



## THE CITY OF SAN DIEGO

DATE: September 16, 2021  
TO: Honorable Members of the Audit Committee  
FROM: Andy Hanau, City Auditor  
SUBJECT: City Auditor Activity Report – August 2021

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This report provides information on the Office of the City Auditor's activities as of August 31, 2021. This includes any audit reports issued during the month of August, 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 demonstrate that our audit findings are valid and recommendations for improvement are necessary.

### **No reports were issued during August 2021**

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**Audits in Progress – Report Writing Stage**

| Audit  | Audit Objective   | Target Completion Date | Audit Hours Used | Budgeted Hours <sup>1</sup> |
|--|---|------------------------|------------------|-----------------------------|
| <b>Annual Central Stores Inventory Audit FY 2021</b> | 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. | September 2021         | 10               | 20                          |
| <b>Department of Finance - User Fees</b>             | The objective for this audit is to review the process and frequency of user fee updates to determine if they are being evaluated and updated in accordance with CP 100-05 and industry best practices.  | October 2021           | 1,650            | 1,700                       |

**Audits in Progress – Fieldwork Stage**

| Audit  | Audit Objective  | Target Completion Date | Audit Hours Used | Budgeted Hours <sup>1</sup> |
|--|--|------------------------|------------------|-----------------------------|
| <b>Parks &amp; Recreation – Program Equity</b> | The objectives are to (1) Determine whether the Department effectively identifies recreation programming equity needs in each community, (2) Determine whether the Department meets identified programming needs equitably through funding and staffing allocations, and (3) Determine whether the Department provides residents with equitable access to recreation programs. | October 2021           | 1,798            | 1,900                       |

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<sup>1</sup> For audits carried over from Fiscal Year (FY) 2021, “Budgeted Hours” reflects the actual hours used in FY 2021 plus the budgeted hours for FY 2022.

| Audit  | Audit Objective  | Target Completion Date | Audit Hours Used | Budgeted Hours <sup>1</sup> |
|--|--|------------------------|------------------|-----------------------------|
| <b>City's Fiscal Sustainability and Financial Condition</b>  | 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 the 10-year period of FY 2011 to FY 2020.   | November 2021          | 78               | 400                         |
| <b>Real Estate Assets Department - Leasing City Property</b> | The objectives are to (1) To evaluate whether READ's process for monitoring and transitioning expiring and holdover agreements to long term leases aligns with best practices, (2) To evaluate whether lease contracts contain best practice lease contract clauses. | December 2021          | 1,039            | 1,600                       |

**Audits in Progress - Planning Stage**

| Audit   | Audit Objective  | Target Completion Date | Audit Hours Used | Budgeted Hours |
|---|--|------------------------|------------------|----------------|
| <b>IT Application Audit of the Fire Department's Emergency Response Management System</b> | The tentative objective for this audit is to test the effectiveness of the IT general controls and IT security controls of the Fire Department's Emergency Response Management System. | TBD                    | 87               | 600            |
| <b>Risk Management - Workers' Compensation</b>  | The tentative objective is to review the Workers' Compensation and Industrial Leave claims and determine if adequate controls are in place to ensure payments are made appropriately.  | TBD                    | 208              | 2,000          |

| Audit  | Audit Objective   | Target Completion Date | Audit Hours Used | Budgeted Hours |
|--|---|------------------------|------------------|----------------|
| <b>San Diego Police Department - Management of Body Worn Cameras</b> | The original tentative objective of this audit was to review SDPD's Community Policing practices. We have updated this tentative objective based and are now proposing that this audit review SDPD's policies and procedures regarding body camera footage and determine if they are aligned with best practices and local, state, and federal regulations; and to determine whether internal controls are in place to ensure body camera footage is properly collected, maintained, and monitored by appropriate personnel and whether the appropriate audit trail is captured when information is accessed. | TBD                    | 175              | 2,000          |

**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. | On-going               | 270              | 1,400          |

| 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               | 550              | 2,960          |

**FY 2022 Planned Audits Not Yet Started**

| Planned Audits  | Estimated Audit Hours |
|---|-----------------------|
| Annual Central Stores Inventory Audit FY22                        | 200                   |
| Annual Mission Bay Fund Audit FY 2021                             | 300                   |
| IT Performance Audit of Fire-Safety Department's Network Security | 1,000                 |
| Get It Done Application   | 1,800                 |
| San Diego Police Department – Vehicle Towing Process              | 1,800                 |
| Development Services Department - Code Enforcement                | 1,800                 |
| Homeless Strategies / Housing Commission                          | 2,200                 |
| Public Works: Engineering & Capital Projects                      | 2,400                 |

**Audit Reports Completed During FY 2022**

**07/22/2021**

[Performance Audit of the City's Major Building Acquisition Process](#)

**07/21/2021**

[Performance Audit of The City's Use of Cares Act Funding](#)

Respectfully submitted,



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Andy Hanau  
City Auditor

cc: Honorable Mayor Todd R. Gloria  
Honorable Members of the City Council  
Honorable City Attorney Mara Elliott  
Jay Goldstone, Chief Operating Officer  
Kristina Peralta, Deputy Chief Operating Officer  
Andrea Tevlin, Independent Budget Analyst