



THE CITY OF SAN DIEGO

April 29, 2009

**Honorable Mayor and Members of the City Council
City of San Diego, California**

**AUDIT OF ACCOUNTS OF
SCOTT PETERS, FORMER CITY COUNCIL DISTRICT 1,
TONI ATKINS, FORMER CITY COUNCIL DISTRICT 3,
BRIAN MAIENSCHIN, FORMER CITY COUNCIL DISTRICT 5, and
JAMES (JIM) MADAFFER, FORMER CITY COUNCIL DISTRICT 7**

Article VII, Section 111 of the City Charter, requires that upon the death, resignation or removal of any officer of the City, an audit and investigation of the accounts of such officer be made and a report provided to the Manager and the Council. To comply with this requirement, the Office of the City Auditor performed close-out audits on Mr. Scott Peters, former City Council District 1, Ms. Toni Atkins, former City Council District 3, Mr. Brian Maienschein, former City Council District 5, and Mr. Jim Madaffer, former City Council District 7. All Council Members left office on December 8, 2008.

During our audit we reviewed the information technology (IT) inventory reports for the Council members leaving office to determine if IT equipment issued to them and their staff were accounted for. The information technology support for the Council District Office is provided by San Diego Data Processing Corporation (SDDPC). A SDDPC Analyst is assigned to the Council District Office to handle any technology problems, order IT equipment, set up or disable access to City systems, cell phone accounts, office phones, etc. This Analyst also updates the SDDPC inventory reports. However, currently there is no process in place to periodically reconcile the IT equipment inventory reports to the equipment on hand at the Council Districts to ensure the inventory report is accurate and the City assets are accounted for.

As a result of our review, we determined that the controls and procedures over the Council Districts' IT equipment need to be improved. We found that Council Districts 1, 3, and 7 had some equipment that could not be accounted for, or documentation was missing to verify equipment that had been sent to the City's surplus storage facility. The equipment included six PDAs, and three laptops (one of which was intended to be sent to surplus storage), and two digital cameras.



Based on our audit we recommend:

Council District Administration establish written policies and procedures to annually reconcile the SDDPC inventory reports to IT equipment on hand to ensure the City assets are accounted for.

The Council District Administration's response to our recommendation is shown below:

Council Administration concurs with the close-out audit performed by the Office of the City Auditor and has established a written policy to institute an annual review of all IT equipment, cell phones, PDAs, and cameras in order to maintain accurate accounting of inventory for all Council Offices.

No other issues came to our attention requiring further review. To reach these conclusions, we reviewed financial records, including payroll, travel advances, and procurement card activity. Additionally, audit staff has verified that system access and payment approval authority was revoked.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We evaluated specific internal controls related to the audit objectives, and our conclusions on the effectiveness of the controls we reviewed related to the close-out procedures are detailed in our audit report.

Respectfully submitted,



Eduardo Luna
City Auditor

cc: Jay M. Goldstone, Chief Operating Officer
Jan Goldsmith, City Attorney
Steve Grant, Audit Committee Member
Wade McKnight, Audit Committee Member
Charles Sellers, Audit Committee Member
Lori Witzel, Council Administration Director
Stanley Keller, Independent Oversight Monitor
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