



THE CITY OF SAN DIEGO

DATE: May 28, 2009

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

SUBJECT: **Request for Bid-To-Goal Incentive Program Audit**

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At the May 11, 2009 Audit Committee meeting, I was requested to report on the feasibility of conducting an audit of the “bid-to-goal” incentive program. During the meeting, concerns were raised regarding the structure of the “bid-to-goal” program and the manner in which cost savings were achieved. Given the complexity and the size of the bid-to-goal program, I estimate it will take approximately 1,500 staff hours to complete a comprehensive audit. Based on my current staffing levels and staff availability, we are unable to perform this review at this time without significantly delaying on-going high-risk audits. Based on proposed staffing increases in FY 2010, my recommendation is to commence the audit of the “bid-to-goal” program in August 2009. In order to complete the assignment in a reasonable time period, I would assign two auditors to the project and seek to complete the audit by December 2009.

Eduardo Luna  
City Auditor