



THE CITY OF SAN DIEGO  
OFFICE OF CITY COUNCILMEMBER HENRY L. FOSTER III  
FOURTH COUNCIL DISTRICT  
**MEMORANDUM**

Date: January 9, 2026

To: Councilmember Vivian Moreno, Chair, Audit Committee

From: Councilmember Henry L. ~~Foster III~~

Subject: 2026 Audit Committee Priorities

---

I am honored to serve on the Audit Committee (Committee) and appreciate the opportunity to contribute to this critical work. I look forward to working with Audit Committee members to strengthen accountability, transparency, and fiscal stewardship. This role is especially important as the City of San Diego (City) confronts a structural deficit and an estimated \$110 million shortfall heading into FY 2027. Accordingly, the Committee's priorities should focus on identifying inefficiencies, addressing ineffective practices, and advancing recommendations that improve the City's efficiency and effectiveness. My Committee priorities for the year ahead are outlined below:

**Audit Recommendation Implementation and Accountability**

The City Auditor regularly issues recommendations to improve efficiency, strengthen internal controls, reduce risk, and capture cost savings and revenue opportunities. I would like to see the Committee prioritize regular status updates from City staff on prior audit recommendations that have not yet been implemented—particularly those with the potential to reduce costs and/or increase revenues—and identify actionable steps the Committee can recommend to the San Diego City Council to ensure timely compliance.

**Evaluation of Management Structure and Organizational Balance**

An appropriate balance between management, supervisory, and frontline staff is essential to efficient service delivery and fiscal sustainability. Overly top-heavy organizational structures can increase costs, slow decision-making, and divert resources away from direct public services. The Committee should prioritize an audit evaluating management and supervisory staffing levels across City departments relative to frontline positions, including manager-to-employee ratios, consistency across departments, benchmarking against comparable jurisdictions, and identification of opportunities to streamline management layers while preserving effective oversight and service quality.

**Evaluation of Council Policy 800-14 Outcomes**

I request that the Audit Committee prioritize an audit of the City's execution of Council Policy 800-14 to determine whether the adopted Capital Improvement Program prioritization framework is achieving its goal. This policy's goal is to establish a capital planning prioritization process to

optimize the use of available resources for projects and guide an objective methodology used to produce equal and equitable outcomes. The audit should examine the outcomes of this policy, which includes whether the policy is reducing subjectivity and bias in decision-making and delivering equitable CIP investments across communities, as intended.

#### **Outside Contractors**

Each year, the City uses contracts for a variety of purposes, including legal consultants and engineering services. In many cases, City departments must resort to using outside contractors due to having a large number of vacant positions, making it easier to hire outside contractors rather than hire new City employees. I would like to see the Committee prioritize receiving reports on spending for outside contracts, including a breakdown by contract type, and evaluate opportunities to improve fiscal oversight by identifying areas where costs could be reduced and service delivery improved by utilizing City employees rather than external vendors.

#### **San Diego Police Department (SDPD) Training and Compliance**

Effective training is essential to lawful policing, public safety, and reducing the City's exposure to liability. SDPD is subject to multiple state-mandated, POST-required, and department-specific training requirements related to use of force, de-escalation, bias-free policing, and crisis intervention. Gaps in completion, tracking, or compliance can undermine public trust and contribute to costly settlements and judgments. The Committee should prioritize an audit of SDPD's training programs to assess required training, completion and compliance rates, tracking and documentation practices, remediation for non-compliance, and alignment between training and field operations, and to identify risks and opportunities to strengthen accountability and reduce future liability.

#### **Pure Water Program Cost Controls**

The Pure Water Program is one of the City's largest and most complex infrastructure investments and is essential to long-term water reliability. Given its scale, cost overruns or implementation inefficiencies could pose serious financial risks to the City and ratepayers. Regular auditing of costs, controls, and project governance is necessary to maintain fiscal discipline and transparency. The Committee should prioritize audits that identify cost drivers, risks, and opportunities for improved efficiency and cost savings related to the implementation of Pure Water.

#### **Citywide Homelessness Investments and Outcomes Accountability**

Given the scale and complexity of the City's homelessness response, the Committee should prioritize a comprehensive update on the City's efforts to address homelessness that examines funding allocations across prevention, outreach, shelter, and housing interventions alongside measurable outcomes. This review should assess cost-effectiveness, identify inefficiencies or duplication, and determine whether current investments are producing results commensurate with spending, in order to inform recommendations that improve accountability, outcomes, and fiscal stewardship.

#### **Structural Deficit and Operational Efficiency**

The City faces a growing structural budget deficit and projected long-term fiscal pressures. Identifying cost savings, revenue opportunities, program inefficiencies, and opportunities to improve service delivery is essential to maintaining core services while protecting the City's financial health. Audits can play a critical role in informing difficult budget decisions with data-driven analysis. The Committee should prioritize audits that identify cost savings, revenue opportunities, inefficiencies, and improve operational effectiveness.

For questions, please contact Daniel Horton at [hortond@sandiego.gov](mailto:hortond@sandiego.gov).

HLIII:dh