



## THE CITY OF SAN DIEGO

DATE: August 17, 2020  
TO: Honorable Members of the Audit Committee  
FROM: Kyle Elser, Interim City Auditor  
SUBJECT: City Auditor Activity Report – July 2020

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This report provides information on the Office of the City Auditor's activities as of July 31, 2020. This includes any audit reports and other non-audit initiatives issued during the month of June, 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 July 2020:**

07/15/2020

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



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**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>San Diego Police Department – Support Operations – Crime Analysis Unit</b>	The overall objective of the audit is to determine the completeness and reliability of data collected by SDPD, and the methodologies used by SDPD to analyze and report this data.	August 2020	2,406	2,714
<b>Transportation &amp; Storm Water – Storm Water Division</b>	The objectives of this audit are to (1) determine whether TSWD has a process in place, following industry best practices or other established criteria, to evaluate and prioritize street sweeping routes and schedules, and (2) determine whether street sweeping resources are used effectively according to prioritization of street sweeping needs.	August 2020	1,286	1,287
<b>Annual Central Stores Inventory Audit FY 2020</b>	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. The count was conducted by MGO on June 30, 2020.	August 2020	6	20

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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**

<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>Purchasing &amp; Contracting - Equal Opportunity Contracting</b>	The objectives of this audit are to (1) to determine if the Purchasing & Contracting annual reports are an accurate and complete representation of SLBE program objectives and results, (2) determine if the SLBE program is achieving the economic benefits described in policy, and (3) determine if the cost of contracting with SLBE's is captured and weighed against the economic benefits.	September 2020	763	994
<b>IT Audit of Legacy Applications</b>	The tentative objective of this IT Audit is to assess the impact of the legacy applications to the City's IT security posture and assess additional impacts.	September 2020	833	994

<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.	October 2020	1,423	1,943
<b>Performance Audit of Employee Discipline and Incentives</b>	The objective for this audit is to evaluate the City's effectiveness at strategically managing its human capital resources, including reviewing opportunities to improve City processes for reward and discipline.	October 2020	256	1,000

**Audits in Progress – Planning Stage**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Audit of IT Service Delivery Effectiveness</b>	The tentative objective for this audit is to review the strengths and weaknesses of the IT Departments 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 deliveries.	TBD	75	570

**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-going	88	720
<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 Quarterly Fraud Hotline Report with the status of activities.	On-going	307	2,960

**FY 2021 Planned Audits Not Yet Started**

<b>Planned Audits</b>	<b>Estimated Audit Hours</b>
Annual Central Stores Inventory Audit FY21	20
Annual Mission Bay Fund Audit FY 2020	300
San Diego Police Department – Data Reliability – Crime Data	400
IT Application Audit of the Fire Department’s Emergency Response Management System	600
Public Utilities – EMTS – Industrial Wastewater Control Program	800
Audit of the IT Procurement and Vendor Management Process	1,000
Public Utilities – Water System Operations – Lakes	1,000
Real Estate Assets Department	1,400
Department of Finance - User Fees	1,600
Parks & Recreation – Program Equity	1,600
Office of the COO - Cares Act Funding	1,600
Risk Management – Workers’ Compensation	1,600
Public Works - Engineering & Capital Projects - Department Charges	1,800
Real Estate Assets – Asset Acquisition (Including 101 Ash St. Building)	1,800
San Diego Police Department – Community Policing	2,000

Respectfully submitted,



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Kyle Elser  
Interim City Auditor

cc: Honorable Mayor Kevin Faulconer  
Honorable Members of the City Council  
Honorable City Attorney Mara Elliott  
Kris Michell, Chief Operating Officer  
Jeff Sturak, Assistant Chief Operating Officer  
Matthew Helm, Chief Compliance Officer  
Jessica Lawrence, Policy Advisor, Office of the Mayor  
Andrea Tevlin, Independent Budget Analyst