



## THE CITY OF SAN DIEGO

DATE: February 11, 2021  
TO: Honorable Members of the Audit Committee  
FROM: Andy Hanau, City Auditor  
SUBJECT: City Auditor Activity Report – January 2021

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This report provides information on the Office of the City Auditor's activities as of January 31, 2021. This includes any audit reports issued during the month of December, 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 during January 2021:**

01/14/2021

[City Auditor's Quarterly Fraud Hotline Report - Q2 Fiscal Year 2021](#)

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



**Audits in Progress – Report Writing Stage**

<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>Sustainability – Climate Action Plan</b>	The objective of this audit is to determine whether internal controls can be strengthened to ensure successful implementation of the City's Climate Action Plan, including: (1) Whether some form of cost or benefit analyses for implementation measures is performed; (2) How annual Climate Action Plan monitoring reports are used to drive decision-making and tailor strategies going forward; and (3) Whether additional policies and procedures could improve oversight and coordination between City departments.	February 2021	2,961	1,943
<b>Public Utilities – EMTS – Industrial Wastewater Control Program</b>	The objectives for this audit are to determine whether the Industrial Wastewater Control Program (IWCP) maintains an accurate inventory of industrial users within the metropolitan wastewater area and whether IWCP inspects and issues permits to industrial users according to federal and local requirements.	March 2021	1,354	800

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<sup>1</sup> For audits carried over from Fiscal Year (FY) 2020, “Budgeted Hours” reflects the actual hours used in FY 2020 plus the budgeted hours for FY 2021.

**Audits in Progress – Fieldwork Stage**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>1</sup>
<b>Real Estate Assets – Asset Acquisition (Including 101 Ash St. Building)</b>	The objective for this audit is to review the City’s acquisition and due diligence process for procuring new real estate assets, including the purchase of 101 Ash Street and potentially other major acquisitions.	June 2021	550	1,800

**Audits in Progress – Planning Stage**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Audit of IT Service Delivery Effectiveness</b>	The tentative objective for this audit is to review the strengths and weaknesses of the Department of IT’s service delivery from an internal customer’s perspective. Because the subject matter is broad, this is the first of a series of audits reviewing various aspects of IT service delivery.	TBD	400	570
<b>Office of the COO - Cares Act Funding</b>	The tentative objective is to review the controls in place to ensure that all CARES Act Funding, retained for internal use and provided for external use, is properly managed, supported, and tracked to meet Federal requirements. This will include a review of the funds related to the Small Business Relief and Rental Assistance programs.	TBD	850	1,600

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Annual Mission Bay Fund Audit FY 2020</b>	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 and San Diego Regional Parks Improvement Funds are in compliance with City Charter requirements.	TBD	11	300
<b>Department of Finance - User Fees</b>	The tentative objective for this audit is to review the process and frequency of user fee updates to determine if they are being evaluated and updated in accordance with CP 100-05 and industry best practices.	TBD	258	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 October 14, 2020, we issued our <a href="#">Recommendation Follow-Up Report</a> for the period ending June 30, 2020.	On-going	463	720

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<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 <a href="#">Quarterly Fraud Hotline Report</a> with the status of activities.	On-going	2,113	2,960

**FY 2021 Planned Audits Not Yet Started**

<b>Planned Audits</b>	<b>Estimated Audit Hours</b>
Annual Central Stores Inventory Audit FY 2021	20
San Diego Police Department – Data Reliability – Crime Data	400
IT Application Audit of the Fire Department’s Emergency Response Management System	600
Audit of the IT Procurement and Vendor Management Process	1,000
Public Utilities – Water System Operations – Lakes	1,000
Real Estate Assets Department – Leasing City Property	1,400
Parks & Recreation – Program Equity	1,600
Risk Management – Workers’ Compensation	1,600
Public Works - Engineering & Capital Projects - Department Charges	1,800
San Diego Police Department – Community Policing	2,000

**Audit Reports Completed During FY 2021**

07/15/2020

[Follow-Up Performance Audit of the Public Utilities Department’s Industrial Wastewater Control Program](#)

09/14/2020

[Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2020](#)

09/22/2020

[Performance Audit of the Transportation and Stormwater Department’s Street Sweeping Section](#)

09/28/2020

[Performance Audit of San Diego Police Department’s Data Analysis](#)

10/7/2020

[City Auditor's Quarterly Fraud Hotline Report - Q1 Fiscal Year 2021](#)

10/14/2020

[October 2020 - Audit Recommendation Follow-Up Report](#)

10/14/2020

[Request for Independent Legal Counsel for the Office of the City Auditor – Response to the City Attorney's Memo](#)

11/24/2020

[Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program](#)

11/25/2020

[Performance Audit of Strategic Human Capital Management II: Employee Performance Management](#)

12/23/2020

[IT Performance Audit of Legacy Applications](#)

12/23/2020

[IT Performance Audit of Legacy Applications \(Confidential\)](#)

Respectfully submitted,



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Andy Hanau  
City Auditor

cc: Honorable Mayor Todd R. Gloria  
Honorable Members of the City Council  
Honorable City Attorney Mara Elliott  
Jay Goldstone, Chief Operating Officer  
Matthew Helm, Chief Compliance Officer  
Andrea Tevlin, Independent Budget Analyst