



DATE: September 16, 2024
TO: Honorable Members of the Audit Committee
FROM: Andy Hanau, City Auditor
SUBJECT: City Auditor Activity Report – July/August 2024

This report provides information on the Office of the City Auditor’s activities as of August 2024. This includes any audit reports issued during the months of July and August 2024, 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 issuances, such as delays in receiving data for review, numerous and extensive findings that require further evaluation, and additional discussions with management to demonstrate that our audit findings are valid and recommendations for improvement are necessary.

We issued three reports in July 2024:

[Performance Audit of Facility Maintenance](#)

[Performance Audit of the City’s Contract Management Process](#)

[City Auditor’s Quarterly Fraud Hotline Report, FY 2024, Quarter 4](#)

Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<p>Annual Mission Bay and San Diego Regional Parks Improvement Funds Audit FY2023</p>	<p>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 Funds comply with City Charter requirements.</p>	<p>September 2024</p>	<p>300</p>	<p>310</p>
<p>Agreed-Upon Procedures Report Related to the Central Stores Physical Inventory – Fiscal Year 2024</p>	<p>San Diego Municipal Code Section §22.0501 requires an annual count of inventory in City storerooms and warehouses. The objective of this review is to confirm the valuation of Central Stores inventory.</p> <p>*Due to change in outside auditor, OCA undertook this review in-house and will necessarily exceed budgeted hours.</p>	<p>September 2024</p>	<p>45*</p>	<p>10</p>

Audits in Progress - Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Department of Finance and Government Affairs: Grants	The objectives are: 1) To determine if the City is competitive in planning for and pursuing grant funding; and 2) To determine if the City's policies and processes for grant research and application are followed and align with industry best practices.	November 2024	1,200	1,800
Fire-Rescue: Overtime	The objectives are: 1) To determine what factors contribute most to the Fire Rescue Department's overtime costs and if there are opportunities to reduce overtime costs; 2) To determine if the Fire-Rescue Department's current staffing model is optimized to meet the department's service delivery requirements; and 3) To determine if there are opportunities to improve the Fire-Rescue Department's overtime budgeting process.	November 2024	1,380	2,000
General Services: Fleet Maintenance	The objective is to determine if City vehicles are being serviced according to Fleet Operations established preventive maintenance schedules, and the amount of time it takes for Fleet Operations to return City vehicles to customer departments after preventive maintenance is complete.	January 2025	930	2,000

Audits in Progress – Fieldwork Stage (cont.)

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Public Utilities and Strategic Capital Projects: Pure Water	The objective is to determine if the City ensures that project deliverables from Pure Water consultants, contractors, and City staff meet project requirements.	January 2025	965	2,400
IT Performance Audit of Citywide Cybersecurity Defenses	The primary objective of this audit is to evaluate the effectiveness of Citywide cyber defenses against both internal and external cyber threats, including cyberattacks. The audit may include a contract for specialized cybersecurity skills, which OCA anticipates could be funded through its current budget allocation.	January 2025	210	1,000
Environmental Services: Trash, Recycling, and Organics Collection	The objective of this audit is to evaluate the agreements, oversight, and fee structure for the City's franchised waste haulers to determine if the agreements and operations align with City goals, state requirements, and other related objectives.	March 2025	300	2,000

Audits in Progress - Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Disaster Response	The tentative objective is to evaluate the City's disaster response and recovery efforts related to the January 2024 floods, and determine whether the City can improve preparedness for floods and potentially other types of disasters.	TBD	30	2,200

Other Audit Activity

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	<p>We report the implementation status in a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports.</p> <p>We issued our first semi-annual report in September 2024. We updated our interactive recommendation tracking dashboard to accompany the report.</p>	On-going	810	750

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Fraud, Waste, and Abuse Hotline	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	3,212	2,960
IT Audit Project Risk Assessment Improvement Project	This project aims to enhance the IT risk assessment process by achieving a comprehensive application portfolio. The project may include, but not be limited to, surveying departments, users, and providers to ensure a thorough assessment. This initiative encompasses all IT systems and applications, regardless of their management by DoIT. The refined application portfolio will serve as the foundation for the FY2025 IT Risk Assessment.	TDB	80	200

FY2025 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
Unsafe Camping Ordinance	2,400
Fire-Rescue - Dispatch	1,600
SDPD - Internal Affairs	2,200
Parks and Recreation - Golf Division	1,400
City Planning – Historical Designation Process	1,600
Fire-Rescue – Brush Management on Private Property	1,000
Performance and Analytics / Citywide – Performance Monitoring	1,800
Annual Mission Bay Fund Audit FY 2024	310
Annual Central Stores Agreed-Upon Procedures Review FY 2025	10

Respectfully submitted,



Andy Hanau
City Auditor

- cc: Honorable Mayor Todd R. Gloria
Honorable Members of the City Council
Honorable City Attorney Mara Elliott
Eric K. Dargan, Chief Operating Officer
Christiana Gauger, Chief Compliance Officer
Charles Modica, Independent Budget Analyst