DATE: August 11, 2026

TO: Honorable Members of the Audit Committee

FROM: Andy Hanau, City Auditor

SUBJECT: City Auditor Activity Report – July 2026

This report provides information about the Office of the City Auditor's activities in the month of July 2026. This includes audit reports issued, the status of current audit projects, and a list of planned audits that have not yet started.

The "Target Completion Date" provided for each audit project indicates our estimate of when the audit report will be issued. However, report issuances may be delayed by future circumstances, such as delays in receiving data for review, numerous and extensive findings that require further evaluation, and additional discussions with management to demonstrate that our audit findings are valid and recommendations for improvement are necessary.

The Office of the City Auditor issued the following work products in July 2026:

7/22/2026
City Auditor's Quarterly Fraud Hotline Report - Q4 Fiscal Year 2026

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T (619) 533-3165
To report fraud, waste, or abuse, call our fraud hotline: (866) 809-3500
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Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Performance Audit of Citywide Vehicle Rentals	The objectives of this audit are to: 1. Determine whether the City effectively plans and monitors vehicle rental spending to control costs and complies with contract terms. 2. Determine whether the City evaluates vehicle rental decisions, in accordance with best practices, to ensure renting is more cost-effective than owning or using City vehicles. 3. Determine whether the City coordinates vehicle planning and uses vehicle utilization data to minimize unnecessary rentals and avoid impacts to services.	August 2026	1,777	1,800
IT Performance Audit of Citywide Cybersecurity Defenses	The objective of this audit is to evaluate the effectiveness of Citywide cyber defenses against both internal and external cyber threats, including cyberattacks. The audit may include a contract for specialized cybersecurity skills, which OCA anticipates could be funded through its current budget allocation.	September 2026	2,089	1,400
Performance Audit of the Streetlight Repair Program	The objective of this audit is to determine if the City's streetlight repair program is structured and operated to deliver timely, efficient, and equitable services across neighborhoods and whether there is appropriate oversight over the program.	September 2026	1,303	1,600

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Performance Audit of the San Diego Police Department's Internal Affairs Unit	The objectives of this audit are to: 1. Determine if SDPD categorizes, investigates, and reports allegations of police officer misconduct in a manner that is fair, complete, and in line with laws and best practices. 2. Determine if SDPD's discipline outcomes for police misconduct are fair and in line with laws and best practices.	Fall 2026	1,846	2,200
Annual Audit of Mission Bay and San Diego Regional Parks Improvement Funds, FY2025	The Annual Mission Bay Funds Audit is required by the City Charter, Article V, Section 55.2(e). The objective of this audit is to verify that the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements.	October 2026	446	500
Performance Audit of Arts and Culture Funding Equity	The objectives of this audit are to: 1. Determine if the City captures and effectively communicates the ways the City invests in or requires investment in arts and culture. 2. Determine if the distribution of arts and culture investments is equitable and if opportunities exist to improve equity. 3. Determine if the composition of arts and culture investments is designed to best achieve the City's stated goals.	November 2026	1,178	1,800

Audits in Progress – Fieldwork Stage Continued

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Performance Audit of Police Armory	The objective of this audit is to determine if SDPD has controls and procedures in place to ensure that weapons and ammunition are adequately managed for operational efficiency, security and safety, and prevention of loss and misuse.	November 2026	628	1,000
Performance Audit of the Business Tax Program	The objectives of this audit are to: 1. Determine how the City's business tax certificate program and practices compare with those of other jurisdictions, including rate structures, adjustments, and exemptions, revenue collection, and enforcement. 2. Determine the extent to which the City Treasurer's Office identifies businesses subject to the business tax certificate requirements, assesses and collects related revenue due, and takes steps towards enforcement action for non-compliant businesses accounts.	November 2026	752	1,600

Other Audit Activity

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	We report recommendation implementation status in a semi-annual follow-up report as well as our interactive recommendation tracking dashboard, and we periodically issue other recommendation follow-up reports. We issued our latest semi-annual report in April 2026.	On-going	73	900
Fraud, Waste, and Abuse Hotline	We review Fraud Hotline calls received and investigate allegations of material fraud, waste, or abuse. We issue reports for substantiated fraud-related allegations and a Quarterly Fraud Hotline Report with the status of activities.	On-going	257	3,500

Audit Reports and Other Work Products Completed During FY2027

7/22/2026
City Auditor's Quarterly Fraud Hotline Report - Q4 Fiscal Year 2026

FY2027 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
Performance Audit of Returns on Homelessness Investments	2,200
Performance Audit of the Engineering & Capital Projects Department's Management of Emergency Contracts and Change Orders	2,100
Performance Audit of Affordable Housing Agreements	2,000
Performance Audit of the Public Utilities Department's Customer Service	1,900
Performance Audit of the Lifeguard Services Division's Dispatch Process	1,600
Performance Audit of Public Restroom Maintenance	1,600
Performance Audit of Special Use Permits	1,800
Performance Audit of Municipal Airport Management	1,800
IT audits	1,100
Performance Audit of Development Impact Fees	TBD
Annual Audit of Mission Bay and San Diego Regional Parks Improvement Funds, FY2026	400
Annual Central Stores Agreed-Upon Procedures, FY2026	10

Respectfully submitted,

Andy Hanau
City Auditor

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