



## THE CITY OF SAN DIEGO

DATE: January 22, 2014

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

SUBJECT: **City Auditor Activity Report – December 2013**

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This report provides information on the activities of the Office of the City Auditor for the month of December 2013. It includes the audit reports issued, status of current audit projects, and a summary of planned audits that we have not yet started.

### **Audit Reports Issued:**

**December 10, 2013 – Issued our Performance Audit of IT Web Services. The report can be found on our website at:**

[http://www.sandiego.gov/auditor/reports/fy14\\_pdf/audit/14-011\\_it\\_web\\_services.pdf](http://www.sandiego.gov/auditor/reports/fy14_pdf/audit/14-011_it_web_services.pdf)

**December 20, 2013 – Issued our Review of City Travel Expenses Associated with Former Mayor Filner's Trip to Paris, France. The report can be found on our website at:**

[http://www.sandiego.gov/auditor/reports/fy14\\_pdf/hotline/14-012\\_Paris\\_Travel\\_Expenses\\_Review.pdf](http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/14-012_Paris_Travel_Expenses_Review.pdf)



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<b>Audits in Progress– Report Writing</b>				
<b>Audit</b>	<b>Status</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Graffiti Abatement Program</b>	The objective of this audit is to review the efficiency and effectiveness of the Graffiti Abatement Program.	February 2014	1,459	1,000
<b>Community Facilities Districts (CFD)</b>	The objective of this audit is to determine if homeowners' required payments are calculated accurately and the controls to prevent errors are adequate.	February 2014	1,710	1,250
<b>City Comptroller– Payroll</b>	The objective of this audit is to determine if payroll payments are properly made and adequate controls are in place.	February 2014	2,236	2,500

<b>Audits In Progress – Fieldwork</b>				
<b>Audit</b>	<b>Status</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Real Estate Assets - Residential Property Leases</b>	The objective of this audit is to review efficiency and effectiveness of Real Estate Assets leasing of residential properties and comparing lease rates to comparable market conditions.	March 2014	317	800
<b>Public Utilities Department - Reserves</b>	The objective of this audit is to review the accuracy and reasonableness of the Public Utilities reserves.	March 2014	333	900

<b>Audits In Progress – Planning</b>				
<b>Audit</b>	<b>Status</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Risk Management – Health Insurance</b>	The objective of this audit is to review the cost effectiveness of the administration of health insurance benefits.	April 2014	110	1,200
<b>Fire Rescue – Overtime</b>	The objective of this audit is to review the City's Fire-Rescue Department's Overtime expenditures.	April 2014	375	1400

<b>Audits In Progress – Planning</b>				
<b>Audit</b>	<b>Status</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Environmental Services – Waste Reduction and Disposal</b>	The objective of this audit is to review the efficiency and effectiveness of Environmental Services' Waste Reduction and Disposal program.	May 2014	27	1,200

<b>Other Audit Activity</b>				
<b>Activity</b>	<b>Status</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Follow-up on Audit Report Recommendations</b>	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	119	800
<b>Close-out Audits</b>	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	84	240
<b>Fraud, Waste and Abuse Hotline</b>	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	789	1,535

**Planned Audits Not Yet Started:**

<b>Planned Audit</b>	<b>Estimated Audit Hours</b>
Office of Homeland Security	1,000
Public Utilities – Overhead Rate Review	900
San Diego Convention Center – Information Technology Review	240
Utilities Undergrounding Audit Phase II	1,200
Citywide Other/Special Funds	1,000
Community Parking Districts	1,100
Neighborhood Code Compliance Division	1,200
Annual Mission Bay Fund Audit FY 2013	240

Respectfully submitted,



Eduardo Luna  
City Auditor

cc: Honorable Interim Mayor Todd Gloria  
Honorable Members of the City Council  
Scott Chadwick, Chief Operating Officer  
Stacey LoMedico, Assistant Chief Operating Officer  
Jan Goldsmith, City Attorney  
Ken Whitfield, City Comptroller  
Andrea Tevlin, Independent Budget Analyst