



THE CITY OF SAN DIEGO

DATE: February 7, 2019
TO: Honorable Members of the Audit Committee
FROM: Kyle Elser, Interim City Auditor
SUBJECT: City Auditor Activity Report – January 2019

This report provides information on the Office of the City Auditor's activities as of January 31, 2019. This includes any audit reports issued during the month of January, 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 January 2019:

January 15, 2019 – Issued our City Auditors Quarterly Fraud Hotline Report – Q2 Fiscal Year 2019. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/city_auditors_quarterly_fraud_hotline_report_fiscal_year_2019_qtr2.pdf



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



Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Transportation & Storm Water – Transportation Engineering Ops Division and Streets Division – Curb Painting Process/Program	The objective for this audit is to evaluate the efficiency and effectiveness of the City’s Curb Painting process/program.	February 2019	810	790
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	744	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.	March 2019	685	1,000
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: 725	800
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	862	2,000

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
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	784	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	80	420
Neighborhood Services - Homelessness	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	948	2,000

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
IT Audit of Disaster Recovery Preparedness	The tentative objective is to assess the IT Department’s Disaster Recovery plan to ensure that it has identified all key applications to be restored in the event of a disaster and has adequate definitions to restore them in a timely manner based on the process risk the application supports.	TBD	324	800

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	607	800
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	1,369	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
IT Audit of Network Perimeter Controls	820
Public Works - Engineering & Capital Projects - Department Charges	1,800
Development Services – Charges for Deposit Accounts	2,000
Risk Management / City Attorney - Liability Payouts	2,200
Strategic Human Capital Management	2,200
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
Ron Villa, Acting Assistant Chief Operating Officer
Jessica Lawrence, Policy Advisor, Office of the Mayor
Andrea Tevlin, Independent Budget Analyst
Mara Elliott, City Attorney