



## THE CITY OF SAN DIEGO

DATE: April 14, 2014  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: **City Auditor Activity Report – March 2014**

---

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

**March 5, 2014 – Issued our Performance Audit of the Graffiti Control Program.**

The report can be found on our website at:

[http://www.sandiego.gov/auditor/reports/fy14\\_pdf/audit/14-014\\_Graffiti\\_Control\\_Program.pdf](http://www.sandiego.gov/auditor/reports/fy14_pdf/audit/14-014_Graffiti_Control_Program.pdf)

**March 13, 2014– Issued our Hotline Investigation Report of the Presidio Hills Golf Course Use and Occupancy Permit. The report can be found on our website at:**

[http://www.sandiego.gov/auditor/reports/fy14\\_pdf/hotline/14-015\\_Presidio\\_Hills\\_Golf\\_Course\\_Use.pdf](http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/14-015_Presidio_Hills_Golf_Course_Use.pdf)

**March 18, 2014 – Issued our Hotline Investigation Report of Public Utilities Warehouse Supply Purchases. The report can be found on our website at:**

[http://www.sandiego.gov/auditor/reports/fy14\\_pdf/hotline/14-016\\_PUD\\_Warehouse\\_Supply\\_Purchases.pdf](http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/14-016_PUD_Warehouse_Supply_Purchases.pdf)

**March 25, 2014– Issued our Hotline Investigation Report of Overtime and Telephone Usage. The report can be found on our website at:**

[http://www.sandiego.gov/auditor/reports/fy14\\_pdf/hotline/14-017\\_Overtime\\_and\\_Telephone\\_Usage.pdf](http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/14-017_Overtime_and_Telephone_Usage.pdf)



OFFICE OF THE CITY AUDITOR  
1010 SECOND AVENUE, SUITE 555 • 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**



<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>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.	April 2014	2,095	1,250
<b>Real Estate Assets - Residential Property Leases</b>	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	998	800
<b>Public Utilities Department - Reserves</b>	The objective of this audit is to review the accuracy and reasonableness of the Public Utilities' reserves.	April 2014	760	900

<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>Annual Mission Bay Fund Audit - FY 2013</b>	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.	May 2014	261	240

**Audits in Progress – Fieldwork (continued)**

Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Office of Homeland Security</b>	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	683	1,000
<b>Fire Rescue – Overtime</b>	The objective of this audit is to review the City's Fire-Rescue Department's Overtime expenditures.	May 2014	1,007	1,400
<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	635	1,200
<b>San Diego Convention Center – Information Technology Review</b>	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	105	240

<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	691	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	88	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	1,180	1,535

**Planned Audits Not Yet Started:**

Planned Audit	Estimated Audit Hours
Public Utilities – Overhead Rate Review	900
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
Balboa Park Celebration, Inc. ( <b>New requested audit started in April 2014</b> )	1,200

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