



THE CITY OF SAN DIEGO

DATE: May 23, 2016
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – April 2016

This report provides information on the activities of the Office of the City Auditor for the month of April 2016. It includes the audit reports issued during the month, the status of current audit projects, and a summary of planned audits that we have not yet started.

April 15, 2016 – Issued our City Auditor’s Quarterly Fraud Hotline Report for the 3rd Quarter, Fiscal Year 2016. The report can be found on our website at: https://www.sandiego.gov/sites/default/files/fraud_q3_2016_update_report_3.pdf

April 18, 2016 – Issued our Hotline Investigation of Landscape Contracts. The report can be found on our website at: https://www.sandiego.gov/sites/default/files/16-013_hotline_investigation_landscape_contracts_4.pdf

April 20, 2016 – Issued our Performance Audit of the City Treasurer’s Business and Rental Tax Online Payment Collection Systems. The report can be found on our website at: https://www.sandiego.gov/sites/default/files/16-015_city_treasurer_rtax_btax_audit.pdf

April 21, 2016 – Issued our Performance Audit of Selected Contracts. The report can be found on our website at: https://www.sandiego.gov/sites/default/files/16-016_audit_of_selected_contracts.pdf

April 21, 2016 – Issued our Recommendation Follow-up Report for the period ending December 31, 2015. The report can be found on our website at: https://www.sandiego.gov/sites/default/files/recommendation_follow-up_12-31-2015_1.pdf

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TO REPORT FRAUD, WASTE, OR ABUSE, CALL OUR FRAUD HOTLINE: (866) 809-3500



Audits in Progress – Report Writing

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
San Diego Public Libraries	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Public Libraries.	May 2016	1,682	1,400
Annual Mission Bay Fund Audit FY 2015	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 the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements.	May 2016	253	400

Audits in Progress – Fieldwork

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
San Diego Housing Commission	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Housing Commission.	June 2016	2,189	2,000
San Diego Police Department, and Public Works– Engineering & Capital Projects: Right-of-Way Design Division – Pedestrian Safety	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the City’s programs responsible for pedestrian safety.	June 2016	1,321	1,600

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
San Diego Police Department – Property and Evidence Room	The tentative objective of this audit is to evaluate the responses to and implementation of recommendations set forth in the FY 2015 San Diego County Grand Jury report pertaining to SDPD’s controls over the Property and Evidence Room.	July 2016	93	200
IT Audit of the Accela Software Implementation	This is a cursory audit of the Accela software implementation. The objective of this audit is to help ensure Accela is configured to mitigate the risks identified in prior audit recommendations and proper system implementation procedures are followed. This audit will not be completed until the system is implemented in Fiscal Year 2017.	TBD	96	200

Audits in Progress – Planning

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Development Services Department (DSD) - Permitting	The tentative objective of this audit is to review the efficiency and effectiveness of selected areas of DSD’s permitting processes.	TBD	331	1,600
SAP User Access/Provisioning	This audit will focus on the access granted in SAP focusing on privileged user accounts, segregation of duty conflicts, their mitigating controls and a review of the access provisioning process.	TBD	132	450

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
San Diego Convention Center	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Convention Center.	TBD	370	2,000

Other Audit Activity

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	We report the implementation status on a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports. Our most recent report was issued on April 21, 2016.	On-going	482	700
Close-out Audits	Close-out audits are required by City Charter, Article VII, Section 111, when a City Official leaves office. The primary audit objectives are to verify that there are no outstanding debts owed by the City Official to the City, and to ensure that access to critical information and processes has been revoked.	As Needed	112	240
Fraud, Waste and Abuse Hotline	City Auditor investigative staff reviews Fraud Hotline calls received and performs investigations for allegations of material fraud, waste or abuse. Reports are issued for substantiated fraud-related allegations, and we issue a Quarterly Fraud Hotline Report with the status of activities.	On-going	1,474	1,410

FY 2016 Planned Audits Not Yet Started

Planned Audit	Estimated Audit Hours
Streets Division – Streetlight Installation ¹	1,600
Capital Improvements Program	2,000
Data Center Security (IT)	450
Annual Central Stores Inventory Audit FY 2016	40

Respectfully submitted,



Eduardo Luna
City Auditor

cc: Honorable Mayor Kevin Faulconer
Honorable Members of the City Council
Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Marshall Anderson, Director of Council Affairs
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst

¹ The Streetlight Installation audit is replacing the Fleet Services audit as discussed at the April 27, 2016 Audit Committee meeting.