



THE CITY OF SAN DIEGO

DATE: May 3, 2018
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – April 2018

This report provides information on the Office of the City Auditor's activities for April 2018. This includes any audit reports issued during the month, the status of current audit projects, a list of planned audits that have not yet started, and a list of audit and hotline investigation reports completed during Fiscal Year 2018. The Target Completion Date provided for each audit project in process indicates our estimate of when the audit report will be issued.

Reports Issued April 2018

April 16, 2018– Issued our Fraud Hotline Quarterly Report – Q3 Fiscal Year 2018. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/city_auditors_quarterly_fraud_hotline_report_fiscal_year_2018_qtr3.pdf

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



Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Transportation & Storm Water – Storm Water	The objective is to evaluate Storm Water Division’s asset management and revenue generation strategies.	May 2018	2,699	1,800
Facilities Financing - Development Impact Fees (DIF)	The objective of this audit is to determine if fees are collected and deposited into the applicable community fund, the methodology for assessing and spending fees can be improved, and expenditures are in compliance with the Mitigation Fee Act.	May 2018	1,853	1,800
City’s Fiscal Sustainability and Financial Condition	The objective for this audit is to review the fiscal sustainability and financial condition of the City of San Diego by analyzing trends in the City’s financial data over a 10-year period.	May 2018	293	600
Data Security Controls Audit of Sensitive Police Department Data	The objective of this audit is to determine if the Police Department utilizes sufficient IT controls over their sensitive data to prevent loss or theft.	May 2018	765	800
Human Capital Audit – Office of the Chief Operating Officer/ Personnel/ Human Resources	The objective for this audit is to evaluate the efficiency and effectiveness of the City’s recruitment, retention, and development of employees. Because the subject matter is broad, this is the first of a series of audits reviewing various aspects of human capital issues.	June 2018	936	1,800

¹ For audits carried over from FY17, “Budgeted Hours” reflects the hours used in FY17 Audit Work Plan.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Real Estate Assets – Leased and Surplus Properties	The objective for this audit is to evaluate the management of City-owned surplus property.	June 2018	1,157	1,400

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Public Utilities – Customer Support Services Division and Water Billing²	The objective for this audit has been changed to include a review of the accuracy of water billing. Once this audit is completed, a separate audit will review the efficiency and effectiveness of the Customer Support Division call center – call wait times and customer service.	June 2018 (for the water billing report)	1,697	2,000 ³
Public Utilities – Water Operations – Construction & Maintenance – Water Meter Cover Replacement Process	The objective for this audit is to evaluate the efficiency and effectiveness of the Water Meter Cover Replacement Process.	June 2018	804	800
Transportation Storm Water – Transportation Engineering Ops Division and Streets Division – Curb Painting Process/Program	The objective for this audit is to evaluate the efficiency and effectiveness of the City’s Curb Painting process/program.	June 2018	469	600

² The scope of the Public Utilities Customer Support Services Division Audit has been changed to include a review of Water Billing Accuracy, and the estimated budgeted hours has been increased from 800 to 2,000 hours.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Community Planning Group Audit³	The objectives for this audit are to determine if Community Planning Groups have an effective control environment, are they in compliance with key elements of Council Policy 600-24 and Administrative Guidelines, and are they a contributing factor to permit approval delays.	July 2018	889	1,800
Fleet Services – Vehicle Acquisition	The objective for this audit is to determine if Fleet Operations’ vehicle acquisition process is efficiently meeting the City’s needs.	July 2018	977	1,800
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. Management has not determined when full implementation will be completed.	TBD	452	500

³ This audit replaced the Risk Management – Public Liability Audit as mentioned during the July 26, 2017 Audit Committee Meeting.

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Mission Bay Fund Audit FY17	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.	July 2018	49	420
Security Audit of Cityhub and Supporting Infrastructure	The tentative objective is to determine whether Cityhub data is adequately secured through the application and supporting infrastructure as a data repository for department sensitive information.	TBD	91	700

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 March 29, 2018.	On-going	799	800
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	2,286	3,100

FY 2018 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
IT Audit of Disaster Recovery Preparedness	1,100
Annual Central Stores Inventory Audit FY18	20

Audit and Hotline Investigation Reports Completed During FY 2018

July 13, 2017

[Performance Audit of the City's Quality Management of Street Repaving Projects](#)

August 31, 2017

[Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2016](#)

September 8, 2017

[Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2017](#)

September 19, 2017

[Performance Audit of the La Jolla Children's Pool Lifeguard Station](#)

September 20, 2017

[Confidential IT Security Audit Report: PUD Wastewater Industrial Control Systems](#)

September 25, 2017

[Hotline Investigation of Charitable Activities Conducted on City Time](#)

September 28, 2017

[Performance Audit of the Economic Development Department's Business Cooperation Program](#)

October 12, 2017

[Confidential IT Security Audit Report: PUD Water Ops Industrial Control Systems](#)

October 12, 2017

[Performance Audit of the Park and Recreation Department's Maintenance Operations](#)

October 19, 2017

[Performance Audit of the Communications Department's Charges for Services to Enterprise Funds](#)

October 20, 2017

[Performance Audit of the City's Grant Management](#)

December 4, 2017

[Hotline Investigation of an Information Technology Contract](#)

December 22, 2017

[Fraud Hotline Investigation Report of Waste in the Transportation Alternatives Program](#)

December 28, 2017

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[Fraud Hotline Investigation of Water Theft](#)

January 16, 2018

[Performance Audit of the Economic Development Department's Business and Industry Incentives Program](#)

February 6, 2018

[Hotline Investigation of Attempted Theft of City-Provided Clothing](#)

March 29, 2018

[Fraud Hotline Investigation of City Youth Sports League Referee Background Checks](#)

Respectfully submitted,



Eduardo Luna
City Auditor

cc: Honorable Mayor Kevin Faulconer
Honorable Members of the City Council
Kris Michell, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Jessica Lawrence, Policy Advisor
Andrea Tevlin, Independent Budget Analyst
Mara Elliott, City Attorney