



THE CITY OF SAN DIEGO

DATE: February 13, 2014
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: **City Auditor Activity Report – January 2014**

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

January 8, 2014 – Issued our City Auditor’s Quarterly Fraud Hotline Report for the second quarter of Fiscal Year 2014. The report can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/Fraud_Q2_2014_UpdateReport.pdf

January 8, 2014 – Issued our Memorandum on the Performance Audit of the Personnel Department: San Diego Fire-Rescue Department and San Diego Police Department Responses to Audit Recommendations. The memorandum can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy14_pdf/memo/OCA_Memo_Jan13_2014.pdf

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



Audits in Progress– Report Writing				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Graffiti Abatement Program	The objective of this audit is to review the efficiency and effectiveness of the Graffiti Abatement Program.	February 2014	1,578	1,000
City Comptroller– Payroll	The objective of this audit is to determine if payroll payments are properly made and adequate controls are in place.	February 2014	2,498	2,500
Community Facilities Districts (CFD)	The objective of this audit is to determine if homeowners' required payments are calculated accurately and the controls to prevent errors are adequate.	March 2014	1,870	1,250

Audits in Progress – Fieldwork				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Public Utilities Department - Reserves	The objective of this audit is to review the accuracy and reasonableness of the Public Utilities' reserves.	March 2014	480	900
Real Estate Assets - Residential Property Leases	The objective of this audit is to review the efficiency and effectiveness of Real Estate Assets' leasing of residential properties, and to compare lease rates to comparable market conditions.	April 2014	570	800

Audits in Progress – Planning				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
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.	April 2014	37	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.	May 2014	222	1,000
Fire Rescue – Overtime	The objective of this audit is to review the City's Fire-Rescue Department’s Overtime expenditures.	May 2014	577	1,400
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.	May 2014	246	1,200

Other Audit Activity				
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. 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	202	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	85	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	920	1,535

Planned Audits Not Yet Started:

Planned Audit	Estimated Audit Hours
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
Risk Management – Health Insurance	1,200

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
Rolando Charvel, Interim City Comptroller
Andrea Tevlin, Independent Budget Analyst