DATE: October 21, 2026

TO: Honorable Members of the Audit Committee

FROM: Andy Hanau, City Auditor

SUBJECT: City Auditor Activity Report – September 2026

This report provides information about the Office of the City Auditor's activities in the month of September 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 September 2026:

9/29/2026
Performance Audit of Citywide Vehicle Rentals

9/30/2026
Audit Recommendation Follow-Up Report Status Update as of June 30, 2026

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Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
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.	October 2026	1,644	1,600
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	785	500
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.	November 2026	2,170	1,400
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.	January 2027	929	1,000

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
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.	January 2027	1,418	1,800
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.	January 2027	1,290	1,600
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.	February 2027	2,114	2,200

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Performance Audit of Public Restroom Maintenance	The tentative objective of this audit is to assess the efficiency and effectiveness of the City's maintenance and cleaning of public restrooms to ensure they are available for public use.	TBD	62	1,600
Performance Audit of Affordable Housing Incentives	The tentative objective of this audit is to determine whether the City effectively ensures affordable housing generated through the Density Bonus, Inclusionary Housing Ordinance, and other programs is retained as affordable housing in accordance with the property owner's agreement with the City.	April 2027	52	2,000

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 September 2026.	On-going	300	900
Fraud, Waste, and Abuse Hotline	We review calls received through the Fraud Hotline 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	876	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

8/26/2026
Fraud Hotline Report of the City's Lease with Barnes Tennis Center

9/29/2026
Performance Audit of Citywide Vehicle Rentals

9/30/2026
Audit Recommendation Follow-Up Report Status Update as of June 30, 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 the Public Utilities Department's Customer Service	1,900
Performance Audit of the Lifeguard Services Division's Dispatch Process	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