



THE CITY OF SAN DIEGO

DATE: May 10, 2019
TO: Honorable Members of the Audit Committee
FROM: Kyle Elser, Interim City Auditor
SUBJECT: City Auditor Activity Report – April 2019

This report provides information on the Office of the City Auditor's activities as of April 30, 2019. This includes any audit reports issued during the month of April, 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, future circumstances may delay report issuance, such as delays in receiving data for review, numerous and extensive findings that require further evaluation, and additional discussions with management to prove and demonstrate that our audit findings are valid and recommendations for improvement are necessary.

Reports Issued April 2019:

April 8, 2019 – Issued our Performance Audit of the City Employee Pay Equity. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/19-015_pay_equity_0.pdf

April 9, 2019 – Issued our Performance Audit of Joint Use Agreements with San Diego Unified School District. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/19-016_joint_use.pdf

April 11, 2019 – Issued our City Auditors Quarterly Fraud Hotline Report – Q3 Fiscal Year 2019. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/city_auditors_quarterly_fraud_hotline_report_fiscal_year_2019_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
Annual Mission Bay Fund Audit FY 18	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 2019	193	420
Public Utilities – Customer Support Service Division	The objective for this audit is to determine the efficiency and effectiveness of the Customer Support Division call center – call wait times and customer service.	May 2019	1,443	1,200
Transportation & Storm Water – Tree Trimming Process	The objective for this audit is to assess whether the program is ensuring that the tree maintenance contractor is adequately meeting contracted obligations and City standards; assess whether efficiency improvements can be made to the service notification and work order processes to shorten completion times; and assess whether the program has the staffing and equipment capacity to complete their current backlog and maintain a reasonable level of open work orders.	May 2019	1,057	1,000

¹ For audits carried over from Fiscal Year (FY) 2018, “Budgeted Hours” reflects the actual hours used in FY 2018 plus the Budgeted hours for FY 2019.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
IT Audit of Disaster Recovery Preparedness	<p>The objectives are to (1) Determine if the City has adequately defined and ensured the availability of sufficient physical resources from which to obtain, transfer, and restore its information systems in the event of a disaster. (2) Assess whether the City has sufficiently defined and tested its ability to restore logical systems, comprised of applications, data, and platforms, in the event of a disaster. And (3) Determine if the City has sufficiently defined, trained, and tested, personnel resources and their logistics to travel to the recovery site and restore the City’s information systems in the event of a disaster.</p>	<p>May 2019</p>	<p>771</p>	<p>800</p>
Public Utilities - Water Operations - Construction & Maintenance – AMI Implementation Project	<p>The objectives for this audit are to 1) Evaluate the management of PUD’s AMI implementation project to-date to identify lessons learned that should inform the remaining AMI implementation as well as future major projects at PUD; and 2) Determine whether efficiency and effectiveness can be improved in the AMI implementation process to reduce costs, improve the speed of the rollout, and ensure accurate and timely billing.</p>	<p>June 2019</p>	<p>1,658</p>	<p>2,000</p>

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Neighborhood Services - Homelessness	The objectives for this audit are to review and evaluate the City's sources of funding and expenditures related to homelessness programming and determine if the City's organizational structure for addressing homelessness can be improved to better coordinate decision-making and operations.	June 2019	1,642	2,000

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Strategic Human Capital Management	The tentative objective for this audit is to evaluate the City's effectiveness at strategically managing its human capital resources, including opportunities to increase City employee incentives, discipline, and pay competitiveness.	TBD	128	2,200
Risk Management / City Attorney - Liability Payouts	The tentative objective for this audit is to assess Public Liability payouts and review the process for implementing corrective actions to reduce potential liability.	TBD	434	2,200
Development Services – Charges for Deposit Accounts	The tentative objective is to evaluate the effectiveness of DSD's billing process for Deposit Accounts as it relates to applicants being charged for services.	TBD	347	2,000

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
IT Audit of Network Perimeter Controls	The tentative objective of this IT Audit is to assess the City's network perimeter controls.	TBD	85	820
Annual Central Stores Inventory Audit FY 19	San Diego Municipal Code Section §22.0501 requires an annual count of inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of Central Stores inventory.	TBD	1	20

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. May 1, 2019–Issued our Recommendation Follow-Up Report for the period ending December 31, 2018.	On-going	1,061	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	2,585	3,100

FY 2019 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
IT Audit of Citywide Sensitive Data Encryption Standards and Data Classification	640
Public Works - Engineering & Capital Projects - Department Charges	1,800

Audit and Hotline Investigation Reports Completed During FY 2019

July 9, 2018

[Citywide Human Capital Fact Book](#)

July 23, 2018

[Performance Audit of the Real Estate Assets Department's Portfolio Management Practices](#)

July 26, 2018

[Performance Audit of The Public Utilities Department's Water Billing Operations](#)

August 31, 2018

[Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2017](#)

August 31, 2018

[Performance Audit of the Public Utilities Department's Water Meter Cover Replacement Program](#)

September 4, 2018

[Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2018](#)

September 27, 2018

[Performance Audit of the Fleet Operations' Vehicle Acquisition Process](#)

September 28, 2018

[Hotline Report of Jury Duty Service Fraud](#)

September 28, 2018

[Hotline Report of a Mishandled Payroll Check](#)

November 16, 2018

[Performance Audit of Development Services' Accela Permitting System Implementation](#)

November 16, 2018

[Performance Audit of the City's Annual Employee Compensation Reports](#)

December 10, 2018

CONFIDENTIAL – IT Security Audit of Cityhub and Supporting Infrastructure

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December 13, 2018
[Performance Audit of Community Planning Groups](#)

February 11, 2019
[Performance Audit of the City's Curb Painting Process](#)

April 8, 2019
[Performance Audit of City Employee Pay Equity](#)

April 9, 2019
[Performance Audit of the City's Administration of Joint Use Agreements with San Diego Unified School District](#)

Respectfully submitted,



Kyle Elser
Interim City Auditor

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