



DATE: November 14, 2023
TO: Honorable Members of the Audit Committee
FROM: Andy Hanau, City Auditor
SUBJECT: City Auditor Activity Report – October 2023

This report provides information on the Office of the City Auditor's activities as of October 2023. This includes any audit reports issued during the month of October, 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.

Audit reports and other work products were issued in October.

10/31/2023

[City Auditor's Quarterly Fraud Hotline Report – Q1 Fiscal Year 2024](#)

10/30/2023

[Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety](#)

- [City's Programs Responsible for Improving Pedestrian Safety Highlights](#)

Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Central Stores Inventory Agreed-Upon Procedures Review FY 2023	San Diego Municipal Code Section §22.0501 requires an annual count of inventory in City storerooms and warehouses. The objective of this audit is to confirm the valuation of Central Stores inventory.	Issued November 13, 2023	7	20
Annual Mission Bay and San Diego Regional Parks Improvement Funds Audit FY2022	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 are in compliance with City Charter requirements.	November 2023	280	320
Street Maintenance Efficiency and Equity	The objective is to determine whether the Transportation Department adequately plans for street maintenance to ensure that repairs are efficient, effective, and equitable.	December 2023	2,589	1,600
IT Integrated Performance Audit of the San Diego Police Department – Body Camera Usage	The objective of the IT audit component of this audit is to evaluate the IT security of the City's Body Worn Camera Usage. The findings and recommendations will be published confidentially in accordance with Government Auditing Standard 6.63.	December 2023	922	300

Audits in progress in the Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<p>San Diego Housing Commission: Property Acquisition Process</p>	<p>The objectives are <i>Objective 1</i>: Determine whether SDHC has a property acquisition strategy that aligns with organizational goals. <i>Objective 2</i>: Determine whether SDHC has a funding strategy for property acquisitions based on best practices. <i>Objective 3</i>: Determine whether SDHC's policies and procedures for acquiring property incorporate industry best practices to increase affordable housing in the City.</p>	<p>January 2024</p>	<p>949</p>	<p>1,800</p>
<p>San Diego Police Department - Overtime</p>	<p>The objectives are <i>Objective 1</i>: Determine if SDPD's overtime policies are in line with best practices. <i>Objective 2</i>: Determine if SDPD's overtime policies are followed. <i>Objective 3</i>: Determine if SDPD's overtime costs are in line with comparable police agencies. <i>Objective 4</i>: Determine what factors contribute to most to SDPD overtime costs and if there are opportunities to reduce overtime costs.</p>	<p>February 2024</p>	<p>1,755</p>	<p>2,100</p>
<p>High-Risk Re-Review: Topic 2 Potholes</p>	<p>The objective is to determine the extent to which the City is maintaining implementation of the identified (or similar) recommendations in OCA's 2013 Performance Audit of the Street Division's Pothole Repair Operations, specifically:</p>	<p>March 2024</p>	<p>360</p>	<p>1,000</p>

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
	<ul style="list-style-type: none"> to determine the completeness and reliability of pothole operational data collected, analyzed, and publicly reported; and to analyze the effectiveness, efficiency, and equity of Citywide pothole repair operations. 			
Facilities Maintenance	The objectives are <i>Objective 1</i> : Determine whether the City tracks and assesses the condition of City-owned, City-occupied facilities. <i>Objective 2</i> : Determine whether the City plans and conducts maintenance efficiently and effectively for City-owned, City-occupied facilities. <i>Objective 3</i> : Determine whether the City efficiently funded the maintenance needs of City-owned, City-occupied facilities from FY2016 through FY2023.	April 2024	404	1,800

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Purchasing and Contracting: Contract Management	The tentative objective is to determine if the process for administering contracts and the governance process for contract extensions or increases allows for effective management and oversight.	TBD	406	1,600

Other Audit Activity

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
<p>Follow-up on Audit Report Recommendations</p>	<p>We report the implementation status on a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports.</p> <p>We issued our first report in September, and the next report will be issued by March 2024. We will update our interactive recommendation tracking dashboard to accompany the new report.</p>	<p>On-going</p>	<p>388</p>	<p>750</p>
<p>Fraud, Waste, and Abuse Hotline</p>	<p>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.</p>	<p>On-going</p>	<p>1,133</p>	<p>2,960</p>

Audit Reports and Other Work Products Completed During FY2024

10/31/2023

[City Auditor's Quarterly Fraud Hotline Report – Q1 Fiscal Year 2024](#)

10/30/2023

[Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety](#)

- [City's Programs Responsible for Improving Pedestrian Safety Highlights](#)

09/05/2023

[Fraud Hotline Report of Purchase Order Approvals](#)

07/18/2023

[Performance Audit of the City's Classified Employee Hiring Process](#)

- [City's Classified Employee Hiring Process Highlights](#)

07/17/2023

[Performance Audit of the City's Brush Management on City-Owned Land](#)

- [City's Brush Management on City-Owned Land Highlights](#)

07/11/2023

[City Auditor's Quarterly Fraud Hotline Report - Q4 Fiscal Year 2023](#)

FY2024 Planned Audits Not Yet Started

Planned Audits	Estimated Audit Hours
Department of Finance and Government Affairs: Grants	1,800
General Services: Fleet Maintenance	2,000
Fire-Rescue: Overtime	2,000
Environmental Services: Trash, Recycling, and Organics Collection	2,000
Public Utilities and Strategic Capital Projects: Pure Water	2,400
IT Audits	2,000

Planned Audits	Estimated Audit Hours
Annual Mission Bay Fund Audit FY2023	310
Annual Central Stores Inventory Agreed-Upon Procedures Review FY2024	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