



## THE CITY OF SAN DIEGO

DATE: April 27, 2016  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – March 2016

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This report provides information on the activities of the Office of the City Auditor for the month of March 2016. It includes the audit reports issued during the month, the status of current audit projects, and a summary of planned audits that we have not yet started.

**March 2, 2016 – Issued our Accomplishments Report for the Period of January 1, 2015 through December 31, 2015. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/accomplishments\\_report\\_january\\_through\\_december\\_2015.pdf](https://www.sandiego.gov/sites/default/files/accomplishments_report_january_through_december_2015.pdf)

**March 3, 2016 – Issued our Performance Audit of the City's Street Preservation Ordinance. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/16-011\\_street\\_preservation\\_ordinance.pdf](https://www.sandiego.gov/sites/default/files/16-011_street_preservation_ordinance.pdf)

**March 30, 2016 – Issued our Hotline Investigation of Vendor Fraud.**

The report can be found on our website at:

[https://www.sandiego.gov/sites/default/files/16-012\\_investigation\\_vendor\\_fraud.pdf](https://www.sandiego.gov/sites/default/files/16-012_investigation_vendor_fraud.pdf)

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



**Audits in Progress – Report Writing**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>IT Audit of the Treasurer’s RTax and BTax Systems</b>	The tentative objective of this audit is to ensure that the RTax and BTax systems are configured securely to protect and process sensitive information.	(Issued) April 20, 2016	836	900
<b>Purchasing &amp; Contracting Department – Selected Contract Review</b>	This audit is a follow-up to the audit of Citywide Contract Oversight, issued in Fiscal Year 2015. The objective of this audit is to review selected City contracts to evaluate areas of potential risk and loss to the City.	(Issued) April 21, 2016	2,466	1,500
<b>San Diego Public Libraries</b>	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Public Libraries.	May 2016	1,523	1,400

**Audits in Progress – Fieldwork**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Annual Mission Bay Fund Audit FY 2015</b>	The Annual Mission Bay Funds Audit is required by the City Charter, Article V, Section 55.2 (e). The objective of this audit is to verify the prior fiscal year collection, allocation, and use of Mission Bay Funds are in compliance with City Charter requirements.	May 2016	156	400
<b>San Diego Housing Commission</b>	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Housing Commission.	June 2016	1,814	2,000
<b>San Diego Police Department, and Public Works– Engineering &amp; Capital Projects: Right-of-Way Design Division – Pedestrian Safety</b>	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the City’s programs responsible for pedestrian safety.	June 2016	1,082	1,600
<b>IT Audit of the Accela Software Implementation</b>	This is a cursory audit of the Accela software implementation. The objective of this audit is to help ensure Accela is configured to mitigate the risks identified in prior audit recommendations and proper system implementation procedures are followed. This audit will not be completed until the system is implemented in Fiscal Year 2017.	TBD	90	200

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Development Services Department (DSD) - Permitting</b>	The tentative objective of this audit is to review the efficiency and effectiveness of selected areas of DSD's permitting processes.	TBD	185	1,600
<b>SAP User Access/Provisioning</b>	This audit will focus on the access granted in SAP focusing on privileged user accounts, segregation of duty conflicts, their mitigating controls and a review of the access provisioning process.	TBD	91	450
<b>San Diego Convention Center</b>	The tentative objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Convention Center.	TBD	196	2,000

**Other Audit Activity**

<b>Audit</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>	We report the implementation status on a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports. Our most recent report was issued on April 21, 2016.	On-going	379	700
<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	112	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	1,313	1,410

**FY 2016 Planned Audits Not Yet Started**

<b>Planned Audit</b>	<b>Estimated Audit Hours</b>
San Diego Police Department – Property and Evidence Room	200
Streets Division – Streetlight Installation <sup>1</sup>	1,600
Capital Improvements Program	2,000
Data Center Security (IT)	450
Annual Central Stores Inventory Audit FY 2016	40

Respectfully submitted,



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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  
Marshall Anderson, Director of Council Affairs  
Jan Goldsmith, City Attorney  
Andrea Tevlin, Independent Budget Analyst

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<sup>1</sup> The Streetlight Installation audit is replacing the Fleet Services audit as discussed at the April 27, 2016 Audit Committee meeting.