



THE CITY OF SAN DIEGO

DATE: May 16, 2014
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: **City Auditor Activity Report – April 2014**

This report provides information on the activities of the Office of the City Auditor for the month of April 2014. It includes the audit reports issued, status of current audit projects, and a summary of planned audits that we have not yet started.

April 1, 2014 – Issued our City Auditor’s Quarterly Fraud Hotline Report for the Third Quarter of Fiscal Year 2014. The report can be found on our website at:
http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/Fraud_Q3_2014_UpdateReport.pdf



OFFICE OF THE CITY AUDITOR
1010 SECOND AVENUE, SUITE 555, WEST TOWER • SAN DIEGO, CA 92101
PHONE (619) 533-3165 • FAX (619) 533-3036

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



Audits in Progress – Report Writing				
Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Community Facilities Districts (CFD)	The objective of this audit is to determine if homeowners' CFD payments are calculated accurately and relevant controls are adequate.	Completed May 7, 2014	2,186	1,250
Real Estate Assets Department – Residential Property Leases	The objective of this audit is to review the efficiency and effectiveness of Real Estate Assets' leasing of residential properties.	Completed May 7, 2014	1,230	800
Public Utilities Department – Reserves	The objective of this audit is to review the accuracy and reasonableness of the Public Utilities' reserves.	May 2014	898	900
San Diego Convention Center – Information Technology Review	The objective of this audit is to assess the strength of the access and monitoring controls over the financial system and corresponding reporting ability.	May 2014	218	240
Annual Mission Bay Fund Audit – FY 2013	The Annual Mission Bay Funds Audit is required by the City Charter, Article V, Section 55.2(e). The objective of this audit is to verify the prior fiscal year's collection, allocation, and use of Mission Bay Funds are in compliance with the City Charter requirements.	June 2014	370	240
Office of Homeland Security	The objective of this audit is to determine the extent to which the City of San Diego Office of Homeland Security has developed emergency operations that include a comprehensive planning framework, sufficient coordination, and performance measures to assess progress towards achieving planning and preparedness goals.	June 2014	883	1,000

Audits in Progress – Report Writing (continued)				
Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Environmental Services – Waste Reduction and Disposal	The objective of this audit is to review the efficiency and effectiveness of Environmental Services' Waste Reduction and Disposal program.	June 2014	920	1,200
Fire Rescue – Overtime	The objective of this audit is to review the City's Fire-Rescue Department's Overtime expenditures.	June 2014	1,323	1,400

Audits in Progress – Fieldwork				
Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Balboa Park Celebration, Inc.	The objective of this audit is to determine whether Balboa Park Celebration, Inc: 1) used City funds appropriately and 2) complied with the terms of the Memorandum of Understanding and Funding Agreements with the City of San Diego.	July 2014	118	1,000
Utilities Undergrounding – Phase II	The objective of this audit is to determine if the City is effectively managing costs and achieving efficiencies for the Utilities Undergrounding Program (UUP).	August 2014	29	1,200

Other Audit Activity				
Activity	Audit Objective	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. 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, and we periodically issue other recommendation follow-up reports.	On-going	719	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	88	240
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	1,243	1,535

Planned Audits Not Yet Started:

Planned Audit	Estimated Audit Hours
Public Utilities – Overhead Rate Review	900
Citywide Other/Special Funds	1,000
Community Parking Districts	1,100
Neighborhood Code Compliance Division	1,200
Risk Management – Health Insurance	1,200
San Diego Convention Center – Human Resources Systems Contract Review	240

Respectfully submitted,



Eduardo Luna
City Auditor

- cc: Honorable Mayor Kevin Faulconer
Honorable Members of the City Council
Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Brian Pepin, Director of Council Affairs
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst