



THE CITY OF SAN DIEGO

DATE: November 20, 2013

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

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

This report provides information on the activities of the Office of the City Auditor for the month of October 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:

October 2, 2013 – Issued an Update on Recommendation Implementation Status for Selected Audits. The report can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy14_pdf/pdf/RecFollow-up_10-02-13.pdf

October 29, 2013 – Issued our City Auditor’s Quarterly Fraud Hotline Report – Qtr1 Fiscal Year 2014. The report can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy14_pdf/hotline/Fraud_Q1_2014_UpdateReport.pdf



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



Audits in Process– Report Writing				
Audit	Status	Target Completion Date	Audit Hours Used	Budgeted Hours
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. A draft report was issued to the department for review on October 31, 2013.	November 2013	1,902	1,600
Personnel Department - Recruiting	The objective of this audit is to review the efficiency and effectiveness of the Personnel Department’s recruitment and hiring process. A draft report was issued to the department for review on November 6, 2013.	November 2013	1,101	1,100
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. A draft report was issued to the department for review on November 4, 2013.	November 2013	1,564	1,400
Graffiti Abatement Program	The objective of this audit is to review the efficiency and effectiveness of the Graffiti Abatement Program.	December 2013	1,009	1,000
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.	December 2013	1,367	1,250
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	1,759	2,500

Audits In Progress – Planning				
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.	February 2014	81	900
Real Estate Assets - Residential Property Leases	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.	February 2014	90	800
Fire Rescue – Overtime	The objective of this audit is to review the City's Fire-Rescue Department's Overtime expenditures.	March 2014	142	1400

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	45	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	76	240

Other Audit Activity				
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, and we issue a Quarterly Fraud Hotline Report with the status of hotline activities.	On-going	527	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
Environmental Services – Waste Reduction and Disposal	1,600
Utilities Undergrounding Audit Phase II	1,200
Citywide Other/Special Funds	1,000
Community Parking Districts	1,100
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 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