



## THE CITY OF SAN DIEGO

DATE: January 17, 2018  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – December 2017

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This report provides information on the Office of the City Auditor's activities for December 2017. This includes any audit reports issued during the month, the status of current audit projects, and a list of planned audits that have not yet started.

**December 4, 2017– Issued our Hotline Investigation of an Information Technology Contract. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/hotline\\_investigation\\_of\\_an\\_information\\_technology\\_contract.pdf](https://www.sandiego.gov/sites/default/files/hotline_investigation_of_an_information_technology_contract.pdf)

**December 22, 2017– Issued our Fraud Hotline Investigation Report of Waste in the Transportation Alternatives Program. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-013\\_waste\\_in\\_tap.pdf](https://www.sandiego.gov/sites/default/files/18-013_waste_in_tap.pdf)

**December 28, 2017– Issued our Fraud Investigation of Water Theft. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-014\\_fraud\\_hotline\\_investigation\\_of\\_water\\_theft.pdf](https://www.sandiego.gov/sites/default/files/18-014_fraud_hotline_investigation_of_water_theft.pdf)

**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<sup>1</sup></b>
<b>Economic Development</b>	The objective is to determine the efficiency and effectiveness of the Business and Industry Incentive Program.	1 <sup>st</sup> Report Issued On September 28, 2017  2 <sup>nd</sup> Report January 2018	2,222	1,600
<b>Transportation &amp; Storm Water – Storm Water</b>	The objective is to evaluate Storm Water Division’s asset management and revenue generation strategies.	February 2018	1,580	1,800

**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>Facilities Financing - Development Impact Fees (DIF)</b>	The objective of this audit is to determine if fees are collected and deposited into the applicable community fund, the methodology for assessing and spending fees can be improved, and expenditures are in compliance with the Mitigation Fee Act.	March 2018	1,222	1,800
<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 a 10-year period.	April 2018	97	600

<sup>1</sup> For audits carried over from FY17, “Budgeted Hours” reflects the hours used in FY17 Audit Work Plan.

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. Management has not determined when full implementation will be completed.	TBD	407	500

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Human Capital Audit – Office of the Chief Operating Officer/ Personnel/ Human Resources</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the City’s recruitment, retention, development, and compensation of employees. Because the subject matter is broad, this is the first of a series of audits reviewing various aspects of human capital issues	March 2018	369	1,800
<b>Data Security Controls Audit of Sensitive Police Department Data</b>	The tentative objective is to determine if the Police Department utilizes sufficient IT controls over their sensitive data to prevent loss or theft.	April 2018	365	800

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Public Utilities – Water Operations – Construction &amp; Maintenance – Water Meter Cover Replacement Process</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the Water Meter Cover Replacement Process.	April 2018	327	800
<b>Security Audit of Cityhub and Supporting Infrastructure</b>	The tentative objective is to determine whether Cityhub data is adequately secured through the application and supporting infrastructure as a data repository for department sensitive information.	April 2018	60	700
<b>Transportation Storm Water – Transportation Engineering Ops Division and Streets Division – Curb Painting Process/Program</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the City’s Curb Painting process/program.	April 2018	229	600
<b>Community Planning Group Audit<sup>2</sup></b>	The tentative objective of this audit is to review the efficiency and effectiveness of Community Planning Groups and their compliance with relevant Council policies.	May 2018	412	1,800
<b>Fleet Services – Vehicle Acquisition</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the Fleet Acquisition process.	May 2018	460	1,800

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

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Real Estate Assets – Leased and Surplus Properties</b>	The tentative objective for this audit is to evaluate the management of City owned surplus and leased property, including lease holdovers.	May 2018	458	1,400

**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 October 31, 2017.	On-going	476	800
<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	1,729	3,100

**FY 2018 Planned Audits Not Yet Started**

<b>Planned Audits</b>	<b>Estimated Audit Hours</b>
Public Utilities – Customer Support Services Division	800
Economic Development – Climate Action Plan	1,200
San Diego Police Department – Youth Curfew Program	1,200
IT Audit of Disaster Recovery Preparedness	1,100
Annual Mission Bay Fund Audit FY17	420
Annual Central Stores Inventory Audit FY18	20

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  
Andrea Tevlin, Independent Budget Analyst  
Ken So, Deputy City Attorney