	45	7	49	7	49	3	21	3	24	0	0	0	0	5	45	0	0	3	21	0	0	5	45	9	90	416			
144	Engineering & Capital Projects	Project Development & Management	3	27	9	81	3	21	9	63	0	0	9	72	0	0	0	0	0	0	0	0	3	21	5	30	7	63	3	30	408			
145	Commission on Police Practices	Commission on Police Practices	7	63	5	45	5	35	9	63	0	0	9	72	0	0	0	0	0	0	0	0	5	35	0	0	0	0	9	90	403			
146	Department of Information Technology	Enterprise IT Sourcing Operations	3	27	7	63	9	63	7	49	3	21	5	40	0	0	0	0	0	0	0	0	5	35	3	18	3	27	5	50	393			
147	Risk Management	Department Management	3	27	9	81	5	35	5	35	0	0	3	24	0	0	7	63	0	0	0	0	3	21	0	0	5	45	5	50	381			
148	Department of Information Technology	IT Contract Management	3	27	7	63	7	49	5	35	0	0	5	40	0	0	3	27	0	0	0	0	5	35	3	18	3	27	5	50	371			
149	Special Promotional Programs	Discretionary Funding	0	0	7	63	5	35	7	49	0	0	3	24	0	0	0	0	5	45	5	30	5	35	0	0	0	0	9	90	371			
150	Citywide Program Expenditures	Citywide Program Expenditures	0	0	5	45	5	35	0	0	0	0	3	24	0	0	0	0	9	81	5	30	5	35	0	0	3	27	9	90	367			
151	Special Events & Filming	Special Events & Filming	9	81	9	81	7	49	7	49	0	0	5	40	0	0	0	0	0	0	0	0	5	35	0	0	0	0	3	30	365			
152	Risk Management	Employee Benefits	0	0	9	81	7	49	3	21	3	21	5	40	0	0	0	0	3	27	0	0	3	21	0	0	5	45	5	50	355			
153	Risk Management	Workers' Compensation	0	0	9	81	7	49	5	35	3	21	5	40	5	35	0	0	3	27	0	0	3	21	0	0	5	45	0	0	354			
154	Department of Information Technology	Citywide IT Fixed Expenses	0	0	0	0	7	49	3	21	0	0	0	0	0	0	9	81	7	63	0	0	5	35	3	18	3	27	5	50	344			
155	Department of Finance	Financial Planning	5	45	9	81	7	49	7	49	0	0	3	24	3	21	0	0	3	27	3	18	3	21	0	0	0	0	0	0	335			
156	Risk Management	Loss Control	0	0	5	45	9	63	9	63	0	0	5	40	0	0	0	0	0	0	0	0	3	21	0	0	5	45	5	50	327			
157	Department of Finance	Department of Finance	5	45	9	81	7	49	7	49	0	0	7	56	0	0	0	0	0	0	3	18	3	21	0	0	0	0	0	0	319			
158	City Treasurer	Community Parking Districts Admin	3	27	3	27	7	49	5	35	0	0	3	24	0	0	0	0	0	0	0	0	3	21	0	0	5	45	9	90	318			
159	Special Promotional Programs	Arts, Culture, & Community Festivals	3	27	3	27	5	35	7	49	0	0	3	24	0	0	0	0	0	0	5	30	5	35	0	0	0	0	9	90	317			
160	Performance & Analytics	Performance & Analytics	3	27	7	63	7	49	3	21	0	0	3	24	3	21	0	0	3	27	0	0	5	35	5	30	0	0	0	0	297			
161	Office of Emergency Services	Office of Emergency Services	3	27	5	45	5	35	7	49	3	21	5	40	3	21	3	27	3	27	0	0	0	0	0	0	0	0	0	0	292			
162	Special Promotional Programs	Economic Development	0	0	3	27	3	21	7	49	0	0	3	24	0	0	0	0	0	0	5	30	5	35	0	0	0	0	9	90	276			
163	Purchasing & Contracting	Purchasing & Contracting Mgmt	0	0	3	27	3	21	0	0	3	21	3	24	0	0	0	0	0	0	3	18	7	49	9	54	5	45	0	0	259			
164	Engineering & Capital Projects	Capital Asset Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	21	5	30	7	63	5	50	164			

Full Description of Risk Factors

- 1 The public service nature of the Activity Group. (The extent to which the Activity Group interfaces with or directly serves the general public.)
- 2 The mission-critical nature of the Activity Group. (The importance of the Activity Group in achieving the Department's goals and objectives.)
- 3 The supporting nature of the Activity Group. (The importance of the Activity Group to other Departments or Activity Groups in achieving their goals and objectives.)
- 4 The Activity Group's exposure to public displeasure or negative media coverage.
- 5 The cash-convertible nature of the Activity Group's transactions.
- 6 The effect or impact of regulations on the Activity Group's operations.
- 7 The Activity Group's staffing level (budgeted full-time equivalent positions).
- 8 The Activity Group's budgeted annual revenues.
- 9 The Activity Group's budgeted annual expenses.
- 10 The Activity Group's employee satisfaction rate.
- 11 The Activity Group's employee turnover rate.
- 12 The extent to which the Activity Group has audit recommendations that are past-due.
- 13 The extent to which our office has received allegations about the Activity Group through the Fraud, Waste, and Abuse Hotline.
- 14 How recently our office has audited the Activity Group. (We increased scores for Departments and Activity Groups that our office has not audited within five fiscal years.)



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