



## THE CITY OF SAN DIEGO

DATE: June 15, 2021  
TO: Honorable Members of the Audit Committee  
FROM: Andy Hanau, City Auditor  
SUBJECT: City Auditor Activity Report – May 2021

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This report provides information on the Office of the City Auditor’s activities as of May 31, 2021. This includes any audit reports issued during the month of May, 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.

### **Reports issued during May 2021:**

05/28/2021  
Confidential Recommendation Follow-Up Report

**Audits in Progress – Report Writing Stage**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Annual Mission Bay Fund Audit FY 2020</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 and San Diego Regional Parks Improvement Funds are in compliance with City Charter requirements.	June 2021	234	300
<b>Audit of IT Service Delivery Effectiveness</b>	The objectives for this audit are to (1) Identify the IT Services provided to internal customers, the high level processes used to provide these services, and their cost to facilitate a survey of these services and to provide the context in which these services are provided; (2) Design and conduct a survey of internal customers to measure the accessibility and reliability of these services; and (3) Assess how well DoIT has defined their Key Performance Indicators to measure the effectiveness of each service.	June 2021	1,061	570
<b>Office of the COO - Cares Act Funding</b>	The objectives for this audit are to determine if the City has sufficient internal controls to ensure that CARES Act funds are distributed in compliance with requirements; whether funds are being used to efficiently, effectively, and equitably address the effects of the pandemic; and evaluate whether internal controls are sufficient to mitigate fraud, waste, and abuse.	June 2021	1,993	1,600

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Real Estate Assets – Asset Acquisition (Including 101 Ash St. Building)</b>	The objective for this audit is to review the City’s acquisition and due diligence process for procuring new real estate assets, including the purchase of 101 Ash Street and other major acquisitions.	July 2021	1,643	1,800

**Audits in Progress – Fieldwork 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>Department of Finance - User Fees</b>	The objective for this audit is to review the process and frequency of user fee updates to determine if they are being evaluated and updated in accordance with CP 100-05 and industry best practices.	August 2021	1,165	1,600

**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</b>
<b>Parks &amp; Recreation – Program Equity</b>	The objective is to (1) Determine whether the Department effectively identifies recreation programming equity needs in each community, (2) Determine whether the Department meets identified programming needs equitably through funding and staffing allocations, and (3) Determine whether the Department provides residents with equitable access to recreation programs.	October 2021	729	1,600
<b>Real Estate Assets Department – Leasing City Property</b>	The tentative objective for this audit is to evaluate READ’s strategy for leasing and renewing leases on City property, including the use of holdover agreements	TBD	357	1,400
<b>IT Application Audit of the Fire Department’s Emergency Response Management System</b>	The tentative objective for this audit is to test the effectiveness of the IT general controls and IT security controls of the Fire Department’s Emergency Response Management System.	TBD	39	600
<b>Annual Central Stores Inventory Audit FY 2021</b>	San Diego Municipal Code Section §22.0501 requires an annual count of inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of Central Stores inventory	TBD	2	20

**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. On May 28, 2021, we issued our Confidential Recommendation Follow-Up Report for the period ending December 31, 2021. On April 12, 2021, we issued our <a href="#">Recommendation Follow-Up Report</a> for the period ending December 31, 2021. On October 12, 2020, we also issued our <a href="#">October 2020 - Audit Recommendation Follow-Up Report</a> for the period ending June 30, 2020.	On-going	1,118	720
<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 <a href="#">Quarterly Fraud Hotline Report</a> with the status of activities.	On-going	3,388	2,960

**FY 2021 Planned Audits Not Yet Started**

<b>Planned Audits</b>	<b>Estimated Audit Hours</b>
Audit of the IT Procurement and Vendor Management Process	1,000
Public Utilities – Water System Operations – Lakes	1,000
Risk Management – Workers’ Compensation	1,600
Public Works - Engineering & Capital Projects - Department Charges	1,800
San Diego Police Department – Community Policing	2,000

**Reports Completed During FY 2021**

07/15/2020

[Follow-Up Performance Audit of the Public Utilities Department’s Industrial Wastewater Control Program](#)

09/14/2020

[Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2020](#)

09/22/2020

[Performance Audit of the Transportation and Stormwater Department’s Street Sweeping Section](#)

09/28/2020

[Performance Audit of San Diego Police Department’s Data Analysis](#)

10/7/2020

[City Auditor’s Quarterly Fraud Hotline Report - Q1 Fiscal Year 2021](#)

10/14/2020

[October 2020 - Audit Recommendation Follow-Up Report](#)

10/14/2020

[Request for Independent Legal Counsel for the Office of the City Auditor – Response to the City Attorney’s Memo](#)

11/24/2020

[Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program](#)

11/25/2020

[Performance Audit of Strategic Human Capital Management II: Employee Performance Management](#)

12/23/2020

[IT Performance Audit of Legacy Applications](#)

12/23/2020

[IT Performance Audit of Legacy Applications \(Confidential\)](#)

01/14/2021

[City Auditor's Quarterly Fraud Hotline Report - Q2 Fiscal Year 2021](#)

02/18/2021

[Performance Audit of the City's Climate Action Plan](#)

03/11/2021

[Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program - Part II](#)

03/31/2021

[Activities and Accomplishments of the Office of the City Auditor](#)

04/28/2021

[City Auditor's Quarterly Fraud Hotline Report - Q3 Fiscal Year 2021](#)

04/15/2021

[Performance Audit of SDPD's Data Analysis | Independent Data Reliability Assessment Memorandum](#)

04/12/2021

[April 2021 - Audit Recommendation Follow-Up Report](#)

Respectfully submitted,



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Andy Hanau  
City Auditor

cc: Honorable Mayor Todd R. Gloria  
Honorable Members of the City Council  
Honorable City Attorney Mara Elliott  
Jay Goldstone, Chief Operating Officer  
Matthew Helm, Chief Compliance Officer  
Andrea Tevlin, Independent Budget Analyst