



THE CITY OF SAN DIEGO

DATE: March 19, 2012

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

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

This report provides information on the activities and accomplishments of the Office of the City Auditor for the month of February 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:

- February 2, 2012 – Issued the City Auditor’s Quarterly Fraud Hotline Report for the Second Quarter, Fiscal Year 2012. The report can be found on our website at: http://www.sandiego.gov/auditor/reports/fy12_pdf/hotline/120202fraudhotlinereport.pdf
- February 29, 2012 – Issued the Performance Audit of the Fire-Rescue Department’s Emergency Medical Dispatch Process. According to medical literature, for every one minute delay in responding to critical emergency medical calls such as cardiac arrests, the likelihood of survival decreases by up to 10 percent. We examined the Fire-Rescue Department’s current approach for responding to medical emergencies and identified a way to speed response times by an average of one minute. This can be done by changing the point in the process when a fire unit is actually dispatched. By so doing, Fire-Rescue personnel would be able to reach victims a minute sooner than in the past, potentially saving lives in the process. We made two recommendations to reduce the overall response time for medical calls and improve performance data reporting. The Fire-Rescue Department agreed with both recommendations. The report can be found on our website at: http://www.sandiego.gov/auditor/reports/fy12_pdf/audit/120229dispatch.pdf

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Current Audits and Activities:

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
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 report was issued on March 1, 2012 for objective 1, and audit report writing is in progress for objective 2.	March 2012	2,769	3,400
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 and we requested a written response to the report by March 12, 2012.	March 2012	378	120

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
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
Development Services Department Audit	The objective of this audit is to conduct a performance audit of DSD systems. A draft audit report was provided to management for review on March 2, 2012 and an exit conference meeting is scheduled for March 22, 2012.	April 2012	3,085	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	658	1,600
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	930	1,400

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
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	736	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	575	2,300
Public Utilities Department	We plan to conduct two Public Utilities audits. The objectives of these audits are: 1) to review the adequacy of the Department’s valve maintenance process 2) to review chemical purchases/processes to determine if they can be performed in a more cost effective or efficient manner. Audit preliminary survey is in progress for both audits.	TBD	109	2,200
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	866 (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	437 (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
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
Ken Whitfield, City Comptroller
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst