



## THE CITY OF SAN DIEGO

DATE: August 19, 2011  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: **City Auditor Activity Report – July 2011**

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This report provides information on the activities and accomplishments of the Office of the City Auditor for the month of July 2011. 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:**

- July 11, 2011 – Presented to the Audit Committee our Performance Audit of the Animal Services Agreement Between the City of San Diego and the County of San Diego. The presentation can be found on our website at: [http://www.sandiego.gov/auditor/reports/fy11\\_pdf/audit/11-024presentation.pdf](http://www.sandiego.gov/auditor/reports/fy11_pdf/audit/11-024presentation.pdf)
- July 11, 2011 – Presented to the Audit Committee our Performance Audit of the Take-Home Use of City Vehicles. The presentation can be found on our website at: [Presentation - Performance Audit of the Take-Home Use of City Vehicles](#)
- July 11, 2011 – Presented to the Audit Committee our Performance Audit of the Capital Improvement Program. The presentation can be found on our website at: [http://www.sandiego.gov/auditor/reports/fy11\\_pdf/audit/11-027presentation.pdf](http://www.sandiego.gov/auditor/reports/fy11_pdf/audit/11-027presentation.pdf)
- July 17, 2011 – Issued the City Auditor's Quarterly Fraud Hotline Report for the Fourth Quarter, Fiscal Year 2011. The report can be found on our website at: [http://www.sandiego.gov/auditor/reports/fy11\\_pdf/hotline/fraud\\_q4\\_2011\\_update\\_report.pdf](http://www.sandiego.gov/auditor/reports/fy11_pdf/hotline/fraud_q4_2011_update_report.pdf)

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**TO REPORT FRAUD, WASTE, OR ABUSE, CALL OUR FRAUD HOTLINE: (866) 809-3500**



**Current Audits and Activities:**

<b>Audit Activity</b>	<b>Status</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>City Retirement System Audit</b>	The objective of this audit is to evaluate the efficiency and effectiveness of the San Diego City Employee Retirement System's administration. A draft audit report was sent to management for review on July 29, 2011.	August 2011	1,405	1,700
<b>Public Utilities – Water Department and Metropolitan Wastewater Audit</b>	The City Auditor entered into a Service Level Agreement with Public Utilities and the Independent Rates Oversight Committee (IROC) to conduct audits of the Public Utilities Department. We are conducting an audit of the Public Utilities Capital Improvement Program. A draft audit report was sent to management for review on July 29, 2011.	September 2011	2,744	2,600
<b>Police Department – Fiscal Services (License and Permit Fees)</b>	The objective of this audit is to determine if the Police Department is efficiently and effectively collecting license and permit fees owed to the City with adequate internal controls in place. A draft audit report was sent to management for review on August 5, 2011.	September 2011	1,240	1,300

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Annual Mission Bay Fund Audit FY10</b>	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. Audit fieldwork is in progress.	September 2011	133	120
<b>Development Services Department Audit</b>	The objective of this audit is to conduct a performance audit of DSD systems. Audit fieldwork is in progress.	October 2011	993	1,600
<b>Public Safety – Police, Fire and Life Guard Audits</b>	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. Audit fieldwork is in progress for the call and dispatch center audit.	TBD	592	4,800
<b>Purchasing and Contracting Department Audits</b>	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. Audit preliminary survey is in progress for the contract process audit.	TBD	276	3,400

Audit Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Fraud, Waste and Abuse Hotline</b>	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	135  (Fiscal Year 2012 Hours)	1,535  (Fiscal Year 2012 Hours)
<b>Follow-up on Audit Report Recommendations</b>	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 February 28, 2011. We plan to issue our next semi-annual follow-up report in September 2011.	On-going	43  (Fiscal Year 2012 Hours)	775  (Fiscal Year 2012 Hours)

Respectfully Submitted,



Eduardo Luna  
 City Auditor

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