



THE CITY OF SAN DIEGO

DATE: July 14, 2021
TO: Honorable Members of the Audit Committee
FROM: Andy Hanau, City Auditor
SUBJECT: City Auditor Activity Report – June 2021

This report provides information on the Office of the City Auditor's activities as of June 30, 2021. This includes any audit reports 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 2021:

06/30/2021

[Performance Audit of IT Service Delivery Effectiveness](#)

06/29/2021

[Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2020](#)

06/24/2021

[Hotline Investigation of Board-Up Services](#)



Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Office of the COO - Cares Act Funding	The objectives for this audit are to determine if the City has sufficient internal controls to ensure that CARES Act funds are distributed in compliance with requirements; whether funds are being used to efficiently, effectively, and equitably address the effects of the pandemic; and evaluate whether internal controls are sufficient to mitigate fraud, waste, and abuse.	July 2021	2,354	1,600
Real Estate Assets – Asset Acquisition (Including 101 Ash St. Building)	The objective for this audit is to review the City’s acquisition and due diligence process for procuring new real estate assets, including the purchase of 101 Ash Street and other major acquisitions.	July 2021	1,942	1,800

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours ¹
Department of Finance - User Fees	The objective for this audit is to review the process and frequency of user fee updates to determine if they are being evaluated and updated in accordance with CP 100-05 and industry best practices.	August 2021	1,332	1,600

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours¹
Annual Central Stores Inventory Audit FY 2021	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 2021	10	20
Parks & Recreation - Program Equity	The objectives are to (1) Determine whether the Department effectively identifies recreation programming equity needs in each community, (2) Determine whether the Department meets identified programming needs equitably through funding and staffing allocations, and (3) Determine whether the Department provides residents with equitable access to recreation programs.	October 2021	1,074	1,600
Real Estate Assets Department - Leasing City Property	The objectives are to (1) To evaluate whether READ's process for monitoring and transitioning expiring and holdover agreements to long term leases aligns with best practices, (2) To evaluate whether lease contracts contain best practice lease contract clauses.	December 2021	614	1,400

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
IT Application Audit of the Fire Department's Emergency Response Management System	The tentative objective for this audit is to test the effectiveness of the IT general controls and IT security controls of the Fire Department's Emergency Response Management System.	TBD	57	600

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. On May 28, 2021, we issued our Confidential Recommendation Follow-Up Report for the period ending December 31, 2021. On April 12, 2021, we issued our Recommendation Follow-Up Report for the period ending December 31, 2021. On October 12, 2020, we also issued our October 2020 - Audit Recommendation Follow-Up Report for the period ending June 30, 2020.	On-going	1,196	720

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	3,722	2,960

FY 2021 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
Audit of the IT Procurement and Vendor Management Process	1,000
Public Utilities – Water System Operations – Lakes	1,000
Risk Management – Workers’ Compensation	1,600
Public Works - Engineering & Capital Projects - Department Charges	1,800
San Diego Police Department – Community Policing	2,000

Reports Completed During FY 2021

07/15/2020

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

09/14/2020

[Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2020](#)

09/22/2020

[Performance Audit of the Transportation and Stormwater Department's Street Sweeping Section](#)

09/28/2020

[Performance Audit of San Diego Police Department's Data Analysis](#)

10/7/2020

[City Auditor's Quarterly Fraud Hotline Report - Q1 Fiscal Year 2021](#)

10/14/2020

[October 2020 - Audit Recommendation Follow-Up Report](#)

10/14/2020

[Request for Independent Legal Counsel for the Office of the City Auditor – Response to the City Attorney's Memo](#)

11/24/2020

[Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program](#)

11/25/2020

[Performance Audit of Strategic Human Capital Management II: Employee Performance Management](#)

12/23/2020

[IT Performance Audit of Legacy Applications](#)

12/23/2020

IT Performance Audit of Legacy Applications (Confidential)

01/14/2021

[City Auditor's Quarterly Fraud Hotline Report - Q2 Fiscal Year 2021](#)

02/18/2021

[Performance Audit of the City's Climate Action Plan](#)

03/11/2021

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

03/31/2021

[Activities and Accomplishments of the Office of the City Auditor](#)

04/28/2021

[City Auditor's Quarterly Fraud Hotline Report - Q3 Fiscal Year 2021](#)

04/15/2021

[Performance Audit of SDPD's Data Analysis | Independent Data Reliability Assessment Memorandum](#)

04/12/2021

[April 2021 - Audit Recommendation Follow-Up Report](#)

05/28/2021

Confidential Recommendation Follow-Up Report

Respectfully submitted,



Andy Hanau
City Auditor

cc: Honorable Mayor Todd R. Gloria
Honorable Members of the City Council
Honorable City Attorney Mara Elliott
Jay Goldstone, Chief Operating Officer
Matthew Helm, Chief Compliance Officer
Andrea Tevlin, Independent Budget Analyst