



THE CITY OF SAN DIEGO

DATE: December 19, 2012

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

SUBJECT: **City Auditor Activity Report – October and November 2012**

This report provides information on the activities of the Office of the City Auditor for the months of October and November 2012. It includes the status of current audit projects and a summary of planned audits that we have not yet started.

During November 2012, the Office of the City Auditor issued the following reports:

- November 23, 2012 [Performance Audit of the General Services Department - Facilities Maintenance Division](#)
- November 23, 2012 [Performance Audit of the Public Utilities Department's Chemical Purchases](#)
- November 21, 2012 [November, 2012 - Audit Recommendation Follow-up Report](#)
- November 21, 2012 [Additional Information Regarding Annual Central Stores](#)
- November 13, 2012 [City Auditor's Quarterly Fraud Hotline Report – Qtr 1 Fiscal Year 2013](#)

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Public Utilities Department	We conducted two Public Utilities audits. The objectives of these audits were 1) to review the adequacy of the Department's valve maintenance process; and 2) to review chemical purchase practices. The Chemical Purchase report was released on November 23, 2012. Report writing is completed for the Valve Maintenance audit. A draft Valve Maintenance Audit report was provided to management on November 9, 2012 and an exit conference was held on December 3, 2012. A response is expected on December 28, 2012.	October 2012/ December 2012	4,190	2,200
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. A final draft report was provided to management for review on November 9, 2012, and an exit conference was held on October 25, 2012. We requested management's response by December 3, 2012. A request for an extension was granted until December 12, 2012.	December 2012	1,614	1,600

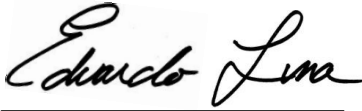
Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
City Comptroller / Personnel Department Audits	We plan to conduct two audits. The objectives of these audits are: 1) to determine if there are adequate controls over the City's use of overtime; and 2) to review the City's payroll process in order to determine if payroll payments are being properly made and if adequate controls are in place. Report writing for the audit of overtime has been completed. A draft was sent on 11/16/12 and an exit conference was held on November 28, 2012. A response is due on December 21, 2012.	January 2012	3,236	2,300
Pothole Tracking System Audit	The objective of this audit is to determine the efficiency and effectiveness of the pothole repair system and process. An entrance conference was held on August 21, 2012. Audit fieldwork is in progress.	TBD	910	800
Police Patrol Operations Audit	The objective of this audit is to determine the efficiency and effectiveness of Patrol Operations. An entrance conference was held on September 19, 2012. Audit fieldwork is in progress.	TBD	723	2,500
Zoological Exhibits Fund Audit	The objective of this audit is to determine the efficiency and effectiveness of fund operations for Zoological Exhibits. An entrance conference was held on October 11, 2012. Audit fieldwork is in progress.	TBD	218	1,200

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Park and Recreation – Community Parks II	The objective of this audit is to determine the efficiency and effectiveness on playground maintenance. An entrance conference was held on November 8, 2012. Audit fieldwork is in progress.	TBD	138	1,400
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.	On-going	555 (Fiscal Year 2013 Hours)	1,535 (Fiscal Year 2013 Hours)
Follow-up on Audit Report Recommendations	The City Auditor tracks all audit recommendations made since fiscal year 2008. On a semi-annual basis, we conduct audit work to determine if audit recommendations reported as implemented are in fact, implemented. We report the implementation status on a semi-annual follow-up report. The last follow-up report was issued on November 21, 2012. We plan to issue our next report in April 2013.	On-going	270	800
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.	As Needed	74	500

Planned Audits Not Yet Started:

Planned Audit	Estimated Audit Hours
Public Utilities – Customer Support	1,600
IT – Web Services	1,400
Family Justice Center Alliance ⁱ	1,800
City Comptroller – Payroll	2,500
Public Utilities – Environmental Monitoring and Technical Services	1,400
Public Works/Transportation and Storm Water – Utilities Undergrounding	1,200
City Administration – Business Office	1,000

Respectfully submitted,



Eduardo Luna
City Auditor

cc: Honorable Mayor Bob Filner
Honorable Members of the City Council
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

ⁱThis audit replaced the Risk Management – Workers' Compensation audit