



## THE CITY OF SAN DIEGO

DATE: September 21, 2017  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – August 2017

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This report provides information on the activities of the Office of the City Auditor for the month of August. 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.

**August 31, 2017– Issued our Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2016. This report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-002\\_missionbayimprovement\\_fy16.pdf](https://www.sandiego.gov/sites/default/files/18-002_missionbayimprovement_fy16.pdf)



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**Audits in Progress – Report Writing**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>1</sup>
<b>Annual Central Stores Inventory Audit FY17</b>	The objective of this audit is to confirm the valuation of Central Stores inventory.	Report Issued September 9, 2017	10	30
<b>Capital Improvements Program (CIP) – Lifeguard Tower</b>	The objective is to evaluate the construction process for the La Jolla Lifeguard Tower.	Report Issued September 19, 2017	464	400
<b>Security Audit of Public Utilities PCS and SCADA systems</b>	The 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. Two confidential reports will be issued.	1 <sup>st</sup> report Issued September 20, 2017  2 <sup>nd</sup> report October 2017	1,255	600
<b>Economic Development</b>	The objective is to evaluate the management controls overseeing the Business and Industry Incentives Program, as well as the effectiveness of the incentives offered.	1 <sup>st</sup> report September 2017  2 <sup>nd</sup> report October 2017	1,431	1,600

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<sup>1</sup> For audits carried over from FY17, "Budgeted Hours" includes the hours used in FY17.

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.	TBD	343	500

**Audits in Progress – Fieldwork**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Park and Recreation</b>	The objective is to determine the efficiency and effectiveness of Park and Recreation’s Citywide activities and programs.	October 2017	1,742	1,950
<b>Comptroller - Grants</b>	The objective is to determine the efficiency and effectiveness of the City’s grant management.	October 2017	968	1,800
<b>Communications</b>	The objective is to determine if the Communications Department is accurately billing the City's Enterprise funds for services, and to determine if there is an increased use of consultants by Enterprise Fund Departments for communications-related services.	October 2017	524	600

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Transportation &amp; Storm Water – Storm Water</b>	The objective is to evaluate Storm Water Division’s asset management and revenue generation strategies.	November 2017	1004	1,800

**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.	November 2017	807	1,800

**Other Audit Activity**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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. Our next recommendation follow-up report will be issued in November 2017.	On-going	111	800

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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	557	3,100

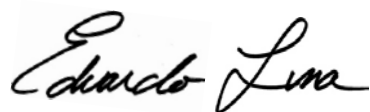
**FY 2018 Planned Audits Not Yet Started**

Planned Audits	Estimated Audit Hours
City's Fiscal Sustainability and Financial Condition	600
Transportation Storm Water – Transportation Engineering Ops Division and Streets Division – Curb Painting Process/Program.	600
Public Utilities – Customer Support Services Division	800
Public Utilities – Water Operations – Construction & Maintenance – Water Meter Cover Replacement Process	800
Economic Development – Climate Action Plan	1,200
San Diego Police Department – Youth Curfew Program	1,200
Real Estate Assets – Leased and Surplus Properties	1,400
Fleet Services – Vehicle Acquisition	1,800
Community Planning Group Audit <sup>2</sup>	1,800
Human Capital Audit – Office of the Chief Operating Officer/ Personnel/ Human Resources	1,800
Data Security Controls Audit of Sensitive Police Department Data	800

<sup>2</sup> This audit replaced the Risk Management – Public Liability Audit as mentioned during the July 26, 2017 Audit Committee Meeting.

Planned Audits	Estimated Audit Hours
IT Audit of Disaster Recovery Preparedness	1,100
Security Audit of Cityhub and Supporting Infrastructure	700

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 Elliott, City Attorney  
Andrea Tevlin, Independent Budget Analyst