



THE CITY OF SAN DIEGO

DATE: October 4, 2010
TO: Honorable Members of the Audit Committee
FROM: Eduardo Luna, City Auditor
SUBJECT: **Office of the City Auditor Budget Analysis**

On September 13, 2010, the Chief Operating Officer and Chief Financial Officer requested that all Deputy Chief Operating Officers and Department Directors develop a budget reduction plan that could be implemented as part of the FY 2012 budget process to address the FY 2012 projected deficit. Specifically, they requested that the City Auditor develop a plan to identify \$675,818 in budget reductions for FY 2012.

Under City Charter Section 39.1, the Audit Committee recommends the City Auditor's annual budget to the City Council. Therefore, I request this issue be docketed at a future Audit Committee meeting for discussion. The administration's proposed budget reduction would have a severe impact on Office staffing. It would reduce our ability to conduct and complete performance audits, and delay achieving the recommended audit staffing level. A direct consequence would be that the City Auditor would have to delay auditing high-risk City activities and programs, the results of which could yield savings to the City or streamline operations.

We all recognize that the City faces extraordinary financial circumstances that require difficult budgetary decisions and personal sacrifices. In times of fiscal crisis, the need for accountability is the greatest. By conducting performance audits, the Office of the City Auditor can work towards ensuring that limited public funds are used appropriately, effectively, and efficiently.

Eduardo Luna
City Auditor

cc: Honorable Mayor Jerry Sanders
Jay M. Goldstone, Chief Operating Officer
Jan Goldsmith, City Attorney
Honorable City Council Members
Mary Lewis, Chief Financial Officer
Andrea Tevlin, Independent Budget Analyst

