



## THE CITY OF SAN DIEGO

DATE: October 17, 2017  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, City Auditor  
SUBJECT: City Auditor Activity Report – September 2017

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

**September 8, 2017– Issued our Agreed-Upon Procedures Related to the Central Stores Physical Inventory, Fiscal Year 2017. This report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-003\\_fy17\\_central\\_stores\\_aup.pdf](https://www.sandiego.gov/sites/default/files/18-003_fy17_central_stores_aup.pdf)

**September 19, 2017– Issued our Performance Audit of the La Jolla Children’s Pool Lifeguard Station. This report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-004\\_lifeguard\\_tower.pdf](https://www.sandiego.gov/sites/default/files/18-004_lifeguard_tower.pdf)

**September 20, 2017– Issued our CONFIDENTIAL Security Audit of the Public Utilities Department’s Wastewater Industrial Control Systems.**

**September 25, 2017– Issued our Hotline Investigation of Charitable Activities Conducted on City Time. This report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-006\\_hotline\\_investigation\\_of\\_charitable\\_activities\\_conducted\\_on\\_city\\_time.pdf](https://www.sandiego.gov/sites/default/files/18-006_hotline_investigation_of_charitable_activities_conducted_on_city_time.pdf)

**September 28, 2017– Issued our Performance Audit of the Economic Development Department’s Business Cooperation Program. This report can be found on our website at:**

[https://www.sandiego.gov/sites/default/files/18-007\\_business\\_coop\\_program.pdf](https://www.sandiego.gov/sites/default/files/18-007_business_coop_program.pdf)

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**Audits in Progress – Report Writing**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours <sup>1</sup>
<b>Security Audit of Public Utilities PCS and SCADA systems</b>	The objective is to assess the IT control environments of the Plant Control System (PCS) and the Supervisory Control and Data Acquisition (SCADA) system for remote monitoring and control of remote utility equipment. Two confidential reports will be issued.	1 <sup>st</sup> Report Issued On September 20, 2017  2 <sup>nd</sup> Report Issued On October 12, 2017	1,381	600
<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 November 2017	1,634	1,600
<b>Park and Recreation</b>	The objective is to determine the efficiency and effectiveness of Park and Recreation’s Citywide activities and programs.	Report Issued On October 12, 2017	2,042	1,950
<b>Comptroller - Grants</b>	The tentative objective is to determine the efficiency and effectiveness of the City’s grant management.	October 2017	1,188	1,800
<b>Communications</b>	The tentative objective is to determine the accuracy of the Communications Department’s charges for services to the City’s Enterprise funds.	October 2017	700	600

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

**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	347	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	1,152	1,800

**Audits in Progress – Planning**

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<b>Facilities Financing - Development Impact Fees (DIF)</b>	The tentative objective of this audit is to determine the efficiency and effectiveness of the Development Impact Fee program designed to fund public facilities which serve the community.	December 2017	931	1,800
<b>Fleet Services – Vehicle Acquisition</b>	The tentative objective for this audit is to determine the efficiency and effectiveness of the Fleet Acquisition process.	TBD	18	1,800

**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 April 4, 2017.	On-going	268	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	797	3,100

**FY 2018 Planned Audits Not Yet Started**

Planned Audits	Estimated Audit Hours
City's Fiscal Sustainability and Financial Condition	600
Transportation Storm Water – Transportation Engineering Ops Division and Streets Division – Curb Painting Process/Program.	600
Public Utilities – Customer Support Services Division	800
Public Utilities – Water Operations – Construction & Maintenance – Water Meter Cover Replacement Process	800
Economic Development – Climate Action Plan	1,200
San Diego Police Department – Youth Curfew Program	1,200
Real Estate Assets – Leased and Surplus Properties	1,400

Planned Audits	Estimated Audit Hours
Community Planning Group Audit <sup>2</sup>	1,800
Human Capital Audit – Office of the Chief Operating Officer/ Personnel/ Human Resources	1,800
Data Security Controls Audit of Sensitive Police Department Data	800
IT Audit of Disaster Recovery Preparedness	1,100
Security Audit of Cityhub and Supporting Infrastructure	700

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

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