



THE CITY OF SAN DIEGO

DATE: August 13, 2015
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: City Auditor Activity Report – July 2015

This report provides information on the activities of the Office of the City Auditor for the month of July 2015. It includes the audit reports issued, the status of current audit projects, and a summary of planned audits that we have not yet started.

July 6, 2015 – Issued our City Auditor’s Quarterly Fraud Hotline Report for 4th Quarter, FY 2015. The report can be found on our website at:
www.sandiego.gov/auditor/reports/fy15_pdf/hotline/Fraud_Q4_2015_Update_Report.pdf

July 15, 2015 – Issued our Performance Audit of Citywide Other/Special Funds. The report can be found on our website at:
www.sandiego.gov/auditor/reports/fy16_pdf/audit/16-001_Citywide_Other-Special_Funds.pdf

July 15, 2015 – Issued our Recommendation Follow-Up Report for Reports Issued 2009-2011. The report can be found on our website at:
www.sandiego.gov/auditor/reports/fy16_pdf/pdf/Audit_Follow-up_Report_for_Reports_Issued_2009%20-%202011.pdf

July 15, 2015 – Issued our Annual Citywide Risk Assessment and Audit Work Plan for FY 2016. The report can be found on our website at:
www.sandiego.gov/auditor/pdf/report/2016/FY16_Riskassessment_Workplan.pdf



Audits in Progress – Report Writing

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
City’s Fiscal Sustainability and Financial Condition	The objective of this audit is to review the fiscal sustainability and financial condition of the City of San Diego by analyzing trends in the City’s financial data.	Issued: August 6, 2015	1,617	800
Business Improvement Districts	The objective of this audit is to review the efficiency and effectiveness of the Business Improvement Districts.	August 2015	1,794	1,400

Audits in Progress – Fieldwork

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Development Services – Code Enforcement Division	The tentative objective of this audit is to review the efficiency and effectiveness of this program.	September 2015	953	1,400
Public Utilities – Overhead Rate Review	The tentative objective of this audit is to review the accuracy and reasonableness of overhead rates charged by City departments for services provided to Public Utilities.	October 2015	412	1,010
Purchasing & Contracting Department – Selected Contract Review	This audit is a follow-up to the audit of Citywide Contract Oversight, issued in FY 2015. The tentative objective of this audit is to review selected City contracts to evaluate areas of potential risk and loss to the City.	TBD	410	1,500

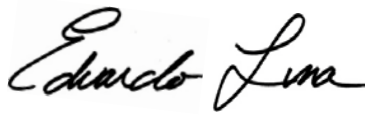
Other Audit Activity

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	The City Auditor tracks all audit recommendations made since FY 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	21	700
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	12.5	240
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 activities.	On-going	146	1,410
IT Risk Assessment	The Office of the City Auditor will conduct a Risk Assessment on the City's IT Infrastructure, and based on the level of risk, the City Auditor will create a schedule of on-going IT audits.	TBD	76	560

FY 2016 Planned Audits Not Yet Started

Planned Audit	Estimated Audit Hours
San Diego Police Department (SDPD) – Property and Evidence Room	200
SDPD and Public Works-Engineering & Capital Projects – Right of Way Design	1,600
Development Services Department (DSD) – Permitting	1,600
Fleet Services	1,600
Capital Improvements Program (CIP)	2,000
San Diego Public Libraries	1,400
Transportation & Storm Water Department-Street Division, and Public Works-Engineering & Capital Projects-Right of Way Design	1,500
San Diego Housing Commission	2,000
Convention Center	2,000
IT Audits	2,090

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