



## THE CITY OF SAN DIEGO

DATE: January 25, 2016  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – December 2015

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This report provides information on the activities of the Office of the City Auditor for the month of December 2015. 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.

**December 2, 2015 – Issued our Audit Memorandum Regarding San Diego Public Library Internal Control Issues. The report can be found on our website at:**

**[www.sandiego.gov/auditor/reports/fy16\\_pdf/audit/16-008\\_Public\\_Library\\_Memo.pdf](http://www.sandiego.gov/auditor/reports/fy16_pdf/audit/16-008_Public_Library_Memo.pdf)**

**December 2, 2015 – Issued our Hotline Investigation of Misuse of Scrap Metal and Contract Deficiencies. The report can be found on our website at:**

**[www.sandiego.gov/auditor/reports/fy16\\_pdf/hotline/16-009\\_Hotline\\_Misuse\\_of\\_Scrap\\_Metal.pdf](http://www.sandiego.gov/auditor/reports/fy16_pdf/hotline/16-009_Hotline_Misuse_of_Scrap_Metal.pdf)**



OFFICE OF THE CITY AUDITOR  
1010 SECOND AVENUE, SUITE 555, WEST TOWER • SAN DIEGO, CA 92101  
PHONE (619) 533-3165 • FAX (619) 533-3036

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



**Audits in Progress – Report Writing**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Public Utilities – Overhead Rate Review</b>	The objective of this audit is to review the accuracy and reasonableness of overhead rates charged by City departments for services provided to Public Utilities.	January 2016	1,637	1,010
<b>Purchasing &amp; Contracting Department – Selected Contract Review</b>	This audit is a follow-up to the audit of Citywide Contract Oversight, issued in Fiscal Year 2015. The objective of this audit is to review selected City contracts to evaluate areas of potential risk and loss to the City.	February 2016	1,602	1,500

**Audits in Progress – Fieldwork**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Transportation &amp; Storm Water Department: Street Division, and Public Works-Engineering &amp; Capital Projects: Right-of-Way Design Division – Streets Audit</b>	The tentative objective of this audit is to examine various issues pertaining to street trenching and paving issues, including, but not limited to, an evaluation of adherence to the requirements set forth in the City's Street Preservation Ordinance.	March 2016	1,175	1,500
<b>San Diego Public Libraries</b>	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Public Libraries.	April 2016	901	1,400
<b>IT Audit of the Treasurer's RTax System</b>	The tentative objective of this audit is to ensure that the RTax system is configured securely to protect and process sensitive information.	April 2016	192	450
<b>IT Audit of the Treasurer's BTax System</b>	The tentative objective of this audit is to ensure that the BTax system is configured securely to protect and process sensitive information.	April 2016	192	450
<b>San Diego Housing Commission</b>	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Housing Commission.	April 2016	897	2,000

**Audits in Progress – Fieldwork (continued)**

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 in Fiscal Year 2017.	TBD	62	200

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>SDPD, and Public Works-Engineering &amp; Capital Projects: Right-of-Way Design Division – Pedestrian Safety</b>	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the City's programs responsible for pedestrian safety.	TBD	327	1,600

**Other Audit Activity**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<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	332	700
<b>Close-out Audits</b>	Close-out audits are required by City Charter, Article VII, Section 111, when a City Official leaves office. The primary audit objectives are to verify that there are no outstanding debts owed by the City Official to the City, and to ensure that access to critical information and processes has been revoked.	As Needed	51	240
<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	893	1,410

**FY 2016 Planned Audits Not Yet Started**

<b>Planned Audit</b>	<b>Estimated Audit Hours</b>
San Diego Police Department (SDPD) – Property and Evidence Room	200
Development Services Department (DSD) – Permitting	1,600
Fleet Services	1,600
Capital Improvements Program (CIP)	2,000
Convention Center	2,000
Annual Mission Bay Fund Audit FY15	400
Annual Central Stores Inventory Audit FY16	40

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  
Brian Pepin, Director of Council Affairs  
Jan Goldsmith, City Attorney  
Andrea Tevlin, Independent Budget Analyst