



## THE CITY OF SAN DIEGO

DATE: July 28, 2017  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – June 2017

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This report provides information on the activities of the Office of the City Auditor for the month of June. 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.

**June 1, 2017– Issued our Performance Audit of The City’s Management of Its Advisory Boards. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/17-020\\_advisory\\_boards\\_audit.pdf](https://www.sandiego.gov/sites/default/files/17-020_advisory_boards_audit.pdf)

**June 12, 2017– Issued our Hotline Investigation of Recreation Activity Permit Calculation Errors and Abuse. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/17-021\\_recreation\\_activity\\_permit\\_calculation.pdf](https://www.sandiego.gov/sites/default/files/17-021_recreation_activity_permit_calculation.pdf)

**June 26, 2017– Issued our Fraud Hotline Investigation of a City Vendor. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/17-022\\_fraud\\_hotline\\_investigation\\_of\\_a\\_city\\_vendor.pdf](https://www.sandiego.gov/sites/default/files/17-022_fraud_hotline_investigation_of_a_city_vendor.pdf)



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



**Audits in Progress – Report Writing**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>1</sup>
<b>Capital Improvements Program (CIP) – Quality Assurance</b>	The objectives of this audit is to evaluate the quality assurance process for street repaving projects.	Issued July 13, 2017	2,474	1,600
<b>Security Audit of Public Utilities PCS and SCADA systems</b>	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 <sup>st</sup> report August 2017 2 <sup>nd</sup> report August 2017	824	600
<b>Capital Improvements Program (CIP) – Lifeguard Tower</b>	The objective is to evaluate the construction process for the La Jolla Lifeguard Tower.	September 2017	296 <sup>2</sup>	400
<b>Economic Development</b>	The objective is to determine the efficiency and effectiveness of the Business and Industry Incentive Program.	1 <sup>st</sup> report September 2017 2 <sup>nd</sup> report October 2017	1,044	1,600
<b>Annual Mission Bay Fund Audit FY16</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 Funds are in compliance with City Charter requirements.	September 2017	193	400

<sup>1</sup> For audits carried over from FY16, “Budgeted Hours” reflects the sum of actual hours used in FY16 and the estimated hours needed in FY17 to complete the audits.

<sup>2</sup> Audit hours reduced due to inaccurate allocations in previous reporting.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>3</sup>
<b>Annual Central Stores Inventory Audit FY17</b>	The objective of this audit is to confirm the valuation of Central Stores inventory.	September 2017	8	30
<b>IT Audit of the Accela Software Implementation</b>	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 in Fiscal Year 2017.	TBD	324	500

**Audits in Progress – Fieldwork**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Park and Recreation</b>	The objective is to determine the efficiency and effectiveness of Park and Recreation’s Citywide activities and programs.	October 2017	1,149	1,950
<b>Comptroller - Grants</b>	The tentative objective is to determine the efficiency and effectiveness of the City’s grant management.	October 2017	727	1,800

<sup>3</sup> For audits carried over from FY16, “Budgeted Hours” reflects the sum of actual hours used in FY16 and the estimated hours needed in FY17 to complete the audits.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Communications</b>	The tentative objective is to determine the accuracy of the Communications Department's charges for services to the City's Enterprise funds.	October 2017	294	600
<b>Transportation &amp; Storm Water – Storm Water</b>	The objective is to evaluate Storm Water Division's asset management and revenue generation strategies.	November 2017	607	1,800

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Facilities Financing - Development Impact Fees (DIF)</b>	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	600	1,800

**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. Our most recent report was issued on April 4, 2017.	On-going	834	670
<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	2,706	2,100

**FY 2017 Planned Audits Not Yet Started**

Planned Audits	Estimated Audit Hours
Data Security Controls Audit of Sensitive Police Department Data	800

Respectfully submitted,



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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