



## THE CITY OF SAN DIEGO

DATE: July 13, 2020  
TO: Honorable Members of the Audit Committee  
FROM: Kyle Elser, Interim City Auditor  
SUBJECT: City Auditor Activity Report – June 2020

---

This report provides information on the Office of the City Auditor's activities as of June 30, 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 June 2020:**

06/11/2020

[Performance Audit of the City's Public Liability Management](#)

06/30/2020

[Office of the City Auditor FY 2020 Improvements](#)



OFFICE OF THE CITY AUDITOR  
600 B STREET, SUITE 1350 • SAN DIEGO, CA 92101  
PHONE 619 533-3165 • FAX 619 533-3036

**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</b>
<b>Public Utilities – EMTS – Industrial Wastewater Control Program</b>	The objective for this audit is to review the issues addressed in both the August 2013 public Performance Audit of the Industrial Wastewater Control Program (IWCP), and the May 2013 confidential memo.	July 2020	1,324	1,000
<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	2,414	1,500
<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	987	1,000

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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.	August 2020	7	20

**Audits in Progress - Fieldwork Stage**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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.	August 2020	594	600
<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.	August 2020	844	600

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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	1,143	1,400

**Audits in Progress – Planning Stage**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Performance Audit of Employee Discipline and Incentives</b>	This audit is a continuation of the Human Capital audit series. The objective for this audit is to assess the extent of the City’s efforts to reward high performance, such as the Rewards and Recognition program, Tuition Reimbursement program, and others, and to assess the effectiveness of the City’s employee discipline efforts.	Part II October 2020 Part I Strategic Human Capital Management was issued in April 2020	1,978	1,800

**Other Audit Activity**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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. May 29, 2020 – Issued our Recommendation Follow-Up Report for the period ending December 31, 2019. <a href="#">Follow-up Report</a>	On-going	693	800
<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	3,562	2,820

**FY 2020 Planned Audits Not Yet Started**

Planned Audits	Estimated Audit Hours
Audit of IT Service Delivery Effectiveness	885
Real Estate Assets Department	1,400
Public Works - Engineering & Capital Projects - Department Charges	1,800
Neighborhood Services	2,400

**Audit and Hotline Investigation Reports Completed During FY 2020**

July 10, 2019

[Hotline Report of Improper Free Trash Collection at Short-Term Residential Occupancy Units](#)

July 11, 2019

[Performance Audit of Public Utilities Department's Advanced Metering Infrastructure Implementation](#)

September 11, 2019

[Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract](#)

September 19, 2019

[Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2019](#)

November 7, 2019

[CONFIDENTIAL – Performance Audit of IT Network Perimeter Security](#)

December 3, 2019

[Performance Audit of the City's Financial Condition](#)

December 13, 2019

[Hotline Report of Public Records Act Responses](#)

February 7, 2020

[Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects](#)

February 12, 2020

[Performance Audit of the City's Efforts to Address Homelessness](#)

April 13, 2020

[Hotline Investigation of Gifts Received by a City Employee](#)

April 23, 2020

[Performance Audit of the City's Strategic Human Capital Management](#)

May 29, 2020

[Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2019](#)

Honorable Members of the Audit Committee

July 13, 2020

Page 7

---

May 29, 2020

[Recommendation Follow-Up Report as of December 31, 2019](#)

May 29, 2020

[IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption](#)

May 29, 2020

[CONFIDENTIAL - IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption](#)

June 11, 2020

[Performance Audit of the City's Public Liability Management](#)

June 30, 2020

[Office of the City Auditor FY 2020 Improvements](#)

Respectfully submitted,



---

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