



Highlights

Why OCA Did This Study

In accordance with the City Auditor’s FY 2015 Work Plan, we conducted a performance audit of [Citywide Other/Special Funds](#). These are a grouping of funds that span multiple City departments.

Our audit objectives were to:

1. Identify if the City is receiving all the revenues that it is entitled to for each fund;
2. Determine whether recipient departments are meeting their obligations associated with the relevant funds; and
3. Determine if the City is maximizing the use of funds in a strategic manner.

What OCA Recommends

- Financial Management should continue to formally report on the results of recent proposed cash management policies designed to significantly reduce carryover associated with TransNet, Gas Tax, and Capital Outlay funds during the next budget cycle.
- The relevant departments, in consultation with the Office of the City Attorney, should review Council Policy 200-02 (regarding Gas Tax) and 500-07 (Public Safety Needs & Debt Service), and present recommended changes to the City Council.
- As part of the land asset reconciliation process, the City Comptroller should formally document the process for reconciling land sale proceeds to Capital Outlay Fund deposits and receive a list of all easements sold by the Real Estate Assets Department on an annual basis.

Management agreed to all recommendations.

For more information, contact Eduardo Luna at (619)533-3165 or cityauditor@sandiego.gov

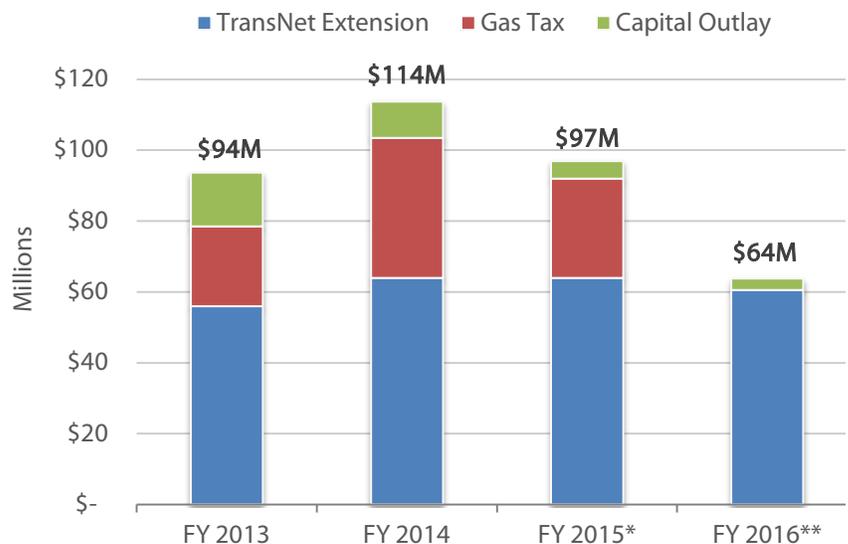
Citywide Other/Special Funds

Opportunities Exist to Enhance Use of Funds for Capital Improvement, Maintenance and Public Safety

What OCA Found

- Citywide Other/Special Funds related to capital improvement and maintenance have not been spent in a timely manner, which has resulted in consistent annual carryover in unspent revenues. As a result of the accumulation of revenues in funds like [TransNet, Gas Tax, and Capital Outlay](#), Financial Management and departments that use funding for Capital Improvement projects have developed plans to mitigate these balances through changes to cash management policies.
- City Council policies for [Gas Tax and Public Safety Needs & Debt Service](#) are outdated and contain provisions for the use of the funds that exceed the requirements in California state law. While current City practices for budgeting and expending these funds are in accordance with state law, these practices are not in alignment with Council policies.
- The City Comptroller’s Office and Real Estate Assets Department can strengthen controls over deposits made into the [Capital Outlay Fund](#). The City Comptroller has internal processes in place to reconcile proceeds from land sales in the appropriate funds, including the Capital Outlay Fund. However, this process has not been formally adopted as a procedure.

Ending Fund Balances for FY 2013 - FY 2016



* FY 2015 Adopted Budget

** FY 2016 Proposed Budget. All others are actual amounts for the fiscal year.

Source: OCA generated, using FY 2013 – FY 2016 City Budgets.