



THE CITY OF SAN DIEGO

DATE: February 22, 2012

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

SUBJECT: **City Auditor Activity Report – January 2012**

This report provides information on the activities and accomplishments of the Office of the City Auditor for the month of January 2012. It includes the audit reports issued and other accomplishments during this period, the status of current audit projects and activities, and a summary of planned audits that we have not yet started.

Audit Reports and Accomplishments:

- January 9, 2012 – City Council presentation, Performance Audit of the Public Utilities Capital Improvement Program.
- January 13, 2012 – Issued the Close-Out Audit report for Mr. William Anderson, former City Planning and Community Investment Director. We found that Mr. Anderson had no outstanding debt to the City and nothing came to our attention requiring further review. The report can be found on our website at: http://www.sandiego.gov/auditor/reports/fy12_pdf/audit/120113anderson.pdf

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Current Audits and Activities:

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Public Safety – Police, Fire and Life Guard Audits	We plan to conduct two audits. The objectives of these audits are: 1) to determine the efficiency and effectiveness of the Police, Fire and Lifeguard 9-1-1 emergency call and dispatch system; and 2) to determine the efficiency and effectiveness of the Police Department’s Patrol Operations. A draft audit report for the dispatch center audit was provided to management for review on February 15, 2012.	February 2012	2,089	4,800
Purchasing and Contracting Department Audits	We plan to conduct two audits. The objectives of these audits are: 1) to determine the efficiency and effectiveness of the City’s contract process; and 2) to determine the efficiency and effectiveness of the use and controls for procurement cards. A revised draft audit report was provided to management for review on February 17, 2012 for objective 1, and audit report writing is in progress for objective 2.	February 2012	2,374	3,400

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Mission Bay Fund Audit FY10	The Annual Mission Bay Fund Audit is required by the City Charter, Article V, Section 55.2 (e). The objective of this audit is to verify that the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements. A revised draft report was provided to management for review on February 16, 2012.	March 2012	352	120
Development Services Department Audit	The objective of this audit is to conduct a performance audit of DSD systems. Audit report writing is in progress.	March 2012	2,771	1,600
Real Estate Assets Department Audit	The objective of this audit is to determine the efficiency and effectiveness of the Real Estate Assets Department's administration of City leases. Audit fieldwork is in progress.	April 2012	610	1,600
Close-out Audits	Close-out audits are required by City Charter, Article VII, Section 111 when a City Official leaves office. The primary audit objectives are to verify that there are no outstanding debts owed by the City Official to the City, and to ensure that access to critical information and processes has been revoked. We are currently conducting a close-out for Hildred Pepper Jr., Former Director of Purchasing and Contracting.	March 2012	72	200

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
City Planning and Community Investments – Economic Development	The objective of this audit is to determine the efficiency and effectiveness of the City’s economic development process. Audit fieldwork is in progress.	April 2012	750	1,400
General Services – Facilities Audit	The objective of this audit is to determine the efficiency and effectiveness of the General Services’ Facilities Division. Audit fieldwork is in progress.	TBD	618	1,400
City Comptroller / Personnel Department Audits	We plan to conduct two audits. The objectives of these audits are: 1) to review the City’s payroll process in order to determine if payroll payments are being properly made and if adequate controls are in place, and 2) to determine if there are adequate controls over the City’s use of overtime. Audit preliminary survey is in progress for the audit of overtime.	TBD	410	2,300
Fraud, Waste and Abuse Hotline	City Auditor staff reviews all City Hotline calls received and performs investigations for accusations of material fraud, waste or abuse. Hotline reports are issued for fraud-related allegations that are substantiated.	On-going	748 (Fiscal Year 2012 Hours)	1,535 (Fiscal Year 2012 Hours)

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	The City Auditor tracks all audit recommendations made since fiscal year 2008. Comptroller staff contacts those responsible for implementing our recommendations and provides regular status data to the City Auditor on all implemented recommendations. We verify if recommendations have actually been implemented and report the implementation status on a semi-annual follow-up report. The last semi-annual follow-up report was issued on September 6, 2011. We plan to issue our next semi-annual follow-up report in March 2012.	On-going	336 (Fiscal Year 2012 Hours)	775 (Fiscal Year 2012 Hours)

Planned FY12 Audits Not Yet Started:

Planned Audit	Estimated Audit Hours
Transportation and Storm Water – Pollution Prevention Audit	1,400
Public Utilities – Water Department and Metropolitan Wastewater Audits	2,200
Annual Mission Bay Fund Audit FY11	240
Annual Central Stores Inventory Audit FY12	120

Respectfully Submitted,



Eduardo Luna
City Auditor

cc: Honorable Mayor Jerry Sanders
Honorable City Council Members
Jay M. Goldstone, Chief Operating Officer
Wally Hill, Assistant Chief Operating Officer
Mary Lewis, Chief Financial Officer
Ken Whitfield, City Comptroller
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst