



THE CITY OF SAN DIEGO

DATE: August 20, 2013

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

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

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

Audit Reports Issued:

July 25, 2013 – Issued our City’s Auditor Quarterly Fraud Hotline Report –Qtr 4 Fiscal Year 2013. The report can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/130725_FraudHotlineReport.pdf

July 25, 2013 – Issued our Performance Audit of the Park and Recreation Department’s Playground Maintenance Program. The report can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy14_pdf/audit/14-001_%20PlaygroundMaintenance.pdf

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Audits in Process– Report Issuance Pending				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Mission Bay Fund Audit FY2012	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 collection, allocation, and use of Mission Bay Funds are in compliance with the City Charter requirements. The draft report was provided to the department for review on June 28, 2013.	August 2013	118	240
Public Utilities Department- Industrial Wastewater Control Program	The objective of this audit is to determine the efficiency and effectiveness on Industrial Wastewater Control Program’s permitting fees, cost recovery, and related efforts. The draft report was provided to the department for review on June 28, 2013.	August 2013	1,190	1,400
Utilities Undergrounding	The objective of this audit is to determine if the City has effective controls over and accountability for the undergrounding program’s revenue and expenses. The report was provided to the department for review on June 26, 2013.	August 2013	1,603	1,200
City Administration– Business Office (Publishing Services)	The objective of this audit is to determine the efficiency and effectiveness of Publishing Services and assess implementation of managed competition requirements. The draft report was provided to the department for review on June 28, 2013.	August 2013	1,187	1,000

Audits in Process– Report Issuance Pending (continued)				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Central Stores Inventory Audit FY2013	The San Diego Municipal Code Section §22.0501 requires an annual count of inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of Central Stores inventory. MGO is performing this audit as part of the CAFR audit services. Fieldwork was completed and report writing began in June 2013.	August 2013	N/A	120
Police Patrol Operations Audit	The objective of this audit is to determine the efficiency and effectiveness of Patrol Operations. The draft report was provided to the department for review on June 28, 2013.	September 2013	2,345	2,500

Audits In Progress – Fieldwork				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
IT – Web Services	The objective of this audit is to determine if the listing of online services offered by City departments is current and complete and evaluate barriers to expanding online services.	October 2013	871	1,400
Public Utilities Department – Customer Support (Meter Reading)	The objective of this audit is to identify key risks that may impact the Customer Support operations and provide recommendations to improve the overall efficiency and effectiveness of the operations.	October 2013	1,293	1,600
City Comptroller– Payroll	The objective of this audit is to determine if payroll payments are properly made and adequate controls are in place.	December 2013	823	2,500

Audits In Progress – Planning				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
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.	November 2013	110	1,250
Graffiti Abatement Program	The objective of this audit is to review the efficiency and effectiveness of the Graffiti Abatement Program.	November 2013	145	1,000
Personnel Department - Recruiting	The objective of this audit is to review the efficiency and effectiveness of the Personnel Department's recruitment and hiring process.	November 2013	139	1,100

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. The last follow-up report was issued on May 30, 2013.	On-going	0	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	69	240

Other Audit Activity (continued)				
Activity	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
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	146	1,535

Planned Audits Not Yet Started:

Planned Audit	Estimated Audit Hours
Public Utilities – Overhead Rate Review and Review of Reserves	1,800
San Diego Convention Center – Information Technology Review	240
Environmental Services – Waste Reduction and Disposal	1,600
Utilities Undergrounding Audit Phase II	1,200
Vehicle Abatement Program	1,200
Citywide Other/Special Funds	1,000
Real Estate Assets	800
Community Parking Districts	1,100
Fire-Rescue Overtime Expenditures	1,400
Risk Management Health Insurance	1,200
Office of Homeland Security	1,000
Neighborhood Code Compliance Division	1,200
Annual Mission Bay Fund Audit FY 2013	240

Respectfully submitted,



Eduardo Luna
 City Auditor

- cc: Honorable Mayor Bob Filner
 Honorable Members of the City Council
 Walt Ekard, Interim Chief Operating Officer
 Scott Chadwick, Assistant Chief Operating Officer
 Jan Goldsmith, City Attorney
 Ken Whitfield, City Comptroller
 Andrea Tevlin, Independent Budget Analyst