



THE CITY OF SAN DIEGO

DATE: January 20, 2015
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – December 2014

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

December, 2014 – Issued our Fraud Risk Assessment Report on the Fleet Services Division of the Public Works Department.

The report can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy15\_pdf/hotline/15-010\_Fleet\_Services\_Fraud\_Risk\_Assessment.pdf

Table with 5 columns: Audit, Audit Objective, Target Completion Date, Audit Hours Used, Budgeted Hours. Rows include Utilities Undergrounding – Phase II and Park and Recreation – Golf Operations.



<b>Audits in Progress – Fieldwork</b>				
<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Citywide Contract Oversight</b>	The objective of this audit is to review the City’s overall process to ensure that a) contracts contain adequate provisions for oversight and performance measurement and b) departments are given adequate direction, and are held accountable for ensuring vendor compliance with contract requirements. We issued an interim report January 16, 2015 and plan to issue the final report in March 2015.	Jan. 16, 2015 (Interim Report issued)  March 2015 (Final Report)	1,769	1,800
<b>Transportation &amp; Storm Water</b>	The objective of this audit is to review the efficiency and effectiveness of the City’s public right of way maintenance program.	February 2015	1,069	1,400
<b>Fire - Rescue Lifeguard Services</b>	The objective of this audit is to review the efficiency and effectiveness of the City’s Lifeguard services.	March 2015	862	1,400

<b>Audits in Progress – Planning</b>				
<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Citywide Other/Special Funds</b>	The objective of this audit is to review the controls associated with the disbursement and oversight of special funds including TransNet funds.	March 2015	306	1,200
<b>Airports – Real Estate Assets</b>	The objective of this audit is to review the efficiency and effectiveness of the City’s Airport Program.	May 2015	10	1,400

<b>Other Audit Activity</b>				
<b>Activity</b>	<b>Audit Objective</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	324	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	188	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	705	1,450

**FY 2015 Planned Audits Not Yet Started:**

<b>Planned Audit</b>	<b>Estimated Audit Hours</b>
Public Utilities – Overhead Rate Review	900
Neighborhood Code Compliance Division	1,400
General Services – Fleet Services	1,400
Police Department – Property and Evidence Room and Inventory	1,400
Development Services – Entitlements	1,800
Business Improvement Districts	1,400
City’s Fiscal Sustainability and Financial Condition	800
Annual Mission Bay Fund Audit FY14	340
Annual Central Stores Inventory Audit FY15	40

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