



THE CITY OF SAN DIEGO

DATE: October 24, 2016
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – August and September 2016

This report provides information on the activities of the Office of the City Auditor for the months of August and September 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.

August 4, 2016 – Issued our Fraud Hotline Investigation of Abuse in the Public Utilities Department’s Selection Phase of the Hiring Process. The report can be found on our website at:

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

August 18, 2016 – Issued our Hotline Investigation of Park and Recreation Department Activity Fee Collection Abuse. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/17004_hotline_investigation_prd_fee_collection_abuse.pdf

September 13, 2016 – Issued our Audit of the San Diego Housing Commission. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/17-005_performance_audit_sdhc.pdf

September 15, 2016 – Issued our Audit of the City’s Programs Responsible for Improving Pedestrian Safety. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/17-006_performance_audit_ped_safety.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 Hours¹
Annual Central Stores Inventory Audit FY16	The objective of this audit is to confirm the valuation of Central Stores inventory.	Issued October 3, 2016	8	30
Development Services Department (DSD) - Permitting	The objective of this audit is to review the efficiency and effectiveness of DSD's expedite permitting processes.	November 2016	1,488	1,600

Audits in Progress – Fieldwork

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Streets Division – Streetlight Repair	The tentative objective of this audit is to review the efficiency and effectiveness of the City's streetlight repair program.	November 2016	783	800
San Diego Convention Center²	The objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Convention Center.	December 2016	1,577	2,000
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.	December 2016	383	500

¹ 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.

² During the October 19, 2016 Audit Committee meeting, we communicated hours for this audit will be increased due to staffing changes, significant data entry, and having to contact multiply entities.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
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.	June 2017	249	500

Audits in Progress – Planning

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Citywide Privileged User Management	The tentative objective is to determine if the City appropriately manages privileged accounts on non-outsourced servers, desktop computers, and standard images.	January 2017	109	300
Capital Improvements Program (CIP)	The tentative objective of this audit is to evaluate the efficiency and effectiveness of selected CIP project management and implementation issues.	TBD	404	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 October 13, 2016.	On-going	226	670
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	585	2,100

FY 2017 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
Special Events	600
Environmental Services	600
Communications	600
Mayor's Office – Boards and Commissions	600
Economic Development	1,600
Park and Recreation	1,950
Transportation & Storm Water – Storm Water	1,800
City Attorney	1,800
Comptroller - Grants	1,800

Planned Audits	Estimated Audit Hours
Development Services - Development Impact Fees (DIF)	1,800
Annual Mission Bay Fund Audit FY16	400
Security Audit of Public Utilities PCS and SCADA systems	600
Data Security Controls Audit of Sensitive Police Department Data	800

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