



## THE CITY OF SAN DIEGO

DATE: May 19, 2017  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – April 2017

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

**April 4, 2017– Issued our Performance Audit of City Gas and Electric Utility Billing. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/17-018\\_gas\\_and\\_electric\\_utility\\_billing.pdf](https://www.sandiego.gov/sites/default/files/17-018_gas_and_electric_utility_billing.pdf)

**April 4, 2017– Issued our Quarterly Fraud Hotline Report – Quarter 3 Fiscal Year 2017. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/city\\_auditors\\_quarterly\\_fraud\\_hotline\\_report\\_q3\\_fiscal\\_year\\_2017.pdf](https://www.sandiego.gov/sites/default/files/city_auditors_quarterly_fraud_hotline_report_q3_fiscal_year_2017.pdf)

**April 26, 2017– Issued our semi-annual Audit Recommendation Follow-Up Report. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/recommendation\\_follow-up\\_12-31-16.pdf](https://www.sandiego.gov/sites/default/files/recommendation_follow-up_12-31-16.pdf)



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



**Audits in Progress – Report Writing**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours<sup>1</sup></b>
<b>Special Events</b>	The objective is to determine the efficiency and effectiveness of the Special Events Application Process.	Issued May 5, 2017	1,016	600
<b>Mayor’s Office - Boards and Commissions</b>	The objective of this audit is to determine the efficiency and effectiveness of the management of Boards and Commissions.	May 2017	694	600
<b>Capital Improvements Program (CIP) – Quality Assurance</b>	The objectives of this audit is to evaluate the CIP quality assurance process.	June 2017	2,099	1,600

**Audits in Progress – Fieldwork**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Capital Improvements Program (CIP) – Lifeguard Tower</b>	The objective is to evaluate the construction process for the La Jolla Lifeguard Tower.	June 2017	264	400
<b>Economic Development</b>	The objective is to determine the efficiency and effectiveness of the Business and Industry Incentive Program.	July 2017	717	1,600

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<sup>1</sup> For audits carried over from FY16, “Budgeted Hours” reflects the sum of actual hours used in FY16 and the estimated hours needed in FY17 to complete the audits.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>IT Audit of the Accela Software Implementation</b>	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.	July 2017	293	500
<b>Park and Recreation</b>	The objective is to determine the efficiency and effectiveness of Park and Recreation’s Citywide activities and programs.	August 2017	649	1,950

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Facilities Financing - Development Impact Fees (DIF)</b>	The tentative objective of this audit is to determine the efficiency and effectiveness of the Development Impact Fee program designed to fund public facilities which serve the community.	TBD	490	1,800
<b>Transportation &amp; Storm Water – Storm Water</b>	The tentative objective is to determine the efficiency and effectiveness of the Storm Water Division.	TBD	327	1,800
<b>Comptroller - Grants</b>	The tentative objective is to determine the efficiency and effectiveness of the City’s grant management.	TBD	455	1,800

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Security Audit of Public Utilities PCS and SCADA systems</b>	The tentative objective is to assess the IT control environments of the Plant Control System (PCS) and the Supervisory Control and Data Acquisition (SCADA) system for remote monitoring and control of remote utility equipment.	TBD	420	600
<b>Communications</b>	The tentative objective is to determine the accuracy of the Communications Department's charges for services to the City's Enterprise funds.	TBD	42	600
<b>Annual Mission Bay Fund Audit FY16</b>	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.	TBD	24	400

**Other Audit Activity**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Follow-up on Audit Report Recommendations</b>	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 4, 2017.	On-going	784	670
<b>Fraud, Waste and Abuse Hotline</b>	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	2,100	2,100

**FY 2017 Planned Audits Not Yet Started**

Planned Audits	Estimated Audit Hours
Data Security Controls Audit of Sensitive Police Department Data	800
Annual Central Stores Inventory Audit FY17	30

Respectfully submitted,



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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  
Mara Elliot, City Attorney  
Andrea Tevlin, Independent Budget Analyst