



## THE CITY OF SAN DIEGO

DATE: April 11, 2019  
TO: Honorable Members of the Audit Committee  
FROM: Kyle Elser, Interim City Auditor  
SUBJECT: City Auditor Activity Report – March 2019

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This report provides information on the Office of the City Auditor's activities as of March 30, 2019. This includes any audit reports issued during the month of March, the status of current audit projects, and a list of planned audits that have not yet started.

The "Target Completion Date" provided for each audit project indicates our estimate of when the audit report will be issued. However, future circumstances may delay report issuance, such as delays in receiving data for review, numerous and extensive findings that require further evaluation, and additional discussions with management to prove and demonstrate that our audit findings are valid and recommendations for improvement are necessary.

There were no reports issued during March 2019.

**Audits in Progress – Report Writing Stage**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>1</sup>
<b>Human Resources and Personnel – City Employee Pay Equity</b>	This is the second audit report that will be issued as part of the Employee Compensation Reporting topic on OCA’s FY 2019 Work Plan. The objective for this audit is to determine whether the City uses, or could use, compensation-related data to monitor pay equity across different employee groups, such as by gender.	Published April 8, 2019	First Report Published November 16, 2018  On-going hours: 1225	800
<b>Parks and Recreation – Joint Use Agreements</b>	The objective for this audit is to determine whether the operations and oversight of Joint Use Agreement between the City of San Diego and San Diego Unified School District are administered efficiently.	Published April 9, 2019	988	800
<b>Annual Mission Bay Fund Audit FY 18</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 2019	168	420

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<sup>1</sup> For audits carried over from Fiscal Year (FY) 2018, “Budgeted Hours” reflects the actual hours used in FY 2018 plus the Budgeted hours for FY 2019.

**Audits in Progress – Fieldwork Stage**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>1</sup>
<b>Transportation &amp; Storm Water – Tree Trimming Process</b>	The objective for this audit is to assess whether the program is ensuring that the tree maintenance contractor is adequately meeting contracted obligations and City standards; assess whether efficiency improvements can be made to the service notification and work order processes to shorten completion times; and assess whether the program has the staffing and equipment capacity to complete their current backlog and maintain a reasonable level of open work orders.	May 2019	921	1,000
<b>IT Audit of Disaster Recovery Preparedness</b>	The objectives are to (1) Determine if the City has adequately defined and ensured the availability of sufficient physical resources from which to obtain, transfer, and restore its information systems in the event of a disaster. (2) Assess whether the City has sufficiently defined and tested its ability to restore logical systems, comprised of applications, data, and platforms, in the event of a disaster. And (3) Determine if the City has sufficiently defined, trained, and tested, personnel resources and their logistics to travel to the recovery site and restore the City's information systems in the event of a disaster.	May 2019	593	800

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>1</sup>
<b>Public Utilities - Water Operations - Construction &amp; Maintenance – AMI Implementation Project</b>	The objectives for this audit are to 1) Evaluate the management of PUD’s AMI implementation project to-date to identify lessons learned that should inform the remaining AMI implementation as well as future major projects at PUD; and 2) Determine whether efficiency and effectiveness can be improved in the AMI implementation process to reduce costs, improve the speed of the rollout, and ensure accurate and timely billing.	May 2019	1,361	2,000
<b>Public Utilities – Customer Support Service Division</b>	The objective for this audit is to determine the efficiency and effectiveness of the Customer Support Division call center – call wait times and customer service.	May 2019	1,178	1,200
<b>Neighborhood Services - Homelessness</b>	The objectives for this audit are to review and evaluate the City’s sources of funding and expenditures related to homelessness programming and determine if the City’s organizational structure for addressing homelessness can be improved to better coordinate decision-making and operations.	June 2019	1,351	2,000

**Audits in Progress – Planning Stage**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours<sup>1</sup></b>
<b>Strategic Human Capital Management</b>	The tentative objective for this audit is to evaluate the City’s effectiveness at strategically managing its human capital resources, including opportunities to increase City employee incentives, discipline, and pay competitiveness.	TBD	73	2,200
<b>Risk Management / City Attorney - Liability Payouts</b>	The tentative objective for this audit is to assess Public Liability payouts and review the process for implementing corrective actions to reduce potential liability.	TBD	187	2,200
<b>Development Services – Charges for Deposit Accounts</b>	The tentative objective is to evaluate the effectiveness of DSD’s billing process for Deposit Accounts as it relates to applicants being charged for services.	TBD	189	2,000
<b>IT Audit of Network Perimeter Controls</b>	The tentative objective of this IT Audit is to assess the City’s network perimeter controls.	TBD	41	820

**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. November 16, 2018–Issued our Recommendation Follow-Up Report for the period ending June 30, 2018.	On-going	974	800

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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	1,913	3,100

**FY 2019 Planned Audits Not Yet Started**

Planned Audits	Estimated Audit Hours
IT Audit of Citywide Sensitive Data Encryption Standards and Data Classification	640
Public Works - Engineering & Capital Projects - Department Charges	1,800
Annual Central Stores Inventory Audit FY 19	20

Respectfully submitted,




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Kyle Elser  
 Interim City Auditor

- cc: Honorable Mayor Kevin Faulconer  
 Honorable Members of the City Council  
 Kris Mitchell, Chief Operating Officer  
 Stacey LoMedico, Assistant Chief Operating Officer  
 Ron Villa, Assistant Chief Operating Officer  
 Jessica Lawrence, Policy Advisor, Office of the Mayor  
 Andrea Tevlin, Independent Budget Analyst  
 Mara Elliott, City Attorney