



## THE CITY OF SAN DIEGO

DATE: November 23, 2016  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – October 2016

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This report provides information on the activities of the Office of the City Auditor for the month of October 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.

October 3, 2016 – Issued our Audit of the Agreed-Upon Procedures Related to the Central Stores Physical Inventory. The report can be found on our website at:

[https://www.sandiego.gov/sites/default/files/17-007\\_fy16\\_central\\_stores\\_aup.pdf](https://www.sandiego.gov/sites/default/files/17-007_fy16_central_stores_aup.pdf)

October 6, 2016 – Issued our Quarterly Fraud Hotline Report for Fiscal Year 2017 - Quarter 1. The report can be found on our website at:

[https://www.sandiego.gov/sites/default/files/qrtly\\_fraud\\_hotline\\_report\\_fy2017\\_qtr1\\_0.pdf](https://www.sandiego.gov/sites/default/files/qrtly_fraud_hotline_report_fy2017_qtr1_0.pdf)

October 13, 2016 – Issued our Audit Recommendation Follow-Up report. The report can be found on our website at:

[https://www.sandiego.gov/sites/default/files/recommendation\\_follow-up\\_06-30-16.pdf](https://www.sandiego.gov/sites/default/files/recommendation_follow-up_06-30-16.pdf)

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



**Audits in Progress – Report Writing**

<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>Development Services Department (DSD) - Permitting</b>	The objective of this audit is to review the efficiency and effectiveness of DSD's expedite permitting processes.	December 2016	1,789	1,600
<b>Streets Division – Streetlight Repair</b>	The objective of this audit is to review the efficiency and effectiveness of the City's streetlight repair program.	December 2016	965	800
<b>San Diego Convention Center<sup>2</sup></b>	The objective of this audit is to evaluate the efficiency and effectiveness of the management and operations of the San Diego Convention Center.	December 2016	1,981	2,000

**Audits in Progress – Fieldwork**

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<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.	December 2016	545	500

<sup>1</sup> For audits carried over from FY16, "Budgeted Hours" reflects the sum of actual hours used in FY16 and the estimated hours needed in FY17 to complete the audits.

<sup>2</sup> During the October 19, 2016 Audit Committee meeting, we communicated hours for this audit will be increased due to staffing changes, significant data entry, and having to contact multiply entities.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
IT Audit of the Accela Software Implementation	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.	June 2017	251	500

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Citywide Privileged User Management	The tentative objective is to determine if the City appropriately manages privileged accounts on non-outsourced servers, desktop computers, and standard images.	January 2017	244	300
Capital Improvements Program (CIP)	The objectives of this audit will be to evaluate the CIP quality assurance process, and review a lifeguard tower CIP project. We will be issuing separate audit reports for each of these objectives.	March 2017	740	2,000
Environmental Services	The tentative objective is to determine the accuracy of Streetlight Utility Billing.	TBD	114	600

<b>Audit</b>	<b>Audit Objective</b>	<b>Target Completion Date</b>	<b>Audit Hours Used</b>	<b>Budgeted Hours</b>
<b>Economic Development</b>	The tentative objective is to determine the efficiency and effectiveness of the Business and Industry Incentive Program.	TBD	11	1,600

**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 October 13, 2016.	On-going	327	670
<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	914	2,100

**FY 2017 Planned Audits Not Yet Started**

<b>Planned Audits</b>	<b>Estimated Audit Hours</b>
Special Events	600
Communications	600
Mayor's Office – Boards and Commissions	600

Planned Audits	Estimated Audit Hours
Park and Recreation	1,950
Transportation & Storm Water – Storm Water	1,800
City Attorney	1,800
Comptroller - Grants	1,800
Development Services - Development Impact Fees (DIF)	1,800
Annual Mission Bay Fund Audit FY16	400
Security Audit of Public Utilities PCS and SCADA systems	600
Data Security Controls Audit of Sensitive Police Department Data	800

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