

# Annual Citywide Risk Assessment and Audit Work Plan

*JULY 2024*

Fiscal Year 2025

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CITY OF SAN DIEGO



OFFICE of the CITY AUDITOR



July 19, 2024

Honorable Members of the Audit Committee  
City of San Diego, California

## **Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2025**

City Charter Section 39.2 requires the City Auditor to prepare an annual Audit Work Plan. Attached is the Annual Audit Work Plan proposed by the Office of the City Auditor for Fiscal Year 2025. This report will be presented at the July 24, 2024 Audit Committee meeting for your review and approval in accordance with San Diego Municipal Code Section 26.1710(a). The list of 22 proposed audit assignments for FY2025 includes performance audits regarding various City programs and activities, and other audit projects and activities such as the Fraud, Waste, and Abuse Hotline.

The Audit Work Plan was developed by considering the required audits mandated by the City Charter and the San Diego Municipal Code, results of the FY2025 Citywide Risk Assessment, and input from the City Council, Audit Committee, City Management, the public, and other sources. We designed our work plan to address what we considered to be risk areas, while limiting the scope of work to what we can realistically accomplish with the staff resources available.

OCA fully recognizes and understands the challenging budget environment the City faces in FY2025 and beyond. City staff are being asked to continue to deliver essential services to our residents while simultaneously contending with constrained resources. Our audits and investigations always consider the context and realities operating departments face, and that consideration is especially important in times of scarcity. In light of that fact, our FY2025 Work Plan aims to deliver audits and investigations that will help the City mitigate critical risks, and provide realistic recommendations to add value to the departments and programs we review.

Respectfully submitted,

Andy Hanau  
City Auditor

cc: Honorable Mayor Todd Gloria  
Honorable City Councilmembers  
Honorable City Attorney Mara Elliot  
Eric Dargan, Chief Operating Officer  
Matthew Vespi, Chief Financial Officer  
Christiana Gauger, Chief Compliance Officer  
Charles Modica, Independent Budget Analyst

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## Mission Statement

The mission of the Office of the City Auditor is to advance open and accountable government through accurate, independent, and objective audits and investigations that seek to improve the efficiency, effectiveness, and equity of City government.

## Introduction

Government Auditing Standards and the Institute of Internal Auditors' Standards encourage the chief audit executive to establish a risk-based approach to determine the priorities for City Auditor activities. The Office of the City Auditor has completed a fiscal year (FY) 2025 Citywide Risk Assessment to help identify, measure, and prioritize the Office's potential audits based on the level of risk to the City. Each Activity Group's risk score was considered when selecting audits for the City Auditor's FY2025 Audit Work Plan.

## Audit Resources

The FY2025 budget for the Office of the City Auditor includes 24 staff members at a budgeted cost of \$5.7 million for salaries, fringe benefits, and non-personnel expenses, such as office equipment, training, and supplies. This total also includes \$350,000 for the cost of the City's Annual Comprehensive Financial Report (ACFR) audit that will be conducted by an outside independent audit firm. The City Auditor administers the ACFR audit contract. During FY2025, the Office will have one City Auditor, one Assistant City Auditor, one Deputy City Auditor, and 20<sup>1</sup> performance auditors to conduct audits and investigations with an estimated 26,460 audit hours available to perform audits, follow up and report on the status of audit recommendations, and administer the Fraud, Waste, and Abuse Hotline. The estimated audit hours available were calculated as follows:

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1 Includes four managers and two provisional performance auditors.

# Calculation of Estimated Audit Hours Available for FY2025

One Full-Time Equivalent (FTE) Auditor:	Hours
<b>Total Annual Hours Available</b>	2,080
<b>Less Hours For:</b>	
<b>Leave Total</b>	(305)
<b>Vacation and Sick Leave</b>	
<b>(11) Holidays and (1) Floating Holiday</b>	
<b>(3) Citywide Discretionary Leave Days Granted</b>	
<b>Continuing Professional Education</b>	(43)
<b>Administrative Duties *</b>	(82)
<b>Other Audit-Related Activities **</b>	(260)
<b>Total Annual Audit Hours Available per Auditor</b>	1,390
<b>Total staff auditors</b>	X 18
<b>Budgeted FTE hours</b>	25,020
<b>Add hours for 2 Provisional auditors</b>	1,440
<b>Total Estimated Audit Hours Available for FY2024<sup>1</sup></b>	26,460

Note: Audit supervision and administrative hours for executive management (City Auditor, Assistant City Auditor, and Deputy City Auditor), one Executive Assistant, one Internal Operations Support Analyst, and one Quality Control and Communications Specialist are not included.

\* "Administrative Duties" include completion of timecards, leave slips, annual OCA forms, Performance Self-Evaluation forms; organization of office/projects/tasks, etc.; research for training opportunities; administration of recruitment and job interviews; and any time not attributed to a specific project or task assigned by management.

\*\* "Other Audit Related Activities" include tasks such as responding to City Council and other stakeholder requests; preparing for presentations; and attending Audit Committee, City Council, and other stakeholder meetings; stakeholder outreach meetings; R&D for future audit issues; OCA staff meetings, etc. In FY2024, these hours have also included significant staff time spent working on high-priority OCA process and operational improvement initiatives that help ensure OCA continuously improves and remains a leader in the local government auditing space.

## Performance Audits and Other Audit Activities

The City Charter requires the Office of the City Auditor to conduct all of its audits under Government Auditing Standards. The standards apply to three main types of audits: financial statement audits, attestation engagements, and performance audits.

The City of San Diego hires an outside independent audit firm to perform the City's financial statement audit of the City's Annual Comprehensive Financial Report (ACFR).

The City Auditor conducts performance audits of the City's departments, agencies, and their activities. Under Government Auditing Standards, performance audits provide objective analyses so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability. A performance audit is a dynamic process that includes consideration of applicable standards throughout the course of the audit. Performance audit objectives may vary widely and include assessments of program effectiveness, efficiency, equity, internal controls, compliance with laws and regulations, and prospective analysis. Examples of performance audit objectives may include, but are not limited to:

- Assessing the extent to which legislative, regulatory, and/or organizational goals and objectives are being achieved;
- Analyzing the relative efficiency, effectiveness, and equity of a program or activity;
- Evaluating whether the audited entity is following sound procurement practices;
- Assessing the reliability, validity, and/or relevance of performance measures concerning program effectiveness and results, or economy and efficiency;
- Assessing internal controls designed to provide reasonable assurance of achieving effective and efficient operations, and reliable financial and performance reporting; and
- Determining if program activities are in compliance with laws, regulations, contract provisions, grant agreements, and other requirements.

The Office of the City Auditor may also perform some attestation engagements based on agreed-upon procedures, which consists of specific testing procedures performed on a subject matter. An example of an attestation engagement includes our annual Central Stores agreed-upon procedures review, which is currently performed by an outside audit firm and overseen by the Office of the City Auditor.

Additionally, we perform other non-audit services, such as investigating complaints received through the City's Fraud Hotline regarding allegations of fraud, waste, and abuse. We perform investigations in compliance with CA Government Code §53087.6 and follow the procedures recommended by the Association of Certified Fraud Examiners for allegations of improper financial activity, fraud, waste and/or abuse that appear to be material in nature.

## Citywide Risk Assessment – Fiscal Year 2025

Risk assessment is a process of systematically scoring (or rating) the relative impact of a variety of "risk factors." A risk factor is an observable or measurable indicator of conditions or events that could adversely affect the organization. Risk factors can measure inherent risks (such as a large organizational structure) or organizational vulnerability (such as level of cash and assets easily converted to cash).

The first step in creating the City's risk assessment model is to define the audit universe. The audit universe is a listing of the City's significant Auditable Units (all of the City's potential audits that could be performed). We created a list of City departments and City agencies and their primary Activity Groups as the Auditable Units. To accomplish this, we utilized the City's FY2025 May Revise budget data from SAP and the component unit information in the City's most current financial statements. We have reduced the number of Activity Groups by combining some activities within departments in order to target more areas of risk using our existing resources, address cross-cutting issues which impact multiple units within a department, and create efficiencies in conducting future audits of Activity Groups. However, a department may still be broken out into several Activity Groups as in the example shown in **Exhibit 1**.

*Exhibit 1***Sample Department and Activity Groups****Fire-Rescue Department****Activity Groups:**

Emergency Operations



Lifeguard Services



Community Risk Reduction



Communications

The next step in creating the risk assessment model was to identify and rank the major risks associated with each of the City's significant Auditable Units (Activity Groups).

To achieve this, a management questionnaire which measured a variety of "risk factors" was developed, (See Attachment A – Management Questionnaire). City Management completed Management Questionnaires for the associated Activity Groups.



The questionnaire had 10 measurable risk factors as follows:

- 1 Level of interface with the external public.
- 2 "Mission critical" nature of Activity Group for the department to achieve its goals and objectives.
- 3 Support of internal operations is considered critical to achieving the objectives of other departments' missions or goals.
- 4 Failure to achieve the Activity Group's mission or goals leads to public displeasure or negative media coverage.
- 5 Level of cash-convertible nature of Activity Group's transactions.
- 6 Activity Group's tracking and use of activity performance metrics.
- 7 Regulation effect or impact on operations.
- 8 Number of budgeted employees (FTE).
- 9 Level of budgeted annual revenues.
- 10 Level of budgeted annual expenses.

A Management Questionnaire was completed for each of the City's Auditable Units to determine a risk score of: 0 (low), 3 (medium-low), 5 (medium), 7 (medium-high), or 9 (high) for each of the 10 risk factors listed above. The risk scores were used for risk factors 1 through 7 (listed above), and the risk scores for risk factors 8 through 10 (FTE, Revenue, Expenses) were updated based on the FY 2025 May Revise budget. Audit staff reviewed the results, and based on professional judgment, adjusted scores if needed.

Additionally, weights were assigned to each factor based on relative importance as determined by input from audit staff (See Attachment B – Calculation of Weights Used for Risk Factors).

An increase in risk score was calculated for activities that have not been audited in the prior five fiscal years.

The final step in completing the Citywide Risk Assessment was to calculate the total risk score for each Auditable Unit (list of the potential audits) in order of highest to lowest risk score by tabulating the information gathered from the questionnaires and applying the weights assigned to the risk factors. We then calculated the overall risk score for each Activity Group by stratifying the resulting rating in descending order by tenths, and identifying the top 30 percent (or those ranking 10, 9, or 8) as High Risk. The next 40 percent (ranking 7, 6, 5, or 4) were identified as Medium Risk, and the bottom 30 percent (ranking 3, 2 or 1) were identified as Low Risk (See Attachment C – Citywide Risk Assessment).

## Interpreting Risk Assessment Results

The weighted scores for 10 risk factors were tabulated for each significant Departmental Activity Group identified in Attachment C – Citywide Risk Assessment. The risk assessment scores and information gathered during the interviews with key personnel were considered when preparing the FY2025 Audit Work Plan that follows. If a department or Activity Group has a high risk score, this merely indicates that the services they provide, or the functions they are responsible for, are by nature a high risk activity because of such factors as having a large amount of expenditures and revenues, having a high level of liquid assets such as cash, or a high degree of public interest. A high risk score does not mean that an Activity Group is being managed ineffectively or that it is not functioning properly. High

risk areas may indicate opportunities to address activities which are mission critical, provide substantial support for other internal City operations, reflect high public need, or consume significant financial resources. The overall results identify the activities with the highest risk factors that may warrant and benefit from additional management action or audit services.

## Other Risk and Audit Factors Considered

In addition to the risk assessment model, we periodically interview key City personnel to consider other potential vulnerabilities and risk factors, including the risk of fraud, that could impede the achievement of a department's mission, goals, and objectives. We also considered past audit report findings, reviewed other entities' audit reports, and researched trending municipal issues. In addition, we solicited input from a wide variety of stakeholders to inform the risk assessment and proposed audit workplan. These include the Audit Committee and City Council; the City Administration and City management; and the public at large.

## Audit Work Plan (July 2024 through June 2025)

In FY2025, we are proposing a work plan to address areas of critical importance to the City. The following Audit Work Plan includes in-process audits from our FY2024 Audit Work Plan and new audit topics that cover a broad array of critical areas, several of which are foundational to the City's strategic objectives and core operations. Additionally, the plan allocates staff hours to carry out our investigative and other duties associated with Fraud, Waste, and Abuse Hotline, including our annual mandated audits and other core annual activities. Included with each audit activity is the tentative audit objective for each assignment and estimated audit hours

We will perform an in-depth risk assessment on each activity group selected for audit to ensure our audit objective covers the areas of highest risk for that activity and adjust the audit objective, procedures, and hours accordingly. Performance audit objectives vary widely and may include assessments of program effectiveness and efficiency, equity, internal control, compliance, and transparency. Our estimated audit hours for each audit activity are based on an analysis of average

audit hours for our prior year's audits, and our knowledge of the complexity of the Activity Groups selected for audit. The actual hours may vary based on the audit scope determined by the detailed risk assessment for each engagement, as well as the extent and complexity of findings revealed during audit testing.

## Additions to Audit Work Plan

Requests to add audits to the Audit Work Plan during the fiscal year will be presented to the Audit Committee with a City Auditor analysis of the impact the proposed audit will have on the other audits on the Work Plan. Audit priority will be given to those requests that pertain to the health and safety of residents and City employees, potential for significant financial or operational impact, issues of equity, or issues of integrity.

## Audit Work Plan – Fiscal Year 2025

Performance Audits FY2025 - Carry Over from FY2024 Audit Work Plan						
Work Plan Item No.	Risk Assess Line No. <sup>2</sup>	Risk Score	Audit Subject Activity Group	Audit Objectives	FY2025 Audit Hours	Status as of July 1, 2024
1	7	798	Facilities Maintenance General Services	The objectives are (1) To determine whether the City tracks and assesses the condition of City-owned, City-occupied facilities; (2) To determine whether the City plans and conducts maintenance efficiently and effectively for City-owned, City-occupied facilities; and (3) To determine whether the City efficiently funded the maintenance needs of City-owned, City-occupied facilities from FY2016 through FY2023.	200	Report Writing  <a href="#">Issued July 16, 2024</a>
2	116 174	510 117	Contract Management Purchasing & Contracting	The objective is to determine if the City appropriately extends or increases the value of goods and services contracts in accordance with SDMC and best practices.	200	Report Writing  <a href="#">Issued July 17, 2024</a>
3	114	522	Annual Central Stores Inventory Agreed-Upon Procedures Review FY2024 Purchasing & Contracting	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.	100	Report Writing
4	87	567	Annual Mission Bay Fund Audit FY2023 Citywide Other/Special Funds	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 and San Diego Regional Parks Improvement Funds are in compliance with City Charter requirements.	200	Report Writing

<sup>2</sup> Risk Assessment scores and line number information for the carry over audits are from the FY2024 Risk Assessment.

Performance Audits FY2025 - Carry Over from FY2024 Audit Work Plan						
Work Plan Item No.	Risk Assess Line No.	Risk Score	Audit Subject Activity Group	Audit Objectives	FY2025 Audit Hours	Status as of July 1, 2024
5	142 143 155	447 443 411	Grants Department of Finance Government Affairs	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.	900	Fieldwork
6	2 24 70 91 93 138 150	889 707 594 553 549 457 422	Overtime Fire-Rescue	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.	900	Fieldwork
7	6	858	Fleet Maintenance General Services	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.	1,300	Fieldwork
8	51 69 36	625 600 678	Pure Water Public Utilities Strategic Capital Projects	The tentative objective is to determine lessons learned from Part I of the Pure Water project as they relate to planning and project management and identify improvements for future phases of the project.	1,800	Planning
9	1 101	988 540	Trash, Recycling, and Organics Collection Environmental Services	The tentative objective is to determine if the City's trash, recycling, and organics collection and handling is efficient and in compliance with recent legislation such as SB 1383, AB1276, and the City's Recycling Ordinance.	1,800	Planning

Performance Audits FY2025 - Carry Over from FY2024 Audit Work Plan						
10	N/A	N/A	IT Performance Audit of Citywide Cybersecurity Defenses  Citywide	The primary goal 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.	800	Planning

Performance Audits FY2025 - Proposed Audits						
Work Plan Item No.	Risk Assess Ln No.	Risk Score	Audit Subject Activity Group	Audit Objectives	FY2025 Audit Hours	Status
11	92 90	575 577	Unsafe Camping Ordinance  Homelessness Strategies  San Diego Police Department - Neighborhood Policing	To determine if the implementation of the Unsafe Camping Ordinance has effectively and equitably reduced encampments on public property while protecting the rights of individuals experiencing homelessness, including an analysis of the program's outcome data.	2,400	Not Started
12	135	485	Disaster Response  Office of Emergency Services	To evaluate the City's response to the January 2024 floods, and determine whether the City can improve disaster preparedness.	2,200	Not Started
13	30	691	Dispatch  Fire-Rescue	To determine if the San Diego Fire-Rescue Department's dispatch process facilitates timely and efficient response to emergency calls.	1,600	Not Started
14	16	764	Internal Affairs  San Diego Police Department	To determine if San Diego Police Department's Internal Affairs Unit is structured and operates in line with best practices and investigations are handled effectively, equitably, and in compliance with applicable laws and policies.	2,200	Not Started
15	6	844	Golf Division  Parks & Recreation	To determine if Golf Division operations and contracts to operate City-owned golf courses align with City objectives and municipal golf best practices.	1,400	Not Started

Performance Audits FY2025 - Proposed Audits						
Work Plan Item No.	Risk Assess Ln No.	Risk Score	Audit Subject Activity Group	Audit Objectives	FY2025 Audit Hours	Status
16	18	749	Historical Designation Process City Planning	To determine whether the historical designation and related processes ensure a fair and consistent application of historical significance criteria, adhere to established timeframes for completion, and follow applicable best practices.	1,600	Not Started
17	79	594	Brush Management Private Property Fire-Rescue Community Risk Reduction	To determine whether the City conducts regular and effective inspections of private property in accordance with City-established wildfire resiliency goals.	1,000	Not Started
18	169	379	Performance Monitoring Performance and Analytics/ Citywide	To evaluate the effectiveness of the City's process for developing and reporting Key Performance Indicators (KPIs) and other performance metrics, including a review of performance metrics used by a sample of critical departments and programs.	1,800	Not Started



Additional Audit Activities FY2025						
Work Plan Item No.	Risk Assess Ln No.	Risk Score	Audit Subject Activity Group	Audit Objectives	FY2025 Audit Hours	Status
19	N/A	N/A	Fraud, Waste, and Abuse Hotline	The Office of the City Auditor administers the City's Fraud Hotline to provide individuals a way to confidentially report evidence of fraud, waste, or abuse involving City of San Diego employees or operations. Investigations are performed for all material accusations. We will issue quarterly reports providing an overview of Hotline activities. We may also issue separate, more detailed reports on specific investigations if we deem it to be in the public interest given the findings of the investigation.	2,960	Ongoing
20	N/A	N/A	Recommendation Follow-up	The Office of the City Auditor tracks and follows-up on all audit recommendations to determine if they were properly implemented by City Management. We will issue follow-up reports for the periods ending June 30, 2024, and December 31, 2024. In addition, we will continue to update our <a href="#">recommendation tracking dashboard</a> .	750	Ongoing
21			Annual Mission Bay Fund Audit FY2024	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.	310	Not Started
	29	694	Parks & Recreation			
	96	567	Citywide Other/Special Funds			
22			Annual Central Stores Inventory Agreed-Upon Procedures Review FY2025	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.	10	Not Started
	100	550	Purchasing & Contracting			

**Total Planned Audit Hours for FY2025: 26,460**

## Next Steps

I will provide the Audit Committee with monthly activity reports describing the status and progress towards completing the audit assignments listed, as well as quarterly fraud hotline statistics reports. The Audit Committee will receive the results of all completed audits in the form of an audit report, and our Office will present audit results at scheduled Audit Committee and City Council meetings upon request.

I look forward to discussing the proposed FY2025 Audit Work Plan with you, and I sincerely appreciate the Audit Committee's support of the Office of the City Auditor and our mission.

Respectfully submitted,



Andy Hanau,  
City Auditor

# Attachment A

## Office of the City Auditor Annual Risk Assessment Management Questionnaire

**1. To what extent does your activity group interface with the external public?**

*Description / Purpose: Assess how frequently your activity group works/interacts directly with the public or City residents. Little to no interaction is not a negative indicator, but rather an indicator that your activity group serves internal customers—internal customer interaction is addressed in question 3.*

- a. None
- b. Rarely or infrequently
- c. Monthly to quarterly level of interface
- d. Weekly level of interface
- e. Continual interface with the external public several times daily or more

**2. To what extent is your activity group considered to be “mission critical” for the department to achieve its goals and objectives?**

*Description / Purpose: Ascertain the significance that your activity group plays in your department’s overall mission relative to other activity groups. Little to no contribution is not a negative indicator, but rather an indicator that your activity group may provide services and be focused on other internal customers.*

- a. No contribution towards the department’s goals / objectives
- b. Minimal contribution towards attaining the department’s goals and objectives
- c. Moderate contribution towards attaining the department’s goals and objectives
- d. Significant contribution towards attaining the department’s goals and objectives
- e. The success of the department’s goals and objectives is fully dependent on this activity group

**3. To what extent does your activity group support internal operations or is considered critical to achieving the objectives of other entity's/department's mission/goals?**

Description / Purpose: *Determine the level of support and role your department plays in helping other departments achieve their overall mission. This question identifies the interconnectedness that one activity group has with other internal operations.*

- a. No support provided to other operations / departments
- b. Infrequent (i.e., annual) support provided to other operations / departments
- c. Periodic (i.e., monthly) support provided to other operations / departments
- d. Regular (i.e., weekly) support provided to other operations / departments
- e. Ongoing support provided to other operations / departments every day

**4. To what extent would failure to achieve your activity group's mission or goals lead to public displeasure or negative media coverage?**

Description / Purpose: *Assess how the activity group's level of visibility to the public, public interest in the group's activities, interest of the media, or other public safety related factors would lead to an increased potential loss or embarrassment if the activity group did not perform its critical mission or goals. This could also be called the newspaper test—how much negative press or public disapproval would a failure cause?*

- a. No risk of loss or embarrassment
- b. Low risk of loss or embarrassment
- c. Moderate risk of loss or embarrassment
- d. Significant risk of loss or embarrassment
- e. Very high risk of loss or embarrassment

**5. To what extent is there potential loss due to the cash or cash convertible nature of your activity group's transactions?**

Description / Purpose: *Assess the risk associated with cash or cash-convertible assets. Be sure to factor in the amount of cash collected as compared to business transacted by other means (credit card, electronic funds transfer, invoice, journal entry, etc.) , as well as risks associated with the volume, type, and nature of existing assets that are susceptible to theft such as equipment, supplies, and inventories.*

- a. None
- b. Minimal amount of cash transactions or assets are difficult to convert to cash
- c. Moderate amount of cash transactions or assets can be converted to cash with some difficulty
- d. Nature of operations is primarily cash or assets are easily converted to cash
- e. Fully cash or cash equivalent operations

**6. To what extent does your activity group track activity performance / metrics?**

Description / Purpose: *Determine the extent to which your activity group captures, assesses, and responds to performance measurement data.*

- a. We continuously capture performance metrics on key operations, assess achievement of goals and trends in the information, and adjust operations to improve upon our performance in all key areas.
- b. We track performance information in all key operations, assess and use data to improve operations, but we do not engage this process in a continuous, fluid manner.
- c. We track performance information in all our key operations and may assess data to some extent, but we do not use data to improve performance in all key areas.
- d. We collect some performance information, but the information does not account for all our key operations or we do not assess the data.
- e. We do not track performance measures or metrics.

**7. To what extent do regulations affect or have impact on operations?**

Description / Purpose: *Assess how government regulations (federal, state, or local) impact your activity group operations and the exposure to sanctions and potential penalties for noncompliance. Please be sure to factor in the complexity, volume, and change in regulations, including ordinances, municipal codes, administrative regulations, MOUs, federal and state laws and regulations, contract conditions, and grant provisions that pertain to your department.*

- a. None
- b. Few regulations and little risk of noncompliance
- c. Risk of either substantial regulations or significant penalties
- d. Complex, voluminous, or frequently changing regulations with significant penalties
- e. Heavily regulated with serious consequences for noncompliance

The information detailed below was obtained from the FY2024 May Revise Budget and scored accordingly.

**8. Total number of budgeted full-time employees (FTEs) for this Activity Group**

- a. None
- b. 0 to 10
- c. 11 to 25
- d. 26 to 75
- e. Greater than 75

**9. Total annual budgeted revenues for this Activity Group**

- a. \$0 to \$500,000
- b. \$500,001 to \$5,000,000
- c. \$5,000,001 to \$10,000,000
- d. \$10,000,001 to \$25,000,000
- e. Greater than \$25,000,000

**10. Total annual budgeted expenditures for this Activity Group**

- a. \$0 to \$1,000,000
- b. \$1,000,001 to \$10,000,000
- c. \$10,000,001 to \$25,000,000
- d. \$25,000,001 to \$40,000,000
- e. Greater than \$40,000,000









City of San Diego  
Citywide Risk Assessment FY 2025

See Footnotes for explanations of columns →

Ln #	Department	Activity Group	Wt FTEs		Wt Exp		Wt Rev		Wt Exp		Wt MC		Wt InOp		Wt Pub		Wt Csh		Wt Met		Wt Regs		Risk Score	Adjustments	Adjusted Risk Score	Rank 10ths
			8	0	3	18	0	14	6	3	13	7	11	3	7	9	9	8	6							
186	City Treasurer	Community Parking Districts Admin	0	0	0	0	0	0	3	18	3	39	7	77	5	35	0	0	3	24	3	18	211	52.8	264	1
187	Purchasing & Contracting	Purchasing & Contracting Mgmt	0	0	3	54	0	0	0	0	3	39	3	33	0	0	3	27	0	0	3	18	171		171	1
188	Engineering & Capital Projects	Capital Asset Management	5	40	3	54	0	0	0	0	0	0	0	0	0	0	0	9	72	0	0	166		166	1	

Note: Individual City Council Offices were not surveyed due to a conflict of interest, since the Office of the City Auditor reports directly to the Audit Committee of the City Council.

Footnotes:

- [1] FTE - Risk score associated with the number of budgeted full time employees (FTE). See Exhibit A - Management Questionnaire, question number 8.
- [2] Wt FTE - A weight (wt) of 8 was multiplied by the FTE risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 8.
- [3] Exp - Risk score associated with the amount of budgeted expenditures (Exp). See Exhibit A - Management Questionnaire, question number 10.
- [4] Wt Exp - A weight (wt) of 18 was multiplied by the Exp risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 10.
- [5] Rev - Risk score associated with the amount of budgeted revenue (Rev). See Exhibit A - Management Questionnaire, question number 9.
- [6] Wt Rev - A weight (wt) of 14 was multiplied by the Rev risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 9.
- [7] Exp - Risk score associated with Interface with the external public (Exp). See Exhibit A - Management Questionnaire, question number 1.
- [8] Wt Exp - A weight (wt) of 6 was multiplied by the Exp risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 1.
- [9] MC - Risk score associated with the "Mission Critical" activities (MC). See Exhibit A - Management Questionnaire, question number 2.
- [10] Wt MC - A weight (wt) of 13 was multiplied by the MC risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 2.
- [11] InOp - Risk score associated with the Internal Operations (InOp). See Exhibit A - Management Questionnaire, question number 3.
- [12] Wt InOp - A weight (wt) of 11 was multiplied by the InOp risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 3.
- [13] Pub - Risk score associated with public (Pub) exposure and interest. See Exhibit A - Management Questionnaire, question number 4.
- [14] Wt Pub - A weight (wt) of 7 was multiplied by the Pub risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 4.
- [15] Csh - Risk score associated with Cash or cash convertible (Csh). See Exhibit A - Management Questionnaire, question number 5.
- [16] Wt Csh - A weight (wt) of 9 was multiplied by the Csh risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 5.
- [17] Met - Risk score associated with Performance/Metrics (Met). See Exhibit A - Management Questionnaire, question number 6.
- [18] Wt Met - A weight (wt) of 8 was multiplied by the Met risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 6.
- [19] Regs - Risk score associated with compliance with laws and regulations (Regs). See Exhibit A - Management Questionnaire, question number 7.
- [20] Wt Regs - A weight (wt) of 6 was multiplied by the Regs risk score. See Exhibit B - Calculation of Weights Used for Risk Factors, line number 7.
- [21] Risk Score - This is the total risk score calculated by adding together all of the nine weighted risk scores.
- [22] Adjustment for areas never being audited or not audited within the last 5 years.
- [23] Adjusted Risk Score - This is the total adjusted risk score calculated adjusting [21] as appropriate.
- [24] Rank 10ths - The activity groups were divided into tenths. Rank 10, 9, 8 (High Risk) 7, 6, 5, 4 (Medium Risk) 3, 2, 1 (Low Risk).



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