



THE CITY OF SAN DIEGO

DATE: March 11, 2019
TO: Honorable Members of the Audit Committee
FROM: Kyle Elser, Interim City Auditor
SUBJECT: City Auditor Activity Report – February 2019

This report provides information on the Office of the City Auditor's activities as of February 28, 2019. This includes any audit reports issued during the month of February, 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 prove and demonstrate that our audit findings are valid and recommendations for improvement are necessary.

Reports Issued February 2019:

February 11, 2019 – Issued our Performance Audit of the City's Curb Painting Process.

The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/19-014-curb_painting_process.pdf

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Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Parks and Recreation – Joint Use Agreements	The objective for this audit is to determine whether the operations and oversight of Joint Use Agreement between the City of San Diego and San Diego Unified School District are administered efficiently.	March 2019	851	800
Human Resources and Personnel – City Employee Pay Equity	This is the second audit report that will be issued as part of the Employee Compensation Reporting topic on OCA’s FY 2019 Work Plan. The objective for this audit is to determine whether the City uses, or could use, compensation-related data to monitor pay equity across different employee groups, such as by gender.	March 2019	First Report Published November 16, 2018 On-going hours: 930	800

¹ For audits carried over from Fiscal Year (FY) 2018, “Budgeted Hours” reflects the actual hours used in FY 2018 plus the Budgeted hours for FY 2019.

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Transportation & Storm Water – Tree Trimming Process	The objective for this audit is to assess whether the program is ensuring that the tree maintenance contractor is adequately meeting contracted obligations and City standards; assess whether efficiency improvements can be made to the service notification and work order processes to shorten completion times; and assess whether the program has the staffing and equipment capacity to complete their current backlog and maintain a reasonable level of open work orders.	April 2019	784	1,000
IT Audit of Disaster Recovery Preparedness	The objectives are to (1) Determine if the City has adequately defined and ensured the availability of sufficient physical resources from which to obtain, transfer, and restore its information systems in the event of a disaster. (2) Assess whether the City has sufficiently defined and tested its ability to restore logical systems, comprised of applications, data, and platforms, in the event of a disaster. And (3) Determine if the City has sufficiently defined, trained, and tested, personnel resources and their logistics to travel to the recovery site and restore the City's information systems in the event of a disaster.	April 2019	460	800

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Public Utilities - Water Operations - Construction & Maintenance – AMI Implementation Project	The objectives for this audit are to 1) Evaluate the management of PUD’s AMI implementation project to-date to identify lessons learned that should inform the remaining AMI implementation as well as future major projects at PUD; and 2) Determine whether efficiency and effectiveness can be improved in the AMI implementation process to reduce costs, improve the speed of the rollout, and ensure accurate and timely billing.	May 2019	1,134	2,000
Public Utilities – Customer Support Service Division	The objective for this audit is to determine the efficiency and effectiveness of the Customer Support Division call center – call wait times and customer service.	May 2019	999	1,200
Annual Mission Bay Fund Audit FY 18	The Annual Mission Bay Funds Audit is required by the City Charter, Article V, Section 55.2 (e). The objective of this audit is to verify the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements.	May 2019	126	420
Neighborhood Services - Homelessness	The objectives for this audit are to review and evaluate the City’s sources of funding and expenditures related to homelessness programming and determine if the City’s organizational structure for addressing homelessness can be improved to better coordinate decision-making and operations.	June 2019	1,153	2,000

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours¹
Strategic Human Capital Management	The tentative objective for this audit is to evaluate the City’s effectiveness at strategically managing its human capital resources, including opportunities to increase City employee incentives, discipline, and pay competitiveness.	TBD	32	2,200
Risk Management / City Attorney - Liability Payouts	The tentative objective for this audit is to assess Public Liability payouts and review the process for implementing corrective actions to reduce potential liability.	TBD	59	2,200
Development Services – Charges for Deposit Accounts	The tentative objective is to evaluate the effectiveness of DSD’s billing process for Deposit Accounts as it relates to applicants being charged for services.	TBD	61	2,000
IT Audit of Network Perimeter Controls	The tentative objective of this IT Audit is to assess the City’s network perimeter controls.	TBD	14	820

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. November 16, 2018–Issued our Recommendation Follow-Up Report for the period ending June 30, 2018.	On-going	773	800

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
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	1,863	3,100

FY 2019 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
IT Audit of Citywide Sensitive Data Encryption Standards and Data Classification	640
Public Works - Engineering & Capital Projects - Department Charges	1,800
Annual Central Stores Inventory Audit FY 19	20

Respectfully submitted,



Kyle Elser
 Interim City Auditor

- cc: Honorable Mayor Kevin Faulconer
 Honorable Members of the City Council
 Kris Mitchell, Chief Operating Officer
 Stacey LoMedico, Assistant Chief Operating Officer
 Ron Villa, Assistant Chief Operating Officer
 Jessica Lawrence, Policy Advisor, Office of the Mayor
 Andrea Tevlin, Independent Budget Analyst
 Mara Elliott, City Attorney