



THE CITY OF SAN DIEGO

DATE: August 15, 2017
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – July 2017

This report provides information on the activities of the Office of the City Auditor for the month of July. It includes the audit report issued during the month, the status of current audit projects, and a summary of planned audits that we have not yet started.

July 13, 2017– Issued our Performance Audit of The City’s Quality Management of Street Repaving Projects. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/18-001_qm_street_paving_0.pdf

July 14, 2017– Issued our Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2018. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/fy18_riskassessment_workplan.pdf

July 14, 2017– Issued our Annual Citywide IT Risk Assessment and Audit Work Plan – Fiscal Year 2018. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/fy2018_it_risk_assessment_and_audit_work_plan.pdf

July 14, 2017– Issued our Quarterly Fraud Hotline Report – Quarter 4 Fiscal Year 2017. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/city_auditors_quarterly_fraud_hotline_report_q4_fiscal_year_2017.pdf



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Audits in Progress – Report Writing

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Security Audit of Public Utilities PCS and SCADA systems	The objective is to assess the IT control environments of the Plant Control System (PCS) and the Supervisory Control and Data Acquisition (SCADA) system for remote monitoring and control of remote utility equipment. Two confidential reports will be issued.	1 st report August 2017 2 nd report September 2017	1,009	600
Capital Improvements Program (CIP) – Lifeguard Tower	The objective is to evaluate the construction process for the La Jolla Lifeguard Tower.	September 2017	317 ²	400
Economic Development	The objective is to determine the efficiency and effectiveness of the Business and Industry Incentive Program.	1 st report September 2017 2 nd report October 2017	1,190	1,600
Annual Mission Bay Fund Audit FY16	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.	September 2017	237	400

¹ For audits carried over from FY17, "Budgeted Hours" reflects the hours used in FY17 Audit Work Plan.

² Audit hours reduced due to inaccurate allocations in previous reporting.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Central Stores Inventory Audit FY17	The objective of this audit is to confirm the valuation of Central Stores inventory.	September 2017	10	30
IT Audit of the Accela Software Implementation	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.	TBD	332	500

Audits in Progress – Fieldwork

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Park and Recreation	The objective is to determine the efficiency and effectiveness of Park and Recreation’s Citywide activities and programs.	October 2017	1,392	1,950
Comptroller - Grants	The tentative objective is to determine the efficiency and effectiveness of the City’s grant management.	October 2017	759	1,800
Communications	The tentative objective is to determine the accuracy of the Communications Department’s charges for services to the City’s Enterprise funds.	October 2017	369	600

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Transportation & Storm Water – Storm Water	The objective is to evaluate Storm Water Division’s asset management and revenue generation strategies.	November 2017	750	1,800

Audits in Progress – Planning

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Facilities Financing - Development Impact Fees (DIF)	The tentative objective of this audit is to determine the efficiency and effectiveness of the Development Impact Fee program designed to fund public facilities which serve the community.	November 2017	717	1,800

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. Our most recent report was issued on April 4, 2017.	On-going	39	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	303	3,100

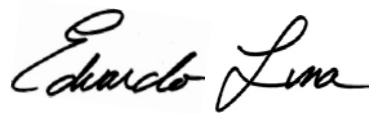
FY 2018 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
City's Fiscal Sustainability and Financial Condition	600
Transportation Storm Water – Transportation Engineering Ops Division and Streets Division – Curb Painting Process/Program.	600
Public Utilities – Customer Support Services Division	800
Public Utilities – Water Operations – Construction & Maintenance – Water Meter Cover Replacement Process	800
Economic Development – Climate Action Plan	1,200
San Diego Police Department – Youth Curfew Program	1,200
Real Estate Assets – Leased and Surplus Properties	1,400
Fleet Services – Vehicle Acquisition	1,800
Community Planning Group Audit ³	1,800
Human Capital Audit – Office of the Chief Operating Officer/ Personnel/ Human Resources	1,800
Data Security Controls Audit of Sensitive Police Department Data	800

³ This audit replaced the Risk Management – Public Liability Audit as mentioned during the July 26, 2017 Audit Committee Meeting.

Planned Audits	Estimated Audit Hours
IT Audit of Disaster Recovery Preparedness	1,100
Security Audit of Cityhub and Supporting Infrastructure	700

Respectfully submitted,



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
Mara Elliott, City Attorney
Andrea Tevlin, Independent Budget Analyst