



THE CITY OF SAN DIEGO

DATE: August 21, 2018
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – July 2018

This report provides information on the Office of the City Auditor's activities as of July 31, 2018. This includes any audit reports issued during the month of July, 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 July 2018:

July 5, 2018– Issued our Fraud Hotline Report – Quarter 4 Fiscal Year 2018. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/quarterly_hotline_report_fy18_qtr4.pdf

July 9, 2018– Issued our Citywide Human Capital Fact Book. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/19-001_citywide_human_capital_fact_book.pdf

July 23, 2018– Issued our Performance Audit of the Real Estate Assets Department's Portfolio Management Practices. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/19-002_real_estate_assets.pdf

July 26, 2018– Issued our Performance Audit of The Public Utilities Department's Water Billing Operations. The report can be found on our website at:

https://www.sandiego.gov/sites/default/files/19-003_pud_water_billing.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
Public Utilities – Water Operations – Construction & Maintenance – Water Meter Cover Replacement Process	The objective for this audit is to evaluate the efficiency and effectiveness of the Water Meter Cover Replacement Process.	August 2018	1,152	1,457
Annual Mission Bay Fund Audit FY17	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.	August 2018	149	420
Annual Central Stores Inventory Audit FY18	San Diego Municipal Code Section §22.0501 requires an annual count of inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of Central Stores inventory.	August 2018	7	20
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.	September 2018	677	790

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.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Community Planning Group Audit	The objectives for this audit are to determine if Community Planning Groups have an effective control environment, are they in compliance with key elements of Council Policy 600-24 and Administrative Guidelines, and are they a contributing factor to permit approval delays.	September 2018	1,239	1,498
Fleet Services – Vehicle Acquisition	The objective for this audit is to determine if Fleet Operations’ vehicle acquisition process is efficiently meeting the City’s needs.	September 2018	1,347	1,674
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.	September 2018	466	504

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Security Audit of Cityhub and Supporting Infrastructure	The tentative objective is to determine whether Cityhub data is adequately secured through the application and supporting infrastructure as a data repository for department sensitive information.	October 2018	221	582

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 March 29, 2018.	On-going	50	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	142	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 Disaster Recovery Preparedness	800
IT Audit of Network Perimeter Controls	820
Department of Finance - External Financial Reporting	800
Park and Recreation - Joint Use Agreements	800
Transportation Storm Water - Tree Trimming Process	1,000
Public Utilities - Customer Support Service Division	1,200
Public Works - Engineering & Capital Projects - Department Charges	1,800
Development Services – Charges for Deposit Accounts	2,000
Public Utilities - Water Operations - Construction & Maintenance – AMI Implementation Project	2,000
Neighborhood Services - Homelessness	2,000
Risk Management / City Attorney - Liability Payouts	2,200
Strategic Human Capital Management	2,200
Annual Mission Bay Fund Audit FY18	420
Annual Central Stores Inventory Audit FY19	20

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Honorable Members of the Audit Committee
August 21, 2018

Respectfully submitted,

A handwritten signature in black ink that reads "Eduardo Luna". The signature is written in a cursive style with a horizontal line underneath it.

Eduardo Luna
City Auditor

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