



## THE CITY OF SAN DIEGO

DATE: November 14, 2017  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – October 2017

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

**October 3, 2017– Issued our Fraud Hotline Quarterly Report- Q1 Fiscal Year 2018. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/city\\_auditors\\_quarterly\\_fraud\\_hotline\\_report\\_fiscal\\_year\\_2018- qtr1.pdf](https://www.sandiego.gov/sites/default/files/city_auditors_quarterly_fraud_hotline_report_fiscal_year_2018-_qtr1.pdf)

**October 12, 2017– Issued our Performance Audit of the Park and Recreation Department’s Maintenance Operations. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-009\\_park\\_and\\_rec\\_maintenance.pdf](https://www.sandiego.gov/sites/default/files/18-009_park_and_rec_maintenance.pdf)

**October 19, 2017– Issued our Performance Audit of the Communications Department’s Charges for Services to Enterprise Funds. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-010\\_communications\\_enterprise\\_funds.pdf](https://www.sandiego.gov/sites/default/files/18-010_communications_enterprise_funds.pdf)

**October 20, 2017– Issued our Performance Audit of the City’s Grant Management. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-011\\_grants\\_management.pdf](https://www.sandiego.gov/sites/default/files/18-011_grants_management.pdf)

**October 30, 2017– Issued our semi-annual Audit Recommendation Follow-Up Report. The report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/recommendation\\_follow-up\\_06-30-17.pdf](https://www.sandiego.gov/sites/default/files/recommendation_follow-up_06-30-17.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 <sup>1</sup>
<b>Economic Development</b>	The objective is to determine the efficiency and effectiveness of the Business and Industry Incentive Program.	1 <sup>st</sup> Report Issued On September 28, 2017  2 <sup>nd</sup> Report December 2017	1,836	1,600

**Audits in Progress – Fieldwork**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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.	TBD	361	500
<b>Transportation &amp; Storm Water – Storm Water</b>	The objective is to evaluate Storm Water Division’s asset management and revenue generation strategies.	November 2017	1,431	1,800

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<sup>1</sup> For audits carried over from FY17, “Budgeted Hours” reflects the hours used in FY17 Audit Work Plan.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Facilities Financing - Development Impact Fees (DIF)</b>	The objective of this audit is to determine if fees are collected and deposited into the applicable community fund, the methodology for assessing and spending fees can be improved, and expenditures are in compliance with the Mitigation Fee Act.	December 2017	1,032	1,800

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Fleet Services – Vehicle Acquisition</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the Fleet Acquisition process.	TBD	177	1,800
<b>City’s Fiscal Sustainability and Financial Condition</b>	The tentative objective for this audit is to review the fiscal sustainability and financial condition of the City of San Diego by analyzing trends in the City's financial data over a 10-year period.	TBD	21	600
<b>Community Planning Group Audit<sup>2</sup></b>	The tentative objective of this audit is to review the efficiency and effectiveness of Community Planning Groups and their compliance with relevant Council policies.	TBD	105	1,800

<sup>2</sup> This audit replaced the Risk Management – Public Liability Audit as mentioned during the July 26, 2017 Audit Committee Meeting.

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Data Security Controls Audit of Sensitive Police Department Data</b>	The tentative objective is to determine if the Police Department utilizes sufficient IT controls over their sensitive data to prevent loss or theft.	TBD	110	800
<b>Security Audit of Cityhub and Supporting Infrastructure</b>	The tentative objective is to determine whether Cityhub data is adequately secured through the application and supporting infrastructure as a data repository for department sensitive information.	TBD	22	700
<b>Human Capital Audit – Office of the Chief Operating Officer/ Personnel/ Human Resources</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the City's recruitment, retention, development, and compensation of employees. Because the subject matter is broad, this is the first of a series of audits reviewing various aspects of human capital issues	TBD	100	1,800
<b>Real Estate Assets – Leased and Surplus Properties</b>	The tentative objective for this audit is to evaluate the management of City owned surplus and leased property, including lease holdovers.	TBD	125	1,400
<b>Transportation Storm Water – Transportation Engineering Ops Division and Streets Division – Curb Painting Process/Program</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the City's Curb Painting process/program.	TBD	19	600

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Public Utilities – Water Operations – Construction &amp; Maintenance – Water Meter Cover Replacement Process</b>	The tentative objective for this audit is to evaluate the efficiency and effectiveness of the Water Meter Cover Replacement Process.	TBD	110	800


**Other Audit Activity**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<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 31, 2017.	On-going	400	800
<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	1,124	3,100

**FY 2018 Planned Audits Not Yet Started**

<b>Planned Audits</b>	<b>Estimated Audit Hours</b>
Public Utilities – Customer Support Services Division	800
Economic Development – Climate Action Plan	1,200
San Diego Police Department – Youth Curfew Program	1,200
IT Audit of Disaster Recovery Preparedness	1,100
Annual Mission Bay Fund Audit FY17	420
Annual Central Stores Inventory Audit FY18	20

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  
Mara Elliott, City Attorney  
Andrea Tevlin, Independent Budget Analyst