

# 2025 Accomplishments Report

*JANUARY 2026*

## Activities and Accomplishments of the Office of the City Auditor for Calendar Year 2025

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CITY OF SAN DIEGO



OFFICE *of the* CITY AUDITOR

## *independent. objective. accurate.*

Our mission 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 San Diego City government.

The Office of the City Auditor (OCA) is an independent office that reports to the Audit Committee. OCA identifies opportunities for improvement in City programs, and implementation of OCA's recommendations has resulted in significant financial benefits to the City, substantial improvements in the delivery of critical City services, increased oversight of City programs, and has increased the City's transparency and accountability to those it serves.

OCA conducts performance audits of City departments, offices, and agencies in accordance with government auditing standards. OCA also administers the Fraud, Waste, and Abuse Hotline and performs fraud investigations. OCA makes recommendations to City leadership to mitigate issues identified in our audits and investigations. In the face of the City's budgetary challenges, OCA is a key municipal asset that helps ensure limited public funds are used appropriately. OCA's work helps the City identify opportunities to increase revenues, reduce or avoid costs, and become more efficient with the use of taxpayer money.



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619-533-3165



[Report fraud, waste, or abuse](#) in City operations through our fraud hotline:  
866-809-3500



600 B Street, Suite 1350, San Diego, CA 92101

## Reports

We issue several types of reports to keep the Mayor, City Council, Audit Committee, the public, and other stakeholders informed of our work. Our **performance audits** review the efficiency, effectiveness, and equity of City programs. Our **quarterly hotline reports** summarize work on cases received through our Fraud, Waste, and Abuse Hotline, and we issue **separate hotline investigation reports** on significant issues of fraud, waste, and abuse within the City, when warranted. Our **recommendation follow-up reports** provide the implementation status of the audit and investigative recommendations we have made and help hold City Management accountable for making critical improvements.

We issued a total of 16 reports in 2025, as shown below.

**16** total reports issued in CY2025

**9** audit & hotline reports

**4** quarterly hotline reports

**2** public Recommendation Follow-Up Reports

**1** confidential Recommendation Follow-Up Report

**7** performance audits

**1** confidential performance audit

**1** agreed-upon procedures review

A complete list of all reports issued in 2025, with the number of recommendations made and links to the public reports, can be found in the **Summary of Work Performed** table. Summaries of the audit reports we issued can be found in **Appendix A**.

## Recommendations

We don't just point out problems. We identify and recommend solutions. In 2025, we made 80 recommendations to improve the efficiency, effectiveness, and equity of City operations. Management agreed to implement 100 percent of the recommendations we made.

**80** new recommendations to improve efficiency, effectiveness, and equity of City operations

City Management agreed with **100%** of new recommendations

Recommendation Agreement



## Impact

In calendar year 2025, OCA made recommendations that, when implemented, will help improve accountability and customer service, reduce and recover costs, increase public safety, and enhance efficiency. Summarized below is an illustrative, but not exhaustive, list showing how OCA's CY2025 audits and investigations will help the City:

- **Increase vehicle availability for departments' operations, and improve the timeliness of required maintenance and safety inspections for City vehicles.** We found that most City vehicles do not receive preventative maintenance and safety inspections on time. We made recommendations to increase accountability for vehicle-operating departments to bring their vehicles in for maintenance, as well as enhance the Fleet Division's customer service to departments. This will help enhance equipment life, avoid significant costs from breakdowns and safety incidents, reduce negative impacts on City operations, and minimize safety risks to City vehicle operators and the public.
- **Better prepare for and pursue grants.** Given the City is projecting large budget shortfalls for the foreseeable future, additional sources of funding to support essential services and programs is a critical need. While the City's Grants Program has greatly improved, securing \$491 million in grant funding in FY2023, we found that the City still receives far fewer grant dollars per capita than other large California cities. We recommended the City improve strategic planning to help coordinate grant-seeking efforts and better inform decisionmakers about the return on investment of budgeting for additional grant matching funds.
- **Protect and potentially increase the \$14 million in private waste hauler franchise fees.** We found the City has one of the lowest franchise fees of peer cities, and has not increased fees by inflation. We recommended the City conduct a legally-required fee study to ensure the City is recovering all allowable costs. We also recommended the City **incentivize recycling** by increasing diversion rate requirements and performance goals.
- **Minimize financial strain on the City from ongoing Fire-Rescue overtime budget overages.** We found that Fire-Rescue exceeded its overtime budget by \$76 million from FY2019 to FY2024, including \$31.8 million in General Fund impacts. We recommended Fire-Rescue use available data to improve the accuracy of its overtime budgeting methodology and staffing projections to reduce the potential for large mid-year budget adjustments and General Fund impacts.
- **Better plan for future disasters.** We recommended the City develop a framework and City-specific recovery plan that clearly sets out the City's planned overall role in disaster response and recovery, clarify roles and provide training for City leadership and staff, and track lessons learned.
- **Improve Key Performance Indicator (KPI) usefulness and comparability.** Although they are a critical governance and management tool, the City underutilizes KPIs. We made recommendations to strengthen oversight and departmental guidance to help ensure KPIs are accurate, transparent, and add value for City leaders and the public.



The following table lists the audit reports we issued in calendar year 2025, along with the number of recommendations made and agreed to.

### Summary of Audit and Investigative Reports Issued January 2025 through December 2025

Report No.	Date	Description	Recommendations to Improve Efficiency, Effectiveness, or Equity	Number of Recommendations Management Agreed to Implement
25-06	01/31/2025	<a href="#">Performance Audit of the City's Fleet Maintenance</a>	10	10
25-07	02/24/2025	<a href="#">Performance Audit of the City's Grants Program</a>	13	13
25-08	05/02/2025	<a href="#">Performance Audit of the City's Trash, Recycling, and Organics Collection and Handling</a>	8	8
25-09	05/08/2025	<a href="#">Performance Audit of Fire-Rescue Overtime</a>	6	6
25-10	06/25/2025	<a href="#">Performance Audit of the City's Disaster Response</a>	23	23
26-01	07/22/2025	CONFIDENTIAL Performance Audit of Pure Water San Diego	10	10
26-02	10/02/2025	<a href="#">Agreed-Upon Procedures Report Related to the Central Stores Physical Inventory - Fiscal Year 2025</a>	0	0
26-03	10/23/2025	<a href="#">Performance Audit of the City's Key Performance Indicators</a>	5	5
26-04	11/7/2025	<a href="#">Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2024</a>	5	5
		<b>Total</b>	<b>80</b>	<b>80</b>

## Recommendation Follow-Up

We follow up on every recommendation that Management agrees to implement, and work closely with Management to verify whether and how agreed-upon recommendations are implemented. We issue two public reports each year with the implementation status of each recommendation. We also periodically issue confidential reports with the implementation status of confidential recommendations. In 2025, our reviews found that Management implemented 63 of our public recommendations and 21 of our confidential recommendations.

Issued **2** public  
Recommendation Follow-Up Reports

### 200+ Recommendations Reviewed:

**63** recommendations implemented  
**174** recommendations remain in process  
**3** recommendations will not be implemented

Issued **1** confidential  
Recommendation Follow-Up Report

### 39 Recommendations Reviewed:

**21** recommendations implemented  
**17** recommendations remain in process  
**1** recommendation will not be implemented

Implemented recommendations show the benefits of our audits and investigations to our residents and taxpayers, and Management's efforts to make needed improvements. Recommendations implemented in 2025 will help improve various City programs and processes. For example, some recommendations implemented in 2025 will help:

- **Improve contract oversight:** The Purchasing and Contracting Department created policies and procedures to ensure hundreds of millions of dollars' worth of contract alterations are presented to the City Council timely to facilitate proper oversight.
- **Optimize pothole repairs:** Transportation implemented several recommendations that will significantly improve the Pothole Repair Program's efficiency and productivity within existing budget. Transportation now has more pothole trucks available, uses mapping and other tools to increase routing efficiency, and developed a metric to track and monitor the program's efficiency. These improvements will allow thousands of additional potholes to be filled with the program's existing budget.
- **Improve brush management of City-owned land to help prevent wildfires:** Management has established quarterly brush management coordination meetings between major departments including Fire-Rescue, Parks and Recreation, Transportation, and Public Utilities to help ensure that departments are aware of and are completing their brush management responsibilities.
- **Protect taxpayers by improving the City's major building acquisition process:** Economic Development proposed—and the City Council approved—a comprehensive update to Council Policy 700-32. This policy will help ensure that sufficient due diligence is conducted and best practices are followed when acquiring buildings, and reduce the risk of failed acquisitions that have cost taxpayers hundreds of millions of dollars.

- **Improve Climate Action Plan implementation:** The City strengthened oversight mechanisms to ensure departments stay on track to implement Climate Action Plan goals and better inform key stakeholders—including the Mayor, the City Council, and the public—of implementation progress.
- **Strengthen management and oversight of City property:** Economic Development proposed—and the City Council approved—comprehensive updates to Council Policies 700-10 and 700-12, which establish requirements for a comprehensive Portfolio Management Plan to guide the City’s real estate portfolio decisions and help ensure that leases of City property are in the best interests of the City and taxpayers.
- **Improve water billing accuracy:** Public Utilities has now implemented all our recommendations from the 2018 water billing audit. In addition to nine previously implemented recommendations, Public Utilities now periodically assesses the strength of billing controls, which will help identify and correct systematic issues that could lead to water billing errors.
- **Enhance the Get It Done customer experience:** The Performance and Analytics Department and various City departments (i.e., the Environmental Services Department, Transportation Department Street Division, SDPD Neighborhood Policing Division, and SDPD Parking Division) provided updated trainings to staff to help ensure customers receive accurate status information through the Get It Done application. Performance and Analytics also added estimated target completion times and developed a plan to add interim status updates to several types of Get It Done service requests to help communicate expectations to customers and keep them informed on the progress of their service requests.
- **Improve data oversight:** The City adopted a new administrative regulation that centralizes data oversight, strengthens accountability, improves coordination, and reduces security risks tied to inconsistent data practices.
- **Strengthen the City’s Capital Improvements Program (CIP):** The City adopted new policies that require projects to be clearly defined, have reliable cost estimates, and secure funding before moving forward, and by reviewing older projects to close or reclassify those no longer viable. Together, these changes will help reduce delays and cost overruns while ensuring public resources are invested in projects that best serve community needs.
- **Enhance the Street Maintenance Program:** The Transportation Department updated the Pavement Management Plan in FY2025 to highlight changes in its Street Maintenance Program, including strategies to improve street maintenance capacity, efficiency, and equity.
- **Increase coordination for fleet maintenance:** Fleet Services has made progress in improving coordination with operating departments by working to update designated liaisons and going above-and-beyond our recommended quarterly coordination meetings and instead leading monthly sessions with departments—which appears to have helped increase on-time safety inspection rates.

## Fraud, Waste, and Abuse Hotline

OCA Fraud Investigators managed **349** reports filed with the Fraud, Waste, and Abuse Hotline

**208** reports not in purview of OCA Fraud Hotline

**141** new reports received in 2025:

**53** reports investigated by OCA

**88** reports referred to City departments

**113** hotline reports closed

**20** substantiated

**13** corrective action

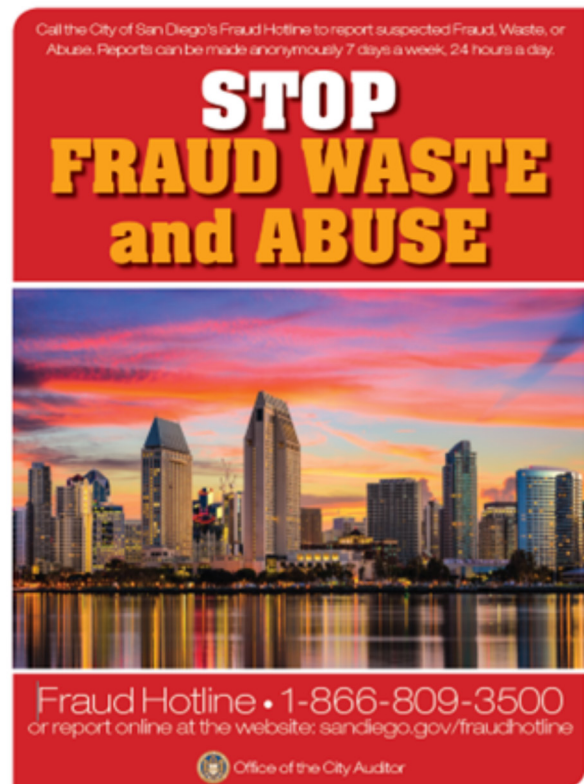
**80** unsubstantiated or no action

The Fraud, Waste and Abuse Hotline is a critical part of the City's efforts to detect and deter improper activity within City government.

We continued to effectively use the Hotline to detect and deter fraud, waste, and abuse within the City. Our Fraud Investigators oversaw the investigation of 349 cases throughout the year, as detailed in the four quarterly hotline reports we issued.

In addition, we have been working with Management to develop online trainings for City employees to increase awareness even further. To report suspected fraud, waste, or abuse, please call 1-866-809-3500 or click the link below:

[Report Fraud, Waste, or Abuse Online](#)





## Awards & Recognition



# ALGA

### Knighton Award – Rising Star



OCA continues to be a leader in the local government performance auditing field. In 2025, Carissa Nash, a Principal Performance Auditor and member of OCA's management team, won the Association of Local Government Auditors (ALGA) Rising Star Award, which recognizes the best and brightest among newer local government audit professionals.

Since joining OCA in 2020, Carissa has demonstrated exemplary audit and leadership skills that have led her to quickly promote through the ranks from Performance Auditor to Senior Performance Auditor to Principal Performance Auditor.

Judges were impressed with Carissa's leadership skills and exemplary services to OCA. She takes on challenging projects successfully using research, creative methodologies, clear and persuasive writing, and effective communication. Two of her audits (the [Performance Audit of the City's Major Building Acquisition Process](#) and the [Performance Audit of SDPD's Use and Management of Body Cameras](#)) have won Knighton Awards and a third (the [Performance Audit of SDPD Overtime](#)) was nominated in 2025. The judges' comments can be found [here](#).

This is the 11th time OCA and staff have been recognized for excellence by ALGA. In addition to this award, OCA audits have received 10 Knighton Awards over the years.



## OCA Staff Experience & Expertise



**894** hours of CPE obtained by staff

professional development training to ensure professional competency and meet Government Auditing Standards educational requirements



**2**

Staff members obtained professional certifications

Certified Internal Auditor (CIA)  
Certified Fraud Investigator (CFE)



**4**

Staff members participated in City academies and programs

Public Service Management  
Certificate Program (PSMC)  
Race & Equity Academy



**3**

Staff members participated in ALGA Committees

Strategy Committee  
Conference Committee  
Advocacy Committee

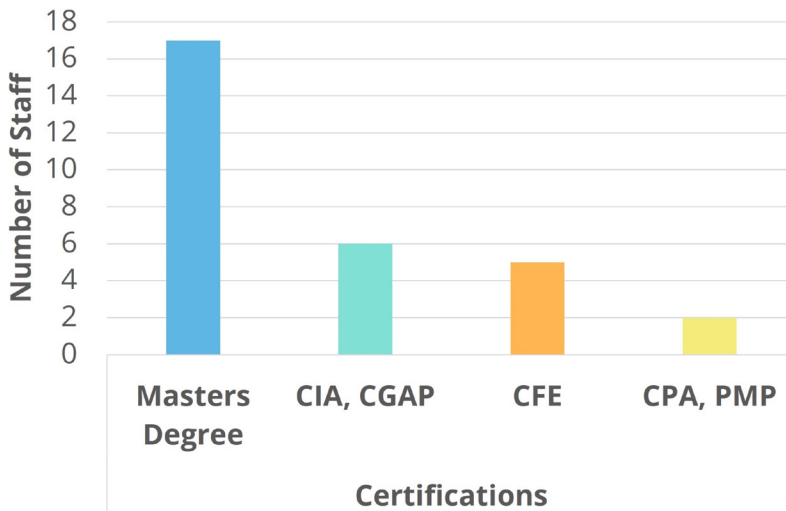


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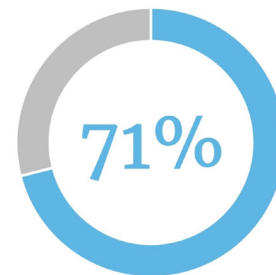
Staff members wrote or contributed to articles\* to help other shops leverage OCA's expertise

Association of Local  
Government Auditors (ALGA)  
Quarterly Publication

\*Read the articles [here](#) & [here](#)



% of Staff with 5+ Years of Audit or Investigative Experience



**230+** cumulative years of auditor/investigator experience

## Professional Leadership

OCA maintains active membership in **4** professional organizations



ALGA



The Institute of  
Internal Auditors



ACFE®  
Association of Certified Fraud Examiners

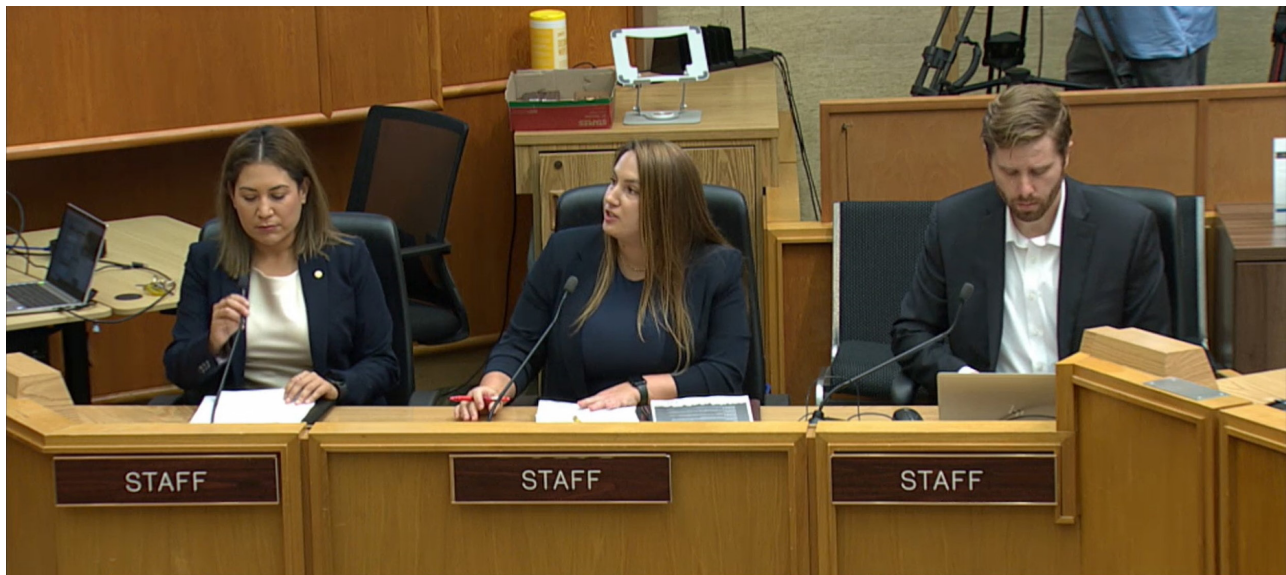


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## Presentations

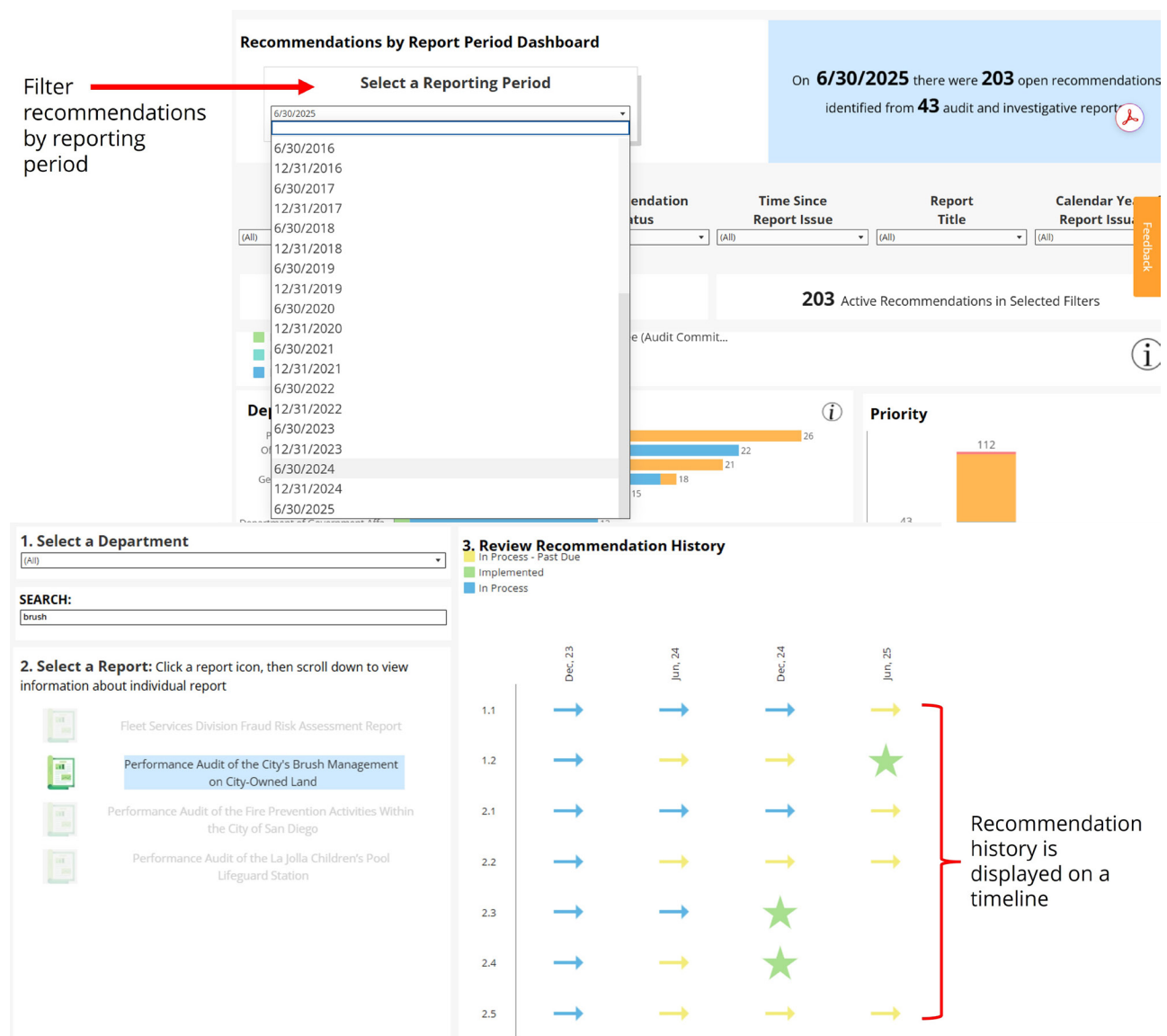
OCA staff made **36** presentations across **16** different meetings, including Audit Committee meetings, City Council meetings, and other events and stakeholder meetings

**AUDIT COMMITTEE****ITEM 4****JULY 25, 2025****Performance Audit of the City's Disaster Response****SAN DIEGO CITY COUNCIL****ITEM 200****OCTOBER 6, 2025****Performance Audit of the City's Fleet Maintenance**

## Enhancements to Recommendation Follow-Up Report & Historical Dashboard

We added a Report Highlights section to our Recommendation Follow-Up Reports to summarize the implementation status of the reviewed recommendations, highlight impacts of newly implemented recommendations, and highlight fiscal benefits of recommendations still in process.

We also continued to update our interactive [Recommendation Follow-Up Dashboard](#) to help the Audit Committee and other stakeholders monitor the implementation status of approximately 200 public recommendations that remain open, and we enhanced the dashboard with status information on approximately 1,500 recommendations OCA has made since its inception in 2009. This allows users to learn about the implementation status of all recommendations made by OCA over the past 15 years. This was a substantial undertaking but provides stakeholders with a great deal of information in an easy-to-use format and displays progress information in graphical form, as shown below.





# Spanish Translation of Report Highlights

To make our reports more accessible to Spanish-speakers, in 2025, we started working with the Communications Department to translate the Report Highlights for our audit reports. This provides Spanish-speakers with key takeaways and high-level summaries of our audit findings. The Spanish versions of audit Report Highlights are posted on our website and are announced on all of our social media channels when published. An example of a translated Report Highlights is displayed below.

**OCA**  
JUNIO 2025 | OCA-25-10 | Aspectos destacados del informe

## Auditoría de desempeño de la respuesta de la Ciudad ante desastres

### ¿Por qué OCA realizó este estudio?

El 22 de enero de 2024, una tormenta histórica inundó hogares y negocios. Cientos de empleados municipales de la Ciudad se movilizaron para atender la crisis. Evaluar la eficacia de la respuesta de la Ciudad garantizará que esté preparada para responder ante futuros desastres. Por lo tanto, realizamos una auditoría de desempeño con tres objetivos:

- (1) Determinar si la respuesta de la Ciudad a las inundaciones de enero de 2024 se alineó con las mejores prácticas;
- (2) Determinar si los roles y responsabilidades estaban claros entre la Ciudad, el Condado de San Diego y otras partes interesadas;
- (3) Determinar si es necesario introducir cambios en la preparación de la Ciudad ante catástrofes para responder eficazmente y facilitar la recuperación de futuras emergencias graves.

### Lo que determinó OCA

**Hallazgo 1:** La Ciudad manejó eficazmente la respuesta de emergencia inmediata a la tormenta del 22 de enero de 2024 utilizando planes existentes, pero cuando las demandas de recuperación excedieron las responsabilidades previas de la Ciudad, no había planes claros para atender las necesidades de los residentes.

*La diferencia entre los planes de la ciudad y las expectativas de la comunidad generó confusión y frustración*

Expectativas de la Comunidad	Respuesta Planificada de la Ciudad
 Refugio a largo plazo, no colectivo	 Refugio de emergencia colectivo
 Apoyo de la Ciudad a los servicios humanos	 Las organizaciones no gubernamentales proporcionan servicios humanos
 Enfocarse en ayudar a los residentes a limpiar sus hogares	 Enfocarse en restaurar la infraestructura de la Ciudad

Fuente: Generada por OCA en base en entrevistas y revisión de documentos.

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- Debido a que la Ciudad es responsable de garantizar que los servicios de cuidado y refugio satisfagan las necesidades de los residentes de la Ciudad, la Ciudad debe coordinar con el Condado y la Cruz Roja antes del próximo desastre para garantizar que los planes de la Ciudad, el Condado y la Cruz Roja satisfagan las necesidades de cuidado y refugio de los residentes.
- Trabajar con organizaciones locales antes de que ocurran desastres puede ayudar a la Ciudad a generar confianza y establecer expectativas claras.

*Las inundaciones generalizadas provocaron graves daños a viviendas y negocios*



Fuente: Departamento de Comunicaciones de la Ciudad de San Diego.

**Hallazgo 2:** La Ciudad no tiene un plan para garantizar que comunique de manera rápida y efectiva la información de respuesta y recuperación a todos los miembros del público después de un desastre.

- La Ciudad siguió su Plan de Operaciones de Emergencia, pero el plan no tuvo en cuenta los desafíos de comunicación exclusivos de las inundaciones y la comunidad afectada, lo que generó inquietudes de que algunos residentes no estaban recibiendo la información necesaria.
- El Plan de Operaciones de Emergencia tampoco tuvo en cuenta la comunicación con los residentes en idiomas distintos del inglés, lo que dio lugar a que los folletos contuvieran errores de traducción o información inexacta.
- La Oficina del Alcalde quiso aprobar la comunicación pública debido a la naturaleza delicada del evento, pero este proceso se desvió de las mejores prácticas y causó algunos retrasos y confusión.

**Hallazgo 3:** La utilización por parte de la Ciudad de un equipo de manejo de incidentes funcionó bien, pero la falta de políticas y capacitación provocó demoras.

- El equipo de manejo de incidentes de la ciudad (IMT) trabajó eficazmente para coordinar los esfuerzos para responder al daño a la infraestructura, pero no tenía una lista de personal previamente identificado para ocupar los puestos, lo que resultó en demoras, según el liderazgo del IMT.
- El IMT recibió solicitudes de los encargados de formular pólizas que estaban fuera de responsabilidad o en conflicto con el IMT, lo que provocó confusión y frustración entre el personal.

*Las personas dentro de una estructura de respuesta a emergencias solo deben tener un supervisor designado*



Fuente: OCA generado basado en la revisión del Sistema Nacional de Manejo y entrevistas al IMT de la Ciudad.

**Hallazgo 4:** Aumentar la capacitación del personal y hacer un seguimiento de las lecciones aprendidas de desastres anteriores puede ayudar a la Ciudad a prepararse para futuros desastres.

- Hubo varias áreas en las que la Oficina de Servicios de Emergencia (OES) podría mejorar su planificación y preparación para desastres, pero las áreas identificadas no tuvieron un impacto significativo en la respuesta general a las inundaciones.
- Estas áreas incluyen ampliar la orientación sobre el manejo de voluntarios y donaciones, actualizar la lista del Centro de Operaciones de Emergencia e implementar un sistema para asignar y rastrear la capacitación en el manejo de emergencias para el personal de la Ciudad.
- OES no tiene una política para garantizar que elabore de manera consistente informes posteriores a los incidentes ni una forma de asegurar que las recomendaciones derivadas de estos informes se den seguimiento e implementen.

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**OCA**  
JUNIO 2025 | OCA-25-10 | Aspectos destacados del informe

### Lo que recomienda OCA

Hicimos 23 recomendaciones. Las recomendaciones clave incluyen:

- Desarrollar un marco que establezca claramente el papel general previsto de la Ciudad en la respuesta y recuperación ante desastres.
- Aclarar y ofrecer capacitación sobre los roles de la Oficina del Alcalde y el Concejo Municipal durante los desastres.
- Crear un plan de recuperación específico para la Ciudad que establezca las responsabilidades de los departamentos de la Ciudad y socios externos en la recuperación ante desastres, tales como brindar servicios de atención y refugio e involucrarse con la comunidad.
- Actualizar los planes de comunicación ante desastres para garantizar que satisfagan las necesidades de los residentes, incluyendo traducciones rápidas cuando sea necesario.
- Desarrollar políticas para movilizar un equipo de manejo de incidentes en caso de emergencia.
- Continuar desarrollando un programa de capacitación para el liderazgo y el personal de la Ciudad sobre el protocolo de respuesta a emergencias de la Ciudad.
- Hacer seguimiento a las lecciones aprendidas de catástrofes anteriores.

La Administración de la Ciudad aceptó las 23 recomendaciones.

Para más información, comuníquese con Andy Hanau, Auditor de la Ciudad, al (619) 533-3165 o [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).

## Annual Risk Assessment Methodology Update & Public Outreach

We enhanced our annual risk assessment methodology by adding additional indicators of risk for each City business area, including employee satisfaction, employee turnover, number of past due audit recommendations, and Hotline reports related to the business area. We also greatly enhanced our public outreach (as described in more detail below), and received 120 responses to our public outreach survey, in addition to numerous audit requests received from stakeholders, such as the Audit Committee and the City Council. This assisted us in selecting the highest areas of risk for inclusion in our FY2026 Audit Work Plan.

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 below, 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.

Nearly 75 percent of the 120 respondents submitted ideas for potential performance audits or program reviews.

### Common Themes from Respondents' Ideas for Performance Audits



Improve, or at least maintain access to, recreation centers, public activity facilities, and parks—including by addressing affordability



Do more to effectively address homelessness



Address facility maintenance issues



Increase the quality of street conditions and address potholes

## OCA Posted Flyers in Both English and Spanish Linking to the Survey



### Office of the City Auditor

**Complete our survey!**

The Independent Office of the City Auditor (OCA) invites you to share your ideas for program reviews.

**Are there any City services or programs that you would like to see improve?**

Your suggestions will help our office determine what City programs to look at next. **Your voice matters!**

 Survey must be completed by **May 16, 2025.**

To learn more about OCA and our work's impact, visit our website: <https://www.sandiego.gov/auditor>.



### Oficina del Auditor de la Ciudad (OCA)

**¡Complete nuestra encuesta!**

La Oficina Independiente del Auditor de la Ciudad de San Diego (OCA) le invita a compartir sus ideas para las evaluaciones de programas.

**¿Hay algún servicio o programa de la Ciudad que le gustaría que se mejorara?**

Sus sugerencias ayudarán a nuestra oficina a determinar cuáles serán los próximos programas de la Ciudad que revisaremos. ¡Su voz importa!

 La encuesta debe completarse antes del **16 de mayo de 2025.**

Para obtener más información sobre la OCA y el impacto de nuestro trabajo, visite nuestro sitio web: <https://www.sandiego.gov/auditor>.



**SCAN ME**

Or Visit [tinyurl.com/OCASurvey2025](https://tinyurl.com/OCASurvey2025)



Escaneé el código QR o visite el enlace para completar la encuesta: [tinyurl.com/encuestaOCA](https://tinyurl.com/encuestaOCA)





## Peer Review

OCA is audited every three years by a group of auditors from other agencies in a process called Peer Review. The peer review team is independently selected by the Association of Local Government Auditors. The objective of a peer review is to determine whether an audit organization's internal quality control system is in place and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards.

In December 2025, OCA received the highest possible rating for the period of July 1, 2022 through June 30, 2025. The peer review team concluded that OCA's internal quality control system is adequately designed and operating effectively to ensure compliance with auditing standards. In addition, the peer review team highlighted areas in which OCA excels, including:

- OCA staff interviews indicated a supportive and growth-minded environment;
- OCA Management was responsive and transparent throughout the review, which allowed the team to complete the review a day earlier than expected;
- OCA's detailed Audit Manual and Audit Standards Plan allow new staff to easily understand compliance expectations; and
- OCA's risk assessment process is a mechanism to explore new audit topics and provides new insights and value for the City and residents.

Read the full external quality control review [here](#).

## Improved Manager Feedback Process

In response to our internal employee satisfaction survey, we developed and implemented an improvement to our formal manager feedback process. OCA staff are now asked to complete a manager feedback form prior to OCA's annual performance evaluations to provide a 360 review of their manager. This has been extremely useful to help ensure that staff voices are heard and that we recognize excellent performance by our managers and identify any opportunities for improvement.

## Ballot Measure for Independent Legal Counsel

Voters approved Measure A in 2024, which **authorizes the Office of the City Auditor and the Audit Committee to obtain independent legal counsel in certain circumstances**. Over 67 percent of voters recognized the importance of this issue after we worked for over 4 years to get the measure on the ballot.

OCA worked with the Ad Hoc Subcommittee on Measure A Implementation and the City Attorney's Office to develop Municipal Code amendments to implement Measure A and a Request for Proposals for independent legal counsel. The Audit Committee and the City Council approved the Municipal Code amendments in early 2025, and the Audit Committee subsequently approved the RFP in July 2025. A significant number of qualified proposals were received, and a firm has been selected. We anticipate bringing a contract forward for Audit Committee and City Council approval early this calendar year. We appreciate the Audit Committee and City Council's support on this critical issue.

We are striving to make 2026 yet another successful year. As always, our top priority is to produce audits and investigations that identify opportunities to improve the efficiency, effectiveness, and equity of critical City programs and functions. To that end, we continue to work towards completion of our FY2026 Audit Work Plan. We have audits in progress on topics including the City's management of its leased golf property portfolio; the Fire-Rescue Department's dispatch process; brush management on private property to reduce the risk of wildfires like those that devastated vast areas of Los Angeles; the Unsafe Camping Ordinance; Citywide cybersecurity defenses; SDPD Internal Affairs Unit investigations; Citywide vehicle rentals; arts and culture funding equity; and streetlight equity. In addition, we have audits planned on topics including the police armory; the business tax program; and the returns on investment for various City programs related to homelessness.

In the coming months, we will conduct our annual risk assessment and solicit suggestions for audit topics from a range of stakeholders, including the Audit Committee, the City Council, the Mayor, City Management, and the general public, which we will use to develop our Proposed FY2027 Audit Work Plan.

We will also pursue continuous improvement in our own office operations and in the efficiency and effectiveness of our communications with our many stakeholders. Major initiatives for the year are anticipated to include implementing Measure A by completing the process to retain **independent legal counsel**; developing an **OCA Strategic Plan** to clearly describe OCA's vision and goals for stakeholders; and continuing to enhance our **public outreach** to help ensure as many residents and taxpayers as possible are aware of our work and submit their ideas for audits to improve the efficiency, effectiveness, equity, and transparency of City operations.



As reflected in this report, OCA continues to be a leader in the local government performance auditing field. Our office is frequently consulted by peer organizations that are seeking to implement our best practices, and is often recognized by the Association of Local Government Auditors as an office that produces some of the best local government audit reports in the country.

Since the inception of the Office of the City Auditor nearly 17 years ago, we have issued 309 public and confidential reports with 1,594 recommendations. As of June 30, 2025, City Management has implemented 1,297 (81 percent) of those recommendations, while 110 recommendations were partially implemented with no further action, not implemented because City Management disagreed with the recommendations, or they were deemed no longer applicable. As of December 31, 2025, there were 184 open recommendations that still need to be implemented.

2025 was a productive, challenging, and rewarding year for OCA. We issued nine reports that contained 80 recommendations to improve the efficiency, effectiveness, and equity of City operations and help identify fraud, waste, and abuse. I would like to thank our talented and dedicated staff for their efforts this year and every year.

In the face of the City's budgetary challenges, OCA is a key municipal asset that helps ensure limited public funds are used appropriately. We note that OCA's core mission directly aligns with recent budget mitigation directives from the Mayor. In short, we help the City identify opportunities to increase revenues, reduce or avoid costs, and become more efficient with the use of taxpayer money. We look forward to continuing our productive relationship with City leadership and stakeholders to assist the City during the challenging times that lie ahead.

I am very grateful to the Mayor, City Council, Audit Committee, and our residents for the support given to this Office. I am also very appreciative of City Management's cooperation and assistance during this period. City Management and City staff should be commended for their continuous efforts to utilize the audit process to improve City operations. We look forward to the year ahead.

Respectfully submitted,



Andy Hanau,  
City Auditor

cc: Honorable Mayor Todd Gloria  
Honorable Members of the City Council  
Honorable City Attorney Heather Ferbert  
Rolando Charvel, Chief Financial Officer  
Charles Modica, Independent Budget Analyst

## Appendix A: Report Highlights

We summarize our audit results for our readers in a 1–2 page Report Highlights section.

The following pages display the Report Highlights for audit reports issued in calendar year 2025:

- Performance Audit of the City's Fleet Maintenance
- Performance Audit of the City's Grants Program
- Performance Audit of the City's Trash, Recycling, and Organics Collection and Handling
- Performance Audit of Fire-Rescue Overtime
- Performance Audit of the City's Disaster Response
- Performance Audit of the City's Key Performance Indicators
- Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2024

# Performance Audit of the City's Fleet Maintenance

## Why OCA Did This Study

The Fleet Operations Division (Fleet) manages the maintenance and repairs of about 4,900 vehicles and motorized equipment with an estimated total replacement value of \$437 million. The City budgeted \$46 million for fleet maintenance in fiscal year (FY) 2025. Timely maintenance and inspection of fleets is important to enhance equipment life, ensure cost-effectiveness, and minimize risks to safety for City operators and the public. Therefore, we conducted a performance audit with two objectives:

- (1) Determine if City vehicles are being serviced according to Fleet Operations Division's established preventive maintenance schedules; and
- (2) Determine how timely vehicles are being returned to City departments after preventive maintenance.

## What OCA Found

**Finding 1:** Many City vehicles are not receiving their prescribed preventive maintenance services and safety inspections on time, which can lead to safety risks, increased costs, and negative impacts on City operations.

- Most City departments are responsible for bringing in their vehicles for maintenance and Fleet is responsible for maintaining the vehicles.
- Monitoring and incentivizing** on-time maintenance could **improve accountability and compliance** among departments.
- Citywide, **only 20 percent of preventive maintenance services completed in FY2023 were on time**. When allowing a 10 percent grace period, only **39 percent** were on time. The industry standard goal is 90 percent for timely maintenance compliance.

### Exhibit 3: Citywide, Only 20% of Preventive Maintenance Services Completed in FY2023 Were On Time



Source: OCA generated based on data from FleetFocus.

- Inspections enhance vehicle performance and are required by law. While **96 percent of environmental inspections** were completed on time, **only 35 percent of safety inspections** were completed on time.
- 68 percent of overdue safety inspections we sampled identified problems** like brake fluid leaks, broken backup alarms, missing mud flaps, and broken mirrors.
- When inspections and maintenance are late, issues may persist that can lead to increased costs, breakdowns, and safety risks.

### Exhibit 6: Negative Effects of Overdue Maintenance



Source: OCA generated based on research, data from FleetFocus, and 2024 Audit of Pothole Repair Operations.

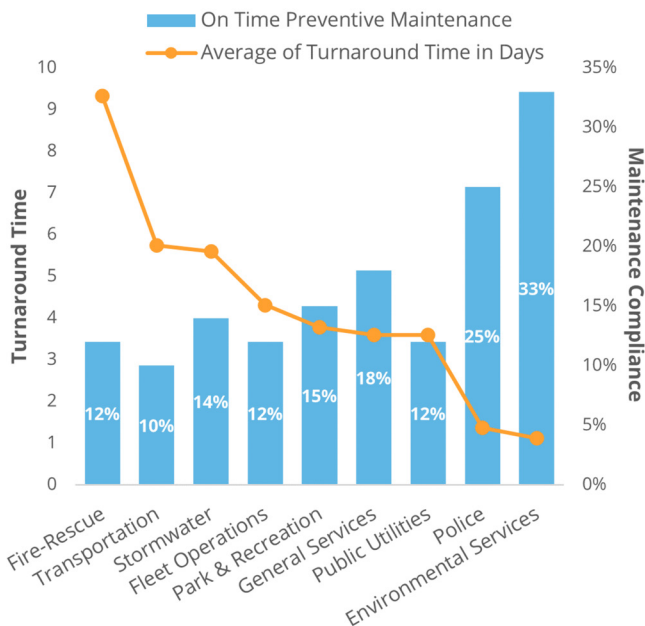
- Although Fleet sends out monthly notifications to departments with upcoming due preventive maintenance and inspections, we found that **contact lists are out of date**.
- In addition, **not all major departments have regular check-ins** with Fleet or Fleet Coordinators.
- Fleet only reported on **its preventive maintenance KPI** one time in FY2017 and removed it in the FY2025 Budget. Monitoring is critical to improve accountability.



**Finding 2:** Fleet is able to complete most preventive maintenance services in less than a day, but additional steps may help streamline services, increase vehicle availability for departments' operations, and improve the timeliness and compliance rates of required maintenance and safety inspections.

- Unlike many fleet agencies, **Fleet does not have turnaround time goals** for preventive maintenance services and inspections.
- Unknown turnaround time makes it hard for departments to plan their day-to-day operations when vehicles are being serviced, and **may lead to reluctance to bring vehicles in for maintenance.**
- **Scheduling appointments** could help with both City department uncertainty and managing workflow.
- There is a self-service mechanism for City departments to review key fleet metrics, such as upcoming due maintenance. However, **not all departments are aware** or know how to use it.

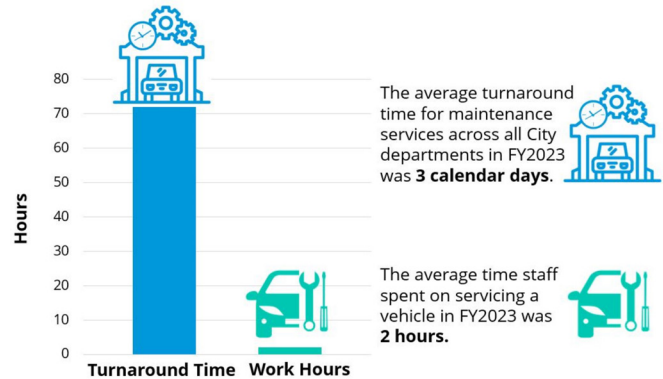
**Exhibit 11: Longer Turnaround Times Appeared to Correspond With Lower Rates of Preventive Maintenance**



Source: OCA generated based on active vehicle information from FleetFocus and SAP.

- We found that **more than half of maintenance work orders in FY2023 were completed the same day.**
- Preventive maintenance services took an average of 2 labor hours; however, **delays increase the average turnaround time to 3 calendar days.**

**Exhibit 13: The Average Maintenance Turnaround Time Was 3 Calendar Days; Fleet Completed the Servicing in 2 Hours on Average**



Source: OCA generated based on work order data from FleetFocus.

- 77 percent of preventive maintenance services in FY2023 had a delay. At least **88 percent of delays were caused by waiting for labor.**
- According to Fleet, departments commonly **drop off their vehicles unannounced.** The City's Fleet database, FleetFocus, has a scheduling functionality, but, according to Fleet, **it has not been set up** due to resource constraints.
- The number of fleet technicians has **not kept pace** with the growth of the City's fleet.
- Fleet heavily utilizes the Fleet Technician role but could also use **Assistant Fleet Technicians** to help achieve its preventive maintenance goals in a cost-effective manner.

## What OCA Recommends

We made 10 recommendations and City Management agreed to implement all 10. Key recommendations to improve accountability and customer service include:

- Ensuring the correct contact is notified when maintenance is due;
- Addressing late maintenance through incentives, regular meetings, and reporting;
- Establishing, monitoring, and reporting turnaround time goals and performance;
- Setting up a scheduling process and prioritizing vehicles that have scheduled their maintenance appointments in advance; and
- Analyzing optimal staffing levels of certain maintenance positions.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).

# Performance Audit of the City's Grants Program

## Why OCA Did This Study

The City of San Diego's (City's) [FY2026–FY2030 Five-Year Financial Outlook](#) projects a \$1.5 billion shortfall in City funds from FY2026 through FY2030. This highlights the need for additional sources of funding to support essential services and programs. Grants can be a tool to bridge the gap between the City's operational budget and its needs. Therefore, we conducted a performance audit with two objectives:

- (1) Determine if the City is competitive in planning for and pursuing grant funding; and
- (2) Determine if the City's policies and processes for grant research and application are followed and align with industry best practices.

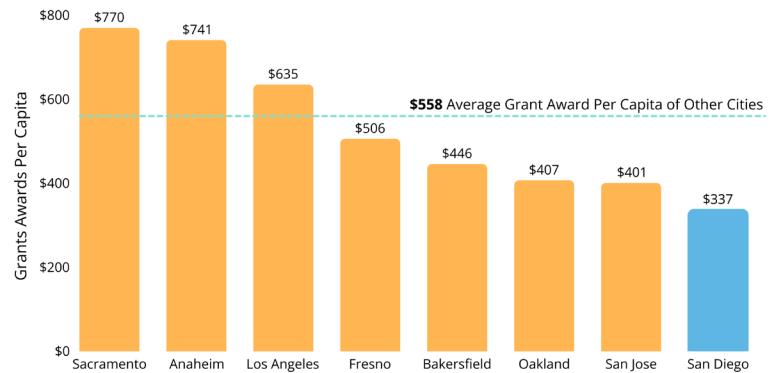
## What OCA Found

Since our last [audit of the City's Grants Program](#) in FY2018, enhancements to the Grants Program have aided the City in becoming more successful in securing grant funding. Specifically, from FY2019 through FY2023, the City increased the amount of grant funding it has received by 81 percent, from \$271 million in FY2019 to \$491 million in FY2023. We found opportunities to build on these improvements and continue to make the City more competitive in obtaining grants.

**Finding 1: A Citywide grants strategic plan can help the City better prepare for and pursue grants by identifying capacity issues that may limit the City's ability to seek out and manage grants, defining the City's grants goals and objectives, and facilitating two-way communication between operational departments and City leaders.**

We found that while the City has greatly improved in obtaining grant funding, the City still ranked low compared to other large California cities when comparing grant awards per capita and grant awards as a percentage of government revenues. There is no one best way to organize a grants program, and several factors affect a city's relative success in obtaining grants, some out of their control. For example, one factor that appears to limit the City's ability to pursue and obtain grants is a lack of capacity for required matching funds and staff to apply for and manage grants.

**Exhibit 10: The City Ranks Lowest Compared to Other Large California Cities for Grant Aid Per Capita (FY2019–FY2023)**



Source: OCA generated based on Annual Comprehensive Financial Report and United States Census Bureau data.

While each city we reviewed has a unique process for seeking and applying for grants, coordination between grant-seeking and managing departments and executive leadership is essential to align priorities and identify capacity issues that limit the City's grants competitiveness.

We found that coordination between the Department of Government Affairs and grant-active departments regarding the City's specific grants goals and priorities can be improved through the creation of an annual Citywide grants strategic plan. This plan can also:

- Aid executive management and departments in proactively planning annual grant activity;
- Enhance collaboration and alignment between Government Affairs' and grant-active departments' grant priorities and organizational resources;
- Ensure that grants applied for and received align with the City's strategic plan and priorities;
- Guide Government Affairs' lobbying efforts of state and federal agencies;
- Identify and address staffing capacity and matching fund issues to achieve a positive return on investment; and
- Streamline the Grant Review Team (GRT) process.

Without a Citywide grants strategic plan, there is no long-term strategy to address common capacity obstacles faced by many grant-active departments.

**Finding 2:** The Grant Review Process could be streamlined and further clarified to ensure that requests to apply for grants are reviewed timely and effectively tracked to capture the City's application activity.

Accurate tracking of grant data is essential to compiling the grants annual report and informing City leadership of the City's grant activity.

Because the GRT has a 10-business day grant application review and approval goal, the tracking of this information is also important to provide transparency to departments on how long the process takes and evaluating the GRT process would help identify deficiencies so they can be addressed.

**Finding 3:** Formalizing Grants Program Coordinator roles would clarify their duties to City departments and maximize their benefit.

We found that because the Grants Program Coordinator's job duties were not clarified until nearly a year into their tenure, there was not a common stakeholder understanding as to what roles they played. The specific roles and responsibilities of Government Affairs and the Grants Program Coordinators should be formalized for the benefit of the Grants Team themselves and City departments.

Additionally, while multiple parties search for grant opportunities, the searches could be more targeted to maximize staff's limited time. Contracted grant writers can support the City's grant application efforts and help relieve capacity strain.

*Exhibit 22: The Roles of Grants Program Coordinators are Listed in the Grants Program Framework*

	Assist with grant application development
	Research and analyze grant opportunities
	Support strategic project development
	Support grants reporting, compliance, and implementation, as needed
	Support cross-department collaboration
	Establish and manage grant opportunities resources

Source: OCA generated based on the Grants Program Framework.

**Finding 4:** Improving and consolidating grants resources, in addition to implementing a mechanism to gauge City staff's grant training needs, can help the City be more prepared to pursue funding opportunities.

We found that the City's Grants Program should perform training needs assessments to determine grants training priorities and evaluate the effectiveness of current grants training offerings.

To preserve institutional knowledge, an updated centralized grants website would help grant-active departments find the resources they need to support grant application development and grant management.

## What OCA Recommends

We made **13 recommendations** to help improve the City's Grants Program. Key recommendations include:

- The City should **create a strategic planning process** to **facilitate two-way communication** to aid in establishing and communicating needs and priorities, **foster proactive grant planning**, and inform **resource allocation and identify resource needs**.
- Government Affairs should **track the average number of business days it takes for Grant Review Team members to review and approve grant application requests**, compared to the 10-business day goal outlined in Administrative Regulation 1.80.
- City policy should be updated to **formally document the agreed upon duties of the Grants Program Coordinator positions**.
- The City should **perform a return-on-investment analysis on subscribing to a grant-seeking subscription service and retaining as-needed contracted grant writers** to aid City staff in seeking and applying for grant funding.
- Government Affairs should create a **centralized grants resource library to help preserve institutional knowledge** and better support City staff.

Executive Management **agreed with all 13 recommendations**. Management's Response is included as Appendix C, and OCA's comments on the response are included as Attachment D.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).

# Performance Audit of the City's Trash, Recycling, and Organics Collection and Handling

## Why OCA Did This Study

To combat landfill waste's negative effects, the City set targets to divert all waste from landfills by 2040. However, the City has not met its targets and the City's oversight of private waste haulers (haulers) is critical to achieving these targets, since the haulers collect most of the waste in San Diego.

Therefore, we conducted a performance audit with three objectives:

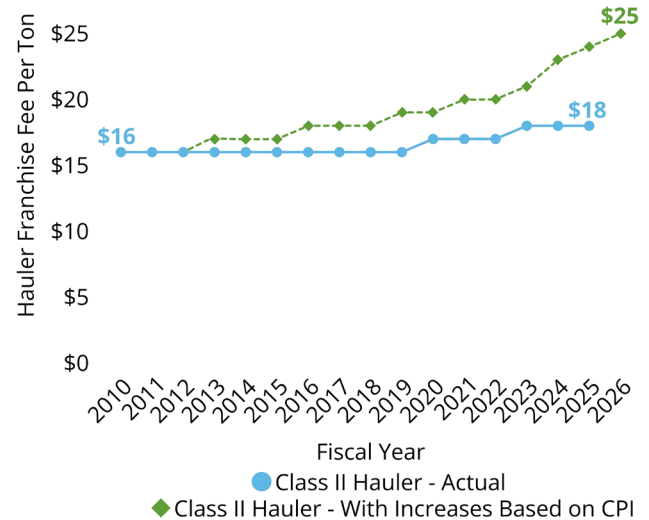
- (1) Determine if the City's franchise hauler agreements ensure compliance with the City's Zero Waste Plan goals, Climate Action Plan goals, and other relevant state and local regulations;
- (2) Determine if the City's fee structure for waste, recycling, and organics collection and disposal conducted by franchise haulers ensures compliance with the City's Zero Waste Plan goals, Climate Action Plan goals, and other relevant state and local regulations and goals; and
- (3) Determine if the City's oversight of the franchise hauler agreements ensure compliance with the City's Zero Waste Plan goals, Climate Action Plan goals, relevant state and local regulations, and required fees.

## What OCA Found

**Finding 1: The City could recover at least \$4 million more per year by increasing hauler fees to cover City costs.**

- **Franchise fees have not kept pace with rising City costs**, despite Municipal Code requirements that they compensate for the value of the franchise granted.
- Since 2010, the City has missed out on more than \$25 million in revenue total because franchise fees were not adjusted for inflation like AB939 fees are.
- **If franchise fees had kept pace with inflation, the City would have collected \$18 million in FY2024**, instead of just \$14 million.
- **The City's current fee structure does not incentivize recycling**, making it harder for the City to reduce landfill waste.

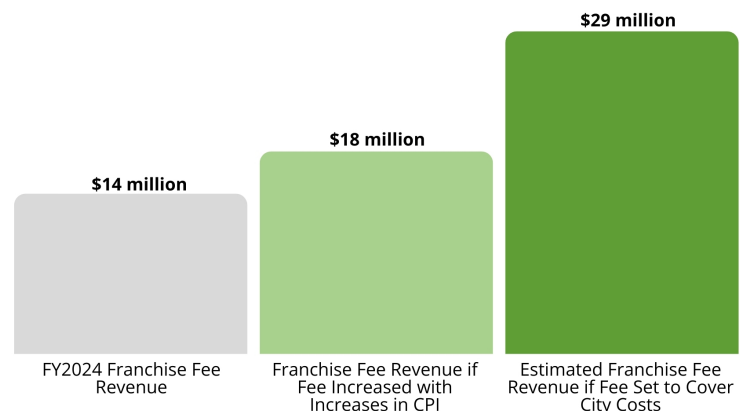
**Exhibit 7: Franchise Fees Have Only Increased by 13% Since 2010, While CPI Increased by 54%**



Source: OCA generated based on City Council resolutions and CPI data.

- However, even with increases for inflation, we estimate franchise fee revenue would not fully cover the City's costs. We estimate that the **City likely spends \$29 million per year repairing street damage from private waste hauler trucks and for oversight of the franchise hauler agreements.**
- Increasing franchise fees to cover City costs would not necessarily translate to substantially increased prices for customers.

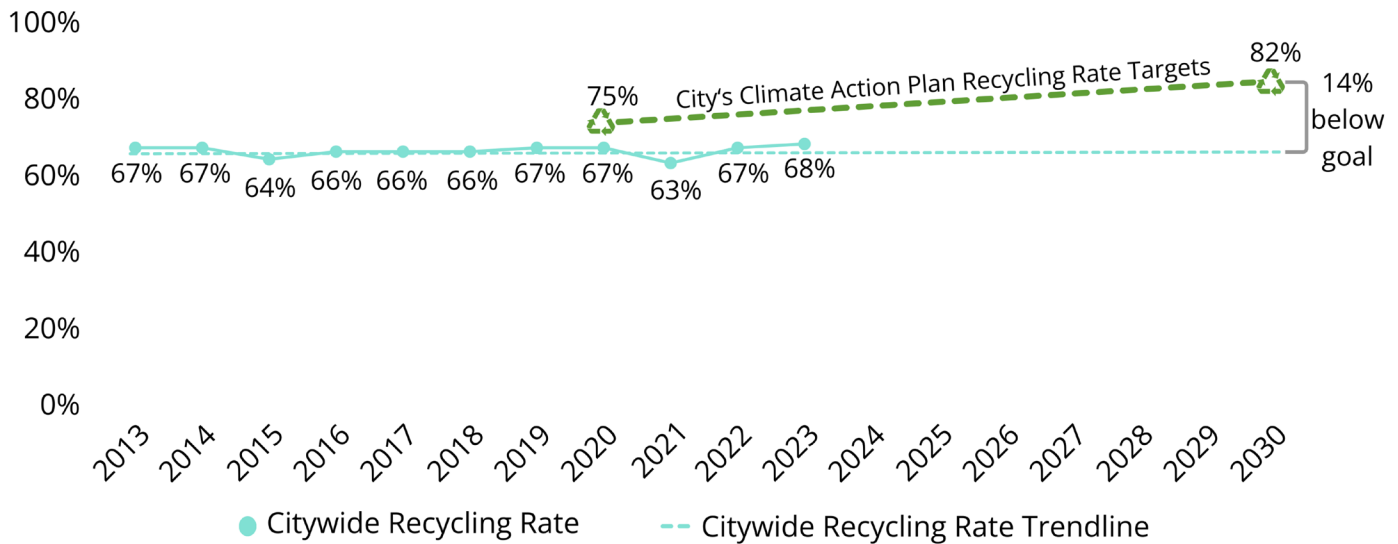
**Exhibit 10: The City's Current Franchise Fee Revenue Does Not Keep Pace with the City's Street Damage and Oversight Costs**



Source: OCA generated based on data from SAP, the Office of the City Treasurer, ESD and the Transportation Department.



**Exhibit 13: The City Did Not Meet the Climate Action Plan Target for 2020 and Currently Falls 14 Percentage Points Below the Upcoming 2030 Target**



Source: OCA generated based on the City's Zero Waste Plan, Climate Action Plan, and ESD recycling rate data.

**Finding 2:** The City can do more to hold itself and private waste haulers accountable to meet the Climate Action Plan targets, which are designed to help limit poor air quality, extreme weather events, and other negative impacts of climate change.

- **The City's recycling rate has remained stagnant** around 67 percent **for the past decade.**
- The City failed to meet its target recycling rate of 75 percent in 2020 and is not on track to meet upcoming targets.
- Private waste haulers collect most of San Diego's waste. The City must increase **haulers' diversion rates for the City to meet its targets and reduce landfill waste.**
- Haulers' collective diversion rate increased when ESD set and increased diversion rate requirements. However, when ESD stopped increasing diversion rate requirements, haulers' collective diversion rate became relatively stagnant.
- ESD has not consistently required compliance plans or assessed liquidated damages. ESD also allowed **four haulers to continue to operate in the City, despite repeatedly not meeting the diversion rate requirements.**
- **The City cannot meet its targets unless City Collections also increases its diversion rate,** which was 32 percent in 2023.

## What OCA Recommends

We made **8 recommendations** to help ensure the City recovers costs and reduces landfill waste. Key recommendations include:

- Propose an action to City Council to set franchise fees at the rate the fees would be if they had increased by CPI since FY2010 and require the fees to increase annually based on CPI.
- Conduct a fee study to assess the appropriate franchise fee and AB939 fee rates to recover City costs and incentivize recycling.
- Propose amendments to the franchise agreements to include increases in diversion rate requirements.
- Present each hauler's performance in meeting diversion rate requirements before City Council extends the hauler's franchise agreement.
- Set a diversion rate performance goal for City Collections.

City Management **agreed to all 8 of the recommendations.**

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).

# Performance Audit of Fire-Rescue Overtime

## Why OCA Did This Study

The San Diego Fire-Rescue Department's (Fire-Rescue) public safety service is crucial and one of the City of San Diego's (City) top priorities. Fire-Rescue uses overtime to ensure it can respond to emergency fire and medical calls 24 hours a day, 365 days a year.

We conducted a performance audit with three objectives:

- (1) Determine what factors contribute most to Fire-Rescue's overtime costs and if there are opportunities to reduce costs;
- (2) Determine if Fire-Rescue's current staffing model is optimized to meet its service-level requirements; and
- (3) Determine if there are opportunities to improve the overtime budgeting process.

## What OCA Found

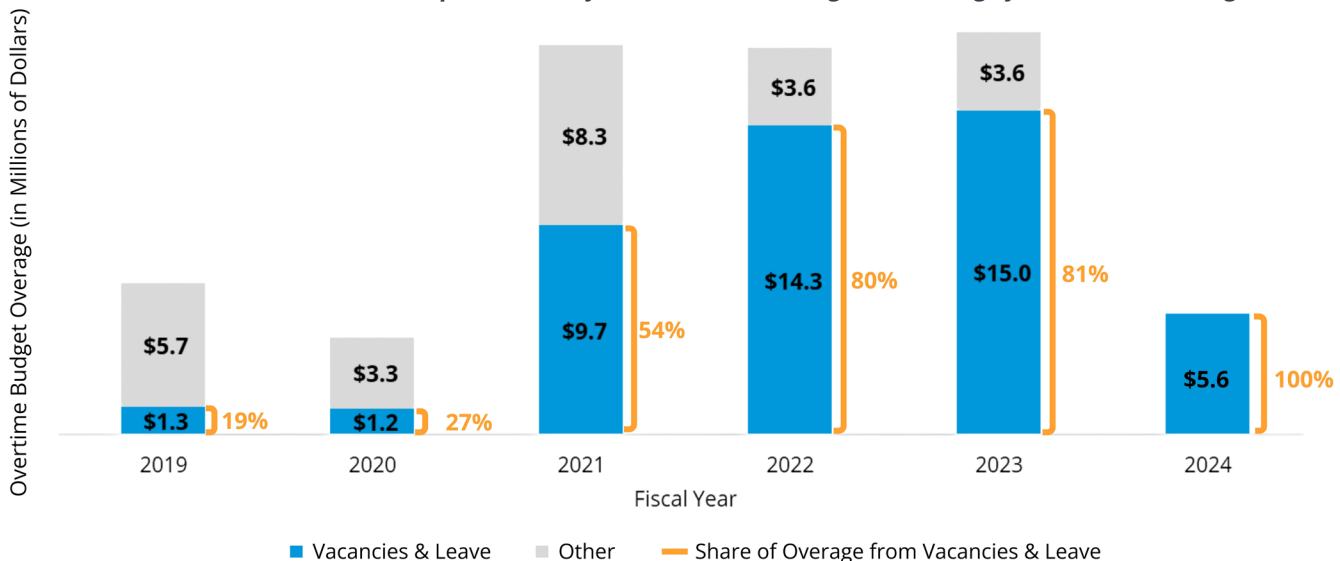
Fire-Rescue manages its staffing model, work limits, and overtime tracking well. However, we found opportunities to improve its overtime budgeting and staffing projections.

**Finding 1: The Fire-Rescue Department should document and refine its overtime budgeting methodology to reduce the risk of consistent budget overages.**

- Fire-Rescue consistently exceeded its overtime budget from FY2019 through FY2024, resulting in about **\$71.6 million** in total overages.

- Fire-Rescue offset \$39.7 million of its overages with salary savings and strike team deployment reimbursement revenues, resulting in about \$31.8 million that had to be offset using other General Fund sources.
- Relying on savings from other General Fund sources reduces funding available for future years.
- Vacancies and leave comprised an average of 83 percent of Fire-Rescue's overtime budget overages from FY2022 through FY2024, indicating that it **consistently underestimated its actual needs**.
- Fire-Rescue has an established methodology for developing its overtime budget; however, it is not formally documented.
- While Fire-Rescue's overtime budget overages from FY2021 through FY2023 were also driven by impacts from the COVID-19 pandemic, we found that its overtime estimates related to vacancies and leave remained the same during that time period.
- The Department of Finance has not consistently included salary increases in Fire-Rescue's overtime budget, which contributed to overages from FY2019 through FY2023.
- More accurately budgeting for overtime would reduce the potential for General Fund impacts, **minimizing financial strain on the City**.

**Exhibit 13: Vacancies and Leave Comprised 83% of Fire-Rescue's Overages on Average from FY2022 Through FY2024**



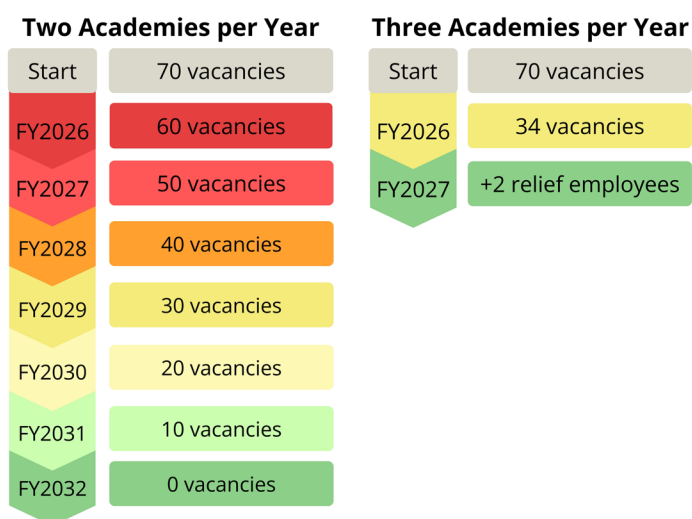
Source: OCA generated based on budget data provided by Fire-Rescue.

[sandiego.gov/auditor](https://sandiego.gov/auditor)

**Finding 2:** The Fire-Rescue Department should include all sworn employees in its staffing projections to more reliably determine how many academies it needs to reach full staffing and reduce overtime.

- Fire-Rescue **underestimated its attrition and vacancies and overestimated its expected academy graduates**, leading it to request too few academies to meet its projected full staffing dates in FY2021, FY2022, FY2024, and FY2025.
- Holding too few academies delays full staffing and creates more overtime for employees until vacant positions are filled, which can have financial and staffing impacts.
- Given that **staffing projections are a core component of Fire-Rescue's overtime budget estimates**, they should be as accurate as possible.
- Fire-Rescue's staffing projections only account for employees in the Operations Division (Operations) instead of all sworn positions, likely contributing to Fire-Rescue repeatedly missing its projected full staffing dates.
- In November 2024, Fire-Rescue projected it would take two years to reach full staffing by holding two annual academies, while we found that it could take seven years. If Fire-Rescue held three annual fire academies, it could take as few as two years to hire enough employees to achieve full staffing.

**Exhibit 17: Fire-Rescue Would Reach Full Staffing Five Years Faster by Holding Three Annual Fire Academies**



Source: OCA generated based on vacancy data from SAP, attrition data provided by the Personnel Department, and academy graduate data from Fire-Rescue.

**Finding 3:** The Fire-Rescue Department should update its relief factor calculation to further reduce overtime after it reaches full staffing.

- A relief pool, which is a group of employees who fill absences that would otherwise be filled using overtime, could reduce overtime, provide increased support during emergencies, and benefit firefighters who desire less overtime.
- Fire-Rescue should update its relief factor to project its relief pool size more accurately.
- Fire-Rescue should incorporate all employee absence types using historical data, create a relief factor for each job classification individually, and focus on times when employees take the least time off to avoid over-hiring.

### What OCA Recommends

We made **6 recommendations** to improve Fire-Rescue's overtime processes. Key recommendations include:

- Fire-Rescue should **refine and formally document its overtime budgeting methodology** in coordination with the Department of Finance.
- The Department of Finance should collaborate with Fire-Rescue to **include negotiated salary adjustments in the overtime budget** to reduce the potential for future overages.
- Fire-Rescue should **revise its staffing projection methodology to include all positions that are filled using academies** to accurately account for staffing needs.
- During the annual budgeting process, Fire-Rescue should **analyze how its requested number of fire academies would impact overtime and staffing**.
- Fire-Rescue should **update its relief factor calculation** to account for the **actual number of daily absences** by job classification in Operations **using historical data**.

Fire-Rescue **agreed to all 6 recommendations**.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov)

# Performance Audit of the City's Disaster Response

## Why OCA Did This Study

On January 22, 2024, a historic storm flooded homes and businesses. Hundreds of personnel from the City mobilized to address the crisis. Assessing the effectiveness of the City's response will ensure it is prepared to respond to future disasters. Therefore, we conducted a performance audit with three objectives:

- (1) Determine if the City's response to the January 2024 floods aligned with best practices;
- (2) Determine if roles and responsibilities were clear between the City, the County of San Diego, and other stakeholders; and
- (3) Determine if changes are necessary to the City's disaster preparedness efforts to respond effectively to and facilitate recovery from future major emergencies.

## What OCA Found

**Finding 1:** The City effectively managed the immediate emergency response to the January 22, 2024 storm using existing plans, but when recovery demands extended beyond the City's previous responsibilities, there were no clear plans in place to meet residents' needs.

- The City effectively carried out the **initial response** to the January storm, responding to emergency calls and repairing City infrastructure.
- The City's planned response to residents' needs **did not align with expectations** of elected officials and community members.

### The Gap Between City Plans and Community Expectations Led to Confusion and Frustration

Community Expectations	Planned City Response
Long-term, non-congregate sheltering	Congregate emergency shelter
City support for human services	Non-governmental organizations provide human services
Focus on assisting residents clean up homes	Focus on restoring City infrastructure

Source: OCA generated based on interviews and document review.

### Widespread Flooding Resulted in Extensive Damage to Homes and Businesses



Source: City of San Diego Communications Department.

- Lacking a formal role and receiving inconsistent communication led City Council Offices to respond to affected residents' needs**, which sometimes conflicted with or confused operational response activities.
- The gap between the recovery activities planned by City operations staff and those expected by the Mayor's Office led Mayor's Office staff to step into operational decisions, causing some **confusion and frustration**.
- Emergency sheltering was provided as planned, but **expectations for non-congregate and long-term sheltering went beyond the City's historical responsibilities**. Elected officials, community organizations, and affected residents reported confusion and frustration with the care and shelter services provided.
- Because the City is responsible for ensuring care and shelter services meet City residents' needs, the City should coordinate with the County and Red Cross before the next disaster to **ensure City, County, and Red Cross plans will meet residents' care and shelter needs**.
- Working with local organizations before disasters** happen can help the City build trust and establish clear expectations.



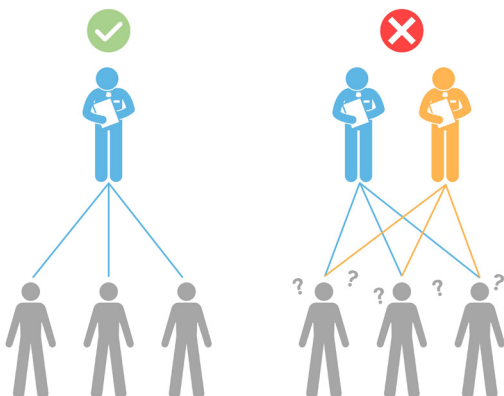
**Finding 2:** The City does not have a plan to ensure it quickly and effectively communicates response and recovery information with all members of the public after a disaster.

- The City followed its Emergency Operations Plan, but the plan **did not account for communication challenges unique to floods** and the community affected, raising concerns that some residents were not getting needed information.
- The Emergency Operations Plan also did not account for communicating with residents in languages other than English, resulting in **flyers containing translation errors or inaccurate information**.
- The Mayor's Office wanted to approve public communication due to the sensitive nature of the event, but this process deviated from best practices and **caused some delays and confusion**.

**Finding 3:** The City's use of an incident management team worked well, but a lack of policies and training led to delays.

- The City's incident management team (IMT) worked effectively to coordinate efforts to respond to infrastructure damage, but it did not have a list of pre-identified staff to fill the positions, which resulted in delays, according to IMT leadership.
- The IMT received requests from policymakers that were **outside of or conflicted with the IMT's responsibility**, causing confusion and frustration among staff.

*Individuals Within an Emergency Response Structure Should Only Have One Designated Supervisor*



Source: OCA generated based on review of the National Management System and interviews with the City's IMT.

**Finding 4:** Increasing staff training and tracking lessons learned from previous disasters can help the City prepare for future disasters.

- There were several areas in which the Office of Emergency Services (OES) could improve its disaster planning and preparedness, but the identified areas **did not have a significant impact** on the overall flood response.
- These areas include expanding guidance on volunteer and donation management, updating the Emergency Operations Center roster, and implementing a system to **assign and track** emergency management **training for City staff**.
- OES does not have a policy to ensure it consistently drafts after-action reports or a way to ensure recommendations resulting from these reports are tracked and implemented.

## What OCA Recommends

We made **23 recommendations**. Key recommendations include:

- Develop a **framework that clearly sets out the City's planned overall role** in disaster response and recovery.
- Clarify and provide training on the **roles of the Mayor's Office and City Council during disasters**.
- Create a **City-specific recovery plan** that establishes the responsibilities of City departments and external partners in disaster recovery, like providing care and shelter services and engaging with the community.
- **Update disaster communication plans to ensure they meet residents' needs**, including expeditious translations when needed.
- Develop policies for **mobilizing an incident management team** in an emergency.
- Continue to **develop a training program for City leadership and staff** on the on the City's emergency response protocol.
- **Track lessons learned** from previous disasters.

The City Administration **agreed to all 23 recommendations**.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).

# Performance Audit of the City's Key Performance Indicators

## Why OCA Did This Study

Performance measurement is an **essential transparency tool** for a government agency like the City of San Diego (City), allowing taxpayers, City Management, and Council to monitor and engage with how the City is performing. The FY2026 Adopted Budget estimates that the City will face an average annual structural budget deficit of \$49 million from FY2027 through FY2030. Given limited resources, Key Performance Indicators (KPIs) should be used by City leadership as evidence to **help allocate the budget** in a way that **minimizes negative service level impacts**, to evaluate the City's programs and services, and to **deliver improved outcomes** for residents.

Therefore, we conducted a performance audit with three objectives:

- (1) Determine if the City has achieved its KPI targets for the past three years (FY2023–FY2025);
- (2) Evaluate the control environment of the City's KPI process with respect to City policies and government best practices; and
- (3) Assess the relevance and timeliness of the City's KPIs as determined by stakeholder feedback and the City's Strategic Plan.

## What OCA Found

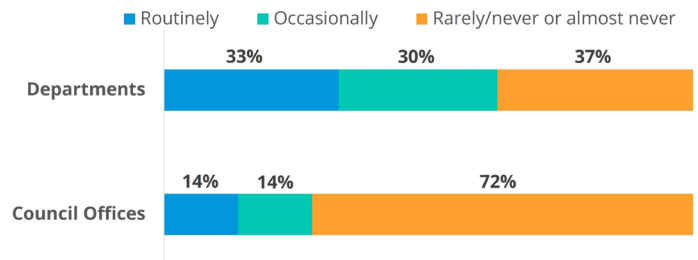
**Finding 1:** Although they are a critical governance and management tool, the City underutilizes KPIs and should strengthen oversight to ensure greater accuracy, transparency, and value for City services.

- Only **one out of seven** Council Offices and **9 out of 27** departments that responded to our KPI survey reported **routinely using KPIs to inform budget, policy and/or operational decisions**.
- KPIs are not being used because of Council and Management **concerns about KPI accuracy and value**; however, the City has **limited controls** and oversight to ensure KPIs are accurate and reliable.
- We found no evidence that KPIs have been discussed in a systematic or regular manner at Council Committees from FY2015 through FY2025.

- Council Offices reported little value in reviewing current KPIs during the budget process.

### Exhibit 3: Survey Results Indicate Council Offices and Departments Are Not Routinely Using KPIs to Inform Budgetary Decisions

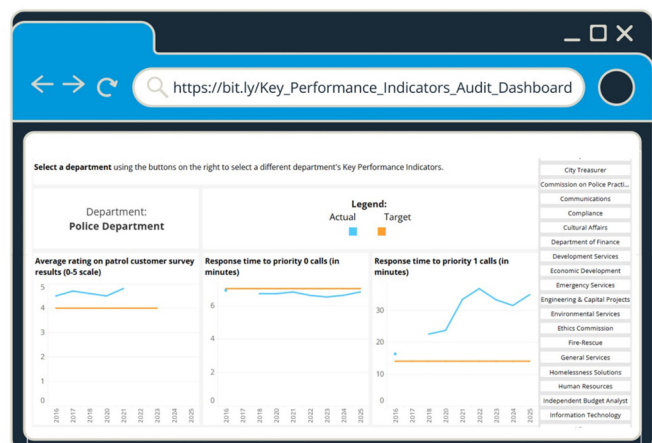
How often do you refer to KPIs when you make budgetary decisions?



Source: OCA generated based on a survey of Council Offices and departments with KPIs in the FY2025 and FY2026 budgets..

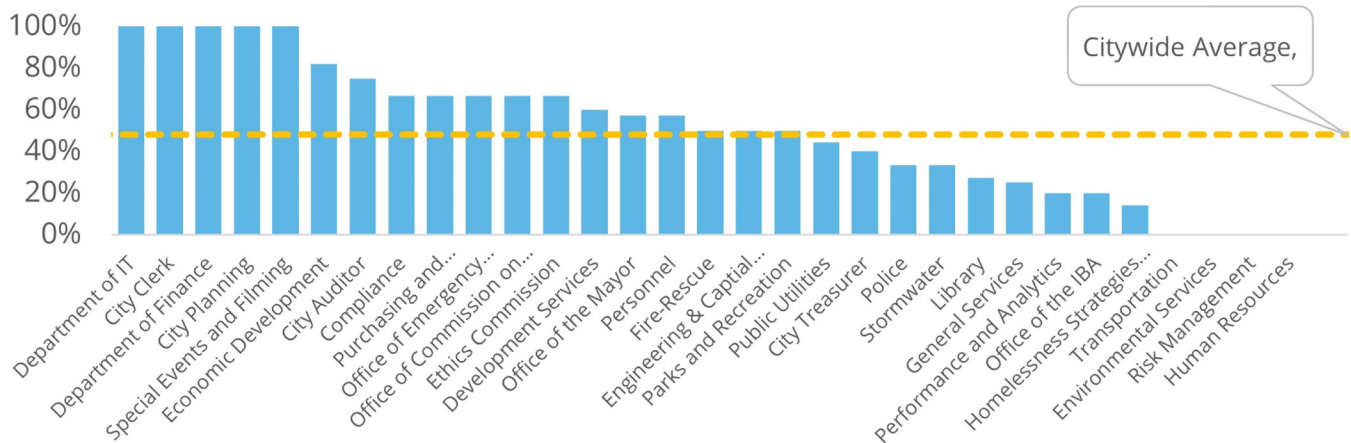
- Limited oversight and controls can lead to inaccurate KPIs, KPIs that are not top priorities, and KPIs that are irrelevant, unrealistic, and/or misaligned with best practices.
- The City can improve its online KPI performance dashboard by **incorporating visuals and historical data** to help identify performance trends over time.
- As a supplement to this audit report, we built a dashboard with visual historical data: [https://bit.ly/Key\\_Performance\\_Indicators\\_Audit\\_Dashboard](https://bit.ly/Key_Performance_Indicators_Audit_Dashboard).

### Exhibit 10: The City's KPI Performance Dashboard Should Include Visuals of Historical Trends and Descriptions of Each KPI



Source: Screenshot of OCA generated performance dashboard based on KPI data from FY2017 to present.

**Exhibit 12: Reflecting a Range of Realistic vs. Aspirational Targets, the Percentage of KPIs that Met their Performance Target Varied from the Extremes of 0% to 100% Across Departments in FY2026, which Makes it Difficult to Compare and Interpret Results**



Source: OCA generated based on analysis of the FY2026 Budget.

**Finding 2: The City lacks a cohesive approach to KPIs and should provide increased guidance for their selection and development to enhance accountability and comparability.**

- The percent of KPIs that met their targets **varies widely** across City departments—ranging from 0–100 percent. On average, the City met 48 percent of its KPI targets; however, due to the **differing ways in which departments select KPI goals**, it is unclear what conclusions decisionmakers and the public are supposed to reach.
- While the Performance and Analytics Department (Panda) provides support, training, and guidance to departments for their KPIs, **the City does not have a formal, enforceable policy on whether KPIs should be aspirational or realistically achievable.**
- According to Panda, it encourages departments to implement KPIs that **balance aspirational** targets (i.e., they reflect the ideal service level regardless of budget) **and achievable** targets (i.e., they are realistic given the budgetary reality).
- City departments and Council Offices do not agree on whether KPIs should be aspirational or realistic, but **most agree that departments should have at least one of both.**
- The U.S. Government and the City and County of San Francisco have two sets of KPIs— aspirational, long-term KPIs and realistic, nearer-term KPIs.

- A **KPI philosophy** would enhance accountability, comparability, and expectations management for services across City departments.
- Notably, the City Attorney's Office is the only City department without KPIs.
- The City Attorney's Office stopped publishing KPIs in the budget in FY2006 and annual reports detailing the department's accomplishments in 2017.

### What OCA Recommends

We made five recommendations and City Management agreed to implement all five. Key recommendation elements to improve KPI oversight and comparability include:

- Developing, publishing, and presenting at Council Committee(s) an annual Performance Report for the City's KPIs to facilitate more in-depth discussion of KPIs;
- Creating a KPI data validation process to ensure accuracy of the City KPIs;
- Developing a publicly accessible dashboard that includes historical performance data;
- Creating and implementing a formal policy documenting the City's KPI philosophy and guidance for departments to follow; and
- The City Attorney's Office establishing and reporting a KPI (or KPIs).

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).

# Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2024

*This audit is conducted annually in accordance with the requirements of City of San Diego Charter Section 55.2*

## Why OCA Did This Study

The City Charter requires that the City Auditor report annually the extent and nature of the Mission Bay and the San Diego Regional Parks Improvement Funds’ revenues, expenses, and improvements and compliance with the requirements of Section 55.2. To comply with the Charter and in accordance with the City Auditor’s Fiscal Year 2025 Annual Audit Work Plan, we have performed an audit of the Mission Bay and the Regional Parks Improvement Funds’ financial activity in fiscal year 2024.

## What OCA Found

A payment application issue impacted our review of the Mission Bay revenue for FY2024, however, the Economic Development Department (EDD) appears to have taken steps to subsequently resolve the issue. Expenditures appeared to be in compliance with the requirements of Charter Section 55.2.

### Fiscal Year 2024 Financial Activity:

We found that the \$20 million assigned to the General Fund was made as required by City Charter, and the revenues in excess of the \$20 million threshold were distributed to the San Diego Regional Parks Improvement Fund (SDRPIF) and Mission Bay Improvement Fund (MBIF) based on the Charter formula for distribution, as shown in Exhibit 2.

We found that \$5,944,964 was transferred from Mission Bay Lease Revenue to the SDRPIF for capital improvements and \$11,040,647 was transferred to the MBIF.

During the course of this audit, the City’s Annual Report on Internal Controls for 2024 stated there were issues with EDD’s lease invoicing and payment processing, which resulted in a large backlog of unresolved lease payment discrepancies.

Therefore, at the time of this audit, we could not confirm that all Mission Bay Lease Revenue payments in FY2024 have been applied appropriately and the correct amount of funds were transferred to the MBIF and SDRPIF.

### Exhibit 2: FY2024 Mission Bay Lease Revenue Allocation to the Mission Bay and San Diego Regional Parks Improvement Funds

Mission Bay Lease Revenue Allocation to Fund	Allocation Breakdown in Excess of Threshold	FY2024 Allocation Amounts	FY2023 Allocation Amounts
San Diego Regional Parks Improvement Fund	35% or 3.5 million, whichever is greater, of the amount in excess of the \$20 million threshold	\$5,944,964	\$6,608,581
Mission Bay Park Improvement Fund	65% of the excess over the \$20 million threshold, if less than the 65%, then the remainder after the San Diego Regional Parks allocation	\$11,040,647	\$12,273,079

Source: OCA generated based on San Diego City Charter, Article V, Section 55.2(b)

We also included 4 findings in our report detailing other issues we encountered:

**Finding 1: The Office of the City Treasurer could not formally issue potential audit findings from the required percentage lease revenue audits for FY2024 due to a City Management-directed moratorium on revenue audits, which increases the risk of loss of revenue and reduces transparency and oversight for the City.**

- City Council Policy 700-10 requires the Office of the City Treasurer to conduct revenue audits of each percentage lease every five years.
- During FY2025, the Office of the City Treasurer could not complete and formally close all planned audits, which included lease revenue for FY2024, due to a lease audit moratorium that City Management stated was implemented to improve business processes.
- According to the EDD, the department is in process of resolving these issues, and we will review the department’s resolution of this matter further during our FY2025 audit of the funds.



**Finding 2: The Economic Development Department did not impose lease penalty fees for Mission Bay rental accounts for FY2024.**

- The City did not assess any late penalty fees for FY2024 due to a large backlog of unapplied payments of \$8 million for all City lease revenue—including Mission Bay lease revenue.
- While no late fees were assessed on Mission Bay leases, late fees were assessed for some non-Mission Bay leases, and the funds were incorrectly transferred to the Improvement Funds.
- As a result, we were unable to determine if revenue from the late payments were accurately included in the split of revenue and complied with City Charter Section 55.2.

**Finding 3: Of 31 Mission Bay rental agreements, 11 (or 35 percent) are in “holdover” status, which may be leading to foregone revenue for the City and potential or perceived favoritism amongst lessees.**

- Of Mission Bay’s 31 leases, 11 (or 35 percent) are expired and are currently in “holdover” status, as of July 2025.
- While in holdover status, leases and permit agreements require appraisals to be conducted. These appraisals are to ensure the lease rate is of fair market value and to seek Council approval to extend the lease beyond the agreement terms.
- Allowing leases to remain in holdover, the City may be losing out on potential revenue that could be generated from appraising a property and renewing a lease with the current market value, or entering into a new tenancy under a competitive bidding process.

**Finding 4: The City should provide additional project information to the improvement fund oversight committees to strengthen transparency and maximize project delivery.**

- In FY2024 City staff provided high level project status reports to the both the Mission Bay Park and San Diego Regional Park Improvement Fund Oversight Committees (Oversight Committees), however both Oversight Committees stated the information was insufficient to execute their responsibilities.

- There is no guidance document stating which project information the departments should provide the Oversight Committees regularly. This guidance would ensure project status reports are comprehensive and standardized to allow the Oversight Committees to more easily analyze the project information against previous reporting periods.

**Recommendation Follow Up: We found that the two remaining audit recommendations from the FY2021 Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds have been implemented.****What OCA Recommends**

We made five recommendations and City Management agreed to all five. Key recommendation elements include:

- City Management should issue a memorandum or other written guidance that discourages future audit moratoria and which requires promptly informing the Office of the City Auditor and Audit Committee if the ability to perform lease revenue audit functions is restricted in the future;
- EDD should develop and utilize a lease management process that includes annual verification of lease terms and agreements;
- EDD should document department procedures to reconcile system payment data with SAP in accordance with existing City policy;
- EDD should ensure that leases that are in holdover status receive the required City Council approval and property appraisals; and
- The Parks and Recreation and Engineering and Capital Projects Departments should work with the Oversight Committees to reach an agreement on which project elements should be shared regularly.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or [cityauditor@sandiego.gov](mailto:cityauditor@sandiego.gov).



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