

**City Auditor**



**Page Intentionally Left Blank**



## Office Description

The Office of the City Auditor is an independent office that reports, and is accountable to, the Audit Committee and City Council. The City Auditor conducts performance audits of City departments, offices, and agencies in accordance with government auditing standards.

The audits may assess internal controls over financial reporting and evaluate how well the City complies with applicable laws, rules, and regulations; achieves stated goals and objectives; reports financial and performance information (reliability); efficiently and effectively uses resources; and safeguards and protects assets.

The Office of the City Auditor also administers the City's Fraud Hotline program and performs investigations for all material complaints received related to fraud, waste, and abuse.

The Department's mission is:

*To advance open and accountable government through accurate, independent, and objective audits and investigations that seek to improve the economy, efficiency, and effectiveness of City government*

The Department's vision is:

*Building public trust in government through GREATness in our work: GROWTH by owning our own personal and professional development; RESPECT by representing the office with integrity and treating all colleagues with consideration; EFFECTIVENESS by providing timely, objective, and accurate reviews of City programs and achieving solutions wherever problems are found; ACCOUNTABILITY by adhering to government auditing standards and committing to every project; TRUST by working on behalf of the San Diego community and conducting ourselves with high ethics, independence, and objectivity.*

## Did you know?

- The Office of the City Auditor has established a national reputation, earning five Knighton Awards for best performance audit in the Large Audit Shop category. The audit reports were judged on several key

# City Auditor

elements, such as the potential for significant impact, persuasiveness of the conclusions, focus on improving government efficiency and effectiveness, and its clarity, conciseness, and innovation.

## Goals and Objectives

### *Goal 1: Increase the economy, efficiency, and effectiveness of City government through audits and their recommendations*

To fulfill its mission, the Office reports its independent and impartial reviews, conclusions, and recommendations based on performance audits and attestation engagements conducted. Some audit reports recommend ways to reduce costs or increase revenues. Other audit reports identify opportunities to increase effectiveness, use resources more efficiently, and improve internal controls. An annual audit workplan is prepared and presented to the Audit Committee each fiscal year. The audit workplan targets business processes and programs identified in the annual citywide risk assessment model. The Office will move towards accomplishing this goal by focusing on the following objectives:

- Improve performance of government programs and operations
- Utilize audits to identify opportunities for improved efficiency and the effective use of City resources
- Regularly report the status and encourage implementation of open recommendations

### *Goal 2: Provide independent, reliable, accurate, and timely information to the Mayor, Audit Committee, City Council, and other stakeholders*

The City Auditor intends to provide results of all non-confidential audits to its stakeholders. To this end, the Office intends to provide regular updates to the Audit Committee, as well as copies of all issued audit reports to the Mayor and appropriate City management, members of the City Council and their staff, Audit Committee members, and the residents of San Diego via the City Auditor website. The Office will move towards accomplishing this goal by focusing on the following objective:

- Provide audit results, including findings and recommendations, to relevant stakeholders

### *Goal 3: Provide independent, confidential, and reliable investigations of all material allegations of fraud, waste, or abuse that are reported via the City's Fraud Hotline*

The Office of the City Auditor will investigate all material complaints received related to fraud, waste, and abuse. The City Auditor will provide a means for City of San Diego employees, vendors, and residents to confidentially report any activity or conduct in which they suspect any instances of fraud, waste, abuse, or violations of laws and regulations that should be investigated. The Office will move towards accomplishing this goal by focusing on the following objective:

- Provide investigation results, including recommendations for necessary actions to be taken, for all allegations of fraud, waste, abuse, or violations of law and regulations that are found to be substantiated

## Key Performance Indicators

Performance Indicator	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target
1. Percentage of audit recommendations management agrees to implement	N/A	100%	100%	100%	95%
2. Percentage of audit workplan completed during the fiscal year	N/A	76%	90%	87%	90%
3. Percentage of hotline investigation recommendations management agrees to implement	N/A	100%	100%	100%	90%

## Department Summary

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
FTE Positions (Budgeted)	22.00	22.00	22.00	0.00
Personnel Expenditures	\$ 2,927,529	\$ 3,118,391	\$ 3,344,105	\$ 225,714
Non-Personnel Expenditures	362,878	763,992	644,958	(119,034)
<b>Total Department Expenditures</b>	<b>\$ 3,290,407</b>	<b>\$ 3,882,383</b>	<b>\$ 3,989,063</b>	<b>\$ 106,680</b>
<b>Total Department Revenue</b>	<b>\$ 5,258</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## General Fund

### Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
City Auditor	\$ 3,290,407	\$ 3,882,383	\$ 3,989,063	\$ 106,680
<b>Total</b>	<b>\$ 3,290,407</b>	<b>\$ 3,882,383</b>	<b>\$ 3,989,063</b>	<b>\$ 106,680</b>

### Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
City Auditor	22.00	22.00	22.00	0.00
<b>Total</b>	<b>22.00</b>	<b>22.00</b>	<b>22.00</b>	<b>0.00</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b> Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	\$ 226,249	\$ -
<b>Hourly Sick Leave</b> Adjustment to reflect prior year expenditure trends, related to paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.	0.00	(535)	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	(2,835)	-
<b>Non-Discretionary Adjustment</b> Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(6,008)	-
<b>Reduction of Non-Personnel Expenditures</b> Reduction of non-personnel expenditures for consulting services due to historical savings for these services.	0.00	(110,191)	-
<b>Total</b>	<b>0.00</b>	<b>\$ 106,680</b>	<b>\$ -</b>

# City Auditor

## Expenditures by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 1,934,722	\$ 2,029,960	\$ 2,049,577	\$ 19,617
Fringe Benefits	992,807	1,088,431	1,294,528	206,097
<b>PERSONNEL SUBTOTAL</b>	<b>2,927,529</b>	<b>3,118,391</b>	<b>3,344,105</b>	<b>225,714</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 20,614	\$ 78,471	\$ 16,893	\$ (61,578)
Contracts	259,291	541,397	487,976	(53,421)
Information Technology	77,137	135,571	132,736	(2,835)
Energy and Utilities	-	333	333	-
Other	5,835	8,220	7,020	(1,200)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>362,878</b>	<b>763,992</b>	<b>644,958</b>	<b>(119,034)</b>
<b>Total</b>	<b>\$ 3,290,407</b>	<b>\$ 3,882,383</b>	<b>\$ 3,989,063</b>	<b>\$ 106,680</b>

## Revenues by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Other Revenue	\$ 5,258	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 5,258</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
21000000	Assistant City Auditor	1.00	1.00	1.00	\$34,694 - \$207,210	\$ 160,500
20001233	Assistant to the Director	2.00	2.00	2.00	46,966 - 172,744	120,240
20001252	City Auditor	1.00	1.00	1.00	59,155 - 224,099	180,000
21000001	Performance Audit Manager	3.00	2.00	1.00	46,966 - 172,744	116,000
20001135	Performance Auditor	15.00	16.00	17.00	19,323 - 151,840	1,472,837
<b>FTE, Salaries, and Wages Subtotal</b>		<b>22.00</b>	<b>22.00</b>	<b>22.00</b>		<b>\$ 2,049,577</b>
<b>Fringe Benefits</b>						
	Employee Offset Savings	\$ 21,422	\$ 21,455	\$ 22,207		\$ 752
	Flexible Benefits	207,640	251,444	293,943		42,499
	Insurance	125	-	-		-
	Long-Term Disability	6,325	6,452	-		(6,452)
	Medicare	28,661	29,424	29,719		295
	Other Post-Employment Benefits	131,130	130,130	132,022		1,892
	Retiree Medical Trust	2,785	3,131	3,107		(24)
	Retirement 401 Plan	5,581	6,464	5,587		(877)
	Retirement ADC	468,229	478,906	655,220		176,314
	Risk Management Administration	22,322	22,484	22,242		(242)
	Supplemental Pension Savings Plan	90,057	92,783	109,160		16,377
	Unemployment Insurance	3,602	3,692	3,668		(24)
	Workers' Compensation	4,928	42,066	17,653		(24,413)
<b>Fringe Benefits Subtotal</b>		<b>\$ 992,807</b>	<b>\$ 1,088,431</b>	<b>\$ 1,294,528</b>		<b>\$ 206,097</b>
<b>Total Personnel Expenditures</b>					<b>\$ 3,344,105</b>	