DATE: July 9, 2024

TO: Honorable Members of the Audit Committee

FROM: Andy Hanau, City Auditor

SUBJECT: City Auditor Activity Report – June 2024

This report provides information on the Office of the City Auditor's activities as of June 2024. This includes any audit reports issued during the month of June, 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.

There were no audit reports or other work products issued in June 2024

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Audits in Progress – Report Writing Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Purchasing and Contracting: Contract Management	The 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, specifically: • Does the City appropriately extend or increase the value of goods and services contracts in accordance with SDMC and best practices?	July 2024	2,011	1,600
Facilities Maintenance	The objectives are Objective 1: Determine whether the City tracks and assesses the condition of City-owned, City-occupied facilities. Objective 2: Determine whether the City plans and conducts maintenance efficiently and effectively for City-owned, City-occupied facilities. Objective 3: Determine whether the City efficiently funded the maintenance needs of City-owned, City-occupied facilities from FY2016 through FY2023.	July 2024	1,456	1,800

Audits in progress in the Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Mission Bay and San Diego Regional Parks Improvement Funds Audit FY2023	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.	September 2024	190	310
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	996	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	1,160	2,000

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Annual Central Stores Inventory Agreed-Upon Procedures Review FY2024	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.	August 2024	14	10

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
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	770	2,000
Public Utilities and Strategic Capital Projects: Pure Water	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.	January 2025	787	2,400
IT Performance Audit of Citywide Cybersecurity	The primary goal of this audit is to evaluate the effectiveness of Citywide cyber defenses against both internal and external cyber threats, including	January 2025	188	1,000

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Defenses	cyberattacks. The audit may include a contract for specialized cybersecurity skills, which OCA anticipates could be funded through its current budget allocation.			
Environmental Services: Trash, Recycling, and Organics Collection	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.	March 2025	214	2,000

Other Audit Activity

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Follow-up on Audit Report Recommendations	We report the implementation status in a semi-annual follow-up report, and we periodically issue other recommendation follow-up reports. We issued our first report in September 2023, and we issued another report in March 2024. We will update our interactive recommendation tracking dashboard to accompany the report.	On-going	712	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	43	200

Audit Reports and Other Work Products Completed During FY2024

04/30/2024
City Auditor's Quarterly Fraud Hotline Report – Q3 Fiscal Year 2024

04/29/2024
Re-Review of the 2013 Audit of the City's Pothole Repair Operations

04/08/2024
Open Audit Recommendations where Departments Indicate Additional Resources are Necessary for Full Implementation

03/28/2024
Confidential IT Performance Audit of SDPD Body Camera Management and Use

03/21/2024
March 2024 - Audit Recommendation Follow-Up Report

03/05/2024
Performance Audit of the San Diego Housing Commission's Property Acquisition Process

02/28/2024
Performance Audit of SDPD Overtime
- SDPD Overtime Highlights

02/12/2024
Performance Audit of the City's Street Maintenance Program
- Street Maintenance Highlights

01/19/2024
CY2023 Annual Accomplishments Report

01/17/2024
City Auditor's Quarterly Fraud Hotline Report – Q2 Fiscal Year 2024

11/14/2023
Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2022
- Performance Audit of Mission Bay FY22 Highlights

11/13/2023
Agreed-Upon Procedures Report Related to the Central Stores Physical Inventory - Fiscal Year 2023

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
IT Audits – 2 Audits IT Performance Audit of Accela Availability and Integration (800 hours)	2,000

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