Description

The Office of the City Auditor (OCA) is an independent City department created by voters through the passage of Proposition C in 2008. Per City Charter Section 39.2, the City Auditor reports and is accountable to the Audit Committee and conducts performance audits of City departments, offices, and agencies in accordance with Government Auditing Standards. In addition, OCA administers the City's Fraud Hotline Program and oversees investigations of all material complaints received related to fraud, waste, and abuse.

OCA's goal is to enhance public trust in the City's proper use of taxpayer money by reviewing program performance and compliance with laws and regulations for the General Fund, Enterprise Funds, Special Revenue Funds, Internal Service Funds, and Capital Project Funds.

OCA is a key municipal asset that helps ensure accountability and oversight of City operations and programs, and that limited public funds are used appropriately, effectively, and efficiently. The department's independent audits and investigations routinely identify opportunities for cost savings, efficiencies, additional revenues, and equitable delivery of City services. These audits and investigations provide essential information to assist the Mayor and the City Council in decision-making. They also provide recommendations to improve City operations and mitigate the risks identified during our audits and investigations. OCA regularly follows up and reports on the status of these recommendations, which helps hold City management accountable for making critical improvements. The department also promotes community engagement by issuing audit and investigative reports through various public communications, such as emails and postings on government and social media sites.

The vision is:

A City government that inspires public trust through transparency, accountability, and continuous improvement.

The 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 City government.

Goals and Objectives

Goal 1: ***Provide recommendations to City leadership that improve the efficiency, effectiveness, and equity of the City of San Diego's government.***

- Provide independent, objective, accurate, reliable, and timely information to the Audit Committee, the City Council, the Mayor, City management, the public, and other stakeholders to inform their decision-making process.
- Identify opportunities to improve City programs that result in financial benefits, substantial improvements in service delivery, and/or improved oversight, compliance, transparency, or accountability.
- Administer the City’s Fraud Hotline Program to detect, deter, and respond to fraud, waste, and abuse within City government.
- Utilize audits to identify opportunities for improved efficiency and the effective use of City resources.
- Regularly report the status and encourage implementation of open recommendations.

Goal 2: ***Broaden the department’s reach and engagement with stakeholders, including the general public.***

- Refine the department’s digital strategy, seek ways to expand public engagement, and facilitate awareness and understanding of OCA’s work.
- Provide audit results, including findings and recommendations, to relevant stakeholders.

Goal 3: ***Continue to be a leader in the local government performance auditing field.***

- Further professional staff development to maximize skillsets and comply with continuing professional education requirements.
- Participate in professional organizations to keep informed of professional standards, learn from other practitioners, and offer advocacy and representation.

- Provide investigation results, including recommendations for necessary actions to be taken, for all allegations of fraud, waste, abuse, or violations of law and regulations that are found to be substantiated.

Goal 4: Pursue continuous improvement of office operations.

- Update the annual risk assessment methodology to ensure that our limited resources are directed toward the audit topics that will achieve the greatest impact for residents and taxpayers.
- Implement Measure A, approved by 67 percent of voters in March 2024, by retaining independent legal counsel.
- Enhance the Recommendation Follow-Up Dashboard to provide stakeholders with more comprehensive tools to assess management's progress on implementing audit and investigative recommendations.

Budget Equity Impact Statement

Equity Highlights

Examples from the current fiscal year.

- Performance Audit of the City's Disaster Response (OCA 25-10): Recommended update to disaster communication plans to ensure they meet residents' needs, including expeditious translations when needed.
- Performance Audit of the City's Grants Program (OCA-25-07): Recommended the creation of a Citywide grants strategic plan to include a summary of departments' staff capacity limitations and identified strategies to address these limitations.
- Performance Audit of the City's Street Maintenance Program (OCA-24-07): Recommended listing of street selection prioritization factors, including new equity criteria that will be incorporated into the planning process.

Budget Equity Lens Summary

Ongoing Operations

Is there an opportunity to adjust the department's ongoing operations to mitigate the impacts of identified disparities, gaps, and deficiencies?

NO

The department is achieving equal outcomes for both employees and community members, given current budget limitations. Most of the department's non-personnel expenditure (NPE) budget is allocated to core, non-discretionary functions that cannot be reduced. Specifically, more than 80% of the department's NPE is comprised of: the Charter-required ACFR contract; implementation of Measure A for outside legal advice; essential systems to manage workflows and support and maintain the confidentiality of audit and investigative work; and staff training required by Government Auditing Standards per the City Charter. Any changes would result in a negative impact to ongoing operations.

Budget Adjustment(s)

Do the adjustments impact any department disparities, gaps, and deficiencies?

YES

Adjustment(s) impact disparities, gaps and deficiencies identified within the following Tactical Equity Plan (TEP) Goals and Objectives:

TEP Goal 1,2, 3

•Objective 1-1, 1-2, 2-1,2-2, 3-1: The addition of expenditure and revenue budget for 1.00 FTE Employ and Empower Intern will impact the General Fund. This addition will enable the department to receive necessary assistance with performance audits by gathering and organizing data for analysis, issuing audit reports, assisting with the creation of graphs, charts, and tables, and undertaking special projects as needed. Additionally, the role will support department operations through administrative duties, including tracking and reporting on the continued professional education requirements.

TEP Goal 3

•Objective 1, 2: The restoration and reduction of the one-time non-personnel expenditure will impact the General Fund and will negatively impact the department’s ability to meet training requirements to comply with Government Auditing Standards per the City Charter and eliminate the department’s ability to cover any unexpected overage expenditures for the citywide ACFR contract.

Key Performance Indicators

Performance Indicator	Definition	Baseline	FY2026 Performance	Goal
Audit Recommendations	Percentage of audit recommendations management agrees to implement	98.00%	100.00%	95.00%
Audit Work Plan[1]	Percentage of audit work plan completed during the fiscal year	74.00%	64.00%	90.00%
Hotline Investigation[2]	Percentage of hotline investigation recommendations management agrees to implement	70.00%	0.00%	90.00%

1 Various factors impacted Office of the City Auditor's ability to complete the Fiscal Year 2026 Audit Workplan. Due to budget constraints, two Performance Auditor positions remained vacant for more than half of the fiscal year, and two part-time Performance Auditor positions were eliminated for the full fiscal year. This limited the department's ability to staff audits. In addition, unanticipated delays occurred in obtaining information from management.

2 No public hotline investigations were completed for Fiscal Year 2026.

Department Summary

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
FTE Positions (Budgeted)	24.00	24.00	25.00	1.00
Personnel Expenditures	$4,789,898	$5,112,340	$5,234,117	$121,777
Non-Personnel Expenditures	665,932	777,017	863,339	86,322
Total Department Expenditures	**$5,455,830**	**$5,889,357**	**$6,097,456**	**$208,099**
Total Department Revenue	**$448**	**$ -**	**$24,985**	**$24,985**

General Fund

Department Expenditures

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
City Auditor	$5,455,830	$5,889,357	$6,097,456	$208,099
Total	**$5,455,830**	**$5,889,357**	**$6,097,456**	**$208,099**

Department Personnel

	FY2025 Budget	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
City Auditor	24.00	24.00	25.00	1.00
Total	**24.00**	**24.00**	**25.00**	**1.00**

Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	-	$96,796	$ -
One-time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in the prior Fiscal Year.	-	60,000	-
Support for Information Technology Adjustment to expenditure allocations according to an annual review of information technology funding requirements.	-	26,988	-

Budget Adjustments

	FTE	Expenditures	Revenue
Employ and Empower Program Support Addition of 1.00 Intern - Hourly and associated revenue to support the Employ and Empower Program.	1.00	24,981	24,985
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	-	(666)	-
Total	**1.00**	**$208,099**	**$24,985**

Expenditures by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
PERSONNEL EXPENDITURES				
Personnel Cost	3,451,585	3,613,453	3,768,540	155,087
Fringe Benefits	1,338,313	1,498,887	1,465,577	(33,310)
PERSONNEL SUBTOTAL	**4,789,898**	**5,112,340**	**5,234,117**	**121,777**
NON-PERSONNEL EXPENDITURES				
Supplies	6,139	8,406	8,461	55
Contracts & Services	474,474	553,473	612,752	59,279
External Contracts & Services	*417,208*	*494,333*	*554,333*	*60,000*
Internal Contracts & Services	*57,267*	*59,140*	*58,419*	*(721)*
Information Technology	179,478	208,938	235,926	26,988
Other Expenses	5,840	6,200	6,200	-
NON-PERSONNEL SUBTOTAL	**665,932**	**777,017**	**863,339**	**86,322**
Total	**$5,455,830**	**$5,889,357**	**$6,097,456**	**$208,099**

Revenues by Category

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Charges for Current Services	$ -	$ -	$24,985	$24,985
Other Revenue	448	-	-	-
Total	**$448**	**$ -**	**$24,985**	**$24,985**

Personnel Expenditures

Job Number	Job Title/Wages	FY2025 Budget	FY2026 Budget	FY2027 Adopted	Salary Range	Total
FTE, Salaries and Wages						
21000000	Assistant City Auditor	1.00	1.00	1.00	55,453 - 331,053	$250,973
20001233	Assistant to the Director	3.00	3.00	3.00	79,643 - 292,822	465,141
20001252	City Auditor	1.00	1.00	1.00	99,237 - 375,918	288,330

Personnel Expenditures

Job Number	Job Title/Wages	FY2025 Budget	FY2026 Budget	FY2027 Adopted	Salary Range	Total
91001000	Intern - Hourly	0.00	0.00	1.00	36,920 - 47,320	23,241
21000001	Performance Audit Manager	1.00	1.00	1.00	79,643 - 292,822	187,429
20001135	Performance Auditor	18.00	18.00	18.00	36,920 - 242,590	2,546,305
	Adjust Budget To Approved Levels					-
	Vacation Pay In Lieu					7,121
FTE, Salaries and Wages Subtotal		**24.00**	**24.00**	**25.00**		**$3,768,540**

	FY2025 Actual	FY2026 Budget	FY2027 Adopted	FY2026-2027 Change
Fringe Benefits				
Employee Offset Savings	8,573	9,561	6,591	(2,970)
Flexible Benefits	325,576	354,226	314,953	(39,273)
Insurance	1,826	-	-	-
Long-Term Disability	12,301	18,501	16,397	(2,104)
Medicare	50,313	52,914	54,541	1,627
Other Post-Employment Benefits	101,194	97,728	75,888	(21,840)
Retiree Medical Trust	7,203	7,845	8,316	471
Retirement 401 Plan	15,402	17,437	20,665	3,228
Retirement ADC	611,131	716,712	756,388	39,676
Retirement DROP	951	-	-	-
Risk Management Administration	33,269	39,984	38,088	(1,896)
Supplemental Pension Savings Plan	150,114	159,217	141,689	(17,528)
Unemployment Insurance	-	3,462	3,271	(191)
Workers' Compensation	20,460	21,300	28,790	7,490
Fringe Benefits Subtotal	**$1,338,313**	**$1,498,887**	**$1,465,577**	**($33,310)**
Total Personnel Expenditures			**$5,234,117**	