



DATE: November 13, 2024
TO: Honorable Members of the Audit Committee
FROM: Andy Hanau, City Auditor
SUBJECT: City Auditor Activity Report – September and October 2024

This report provides information on the Office of the City Auditor’s activities in the months of September and October 2024. This includes audit reports issued, 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, report issuances may be delayed by future circumstances, 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.

The Office of the City Auditor issued the following work products in September and October 2024.

09/11/2024

[Recommendation Follow-Up Report – Status Update as of June 30, 2024](#)

- [Interactive Dashboard](#)

09/30/2024

[Agreed-Upon Procedures Related to the Central Stores Physical Inventory – Fiscal Year 2024](#)

10/14/2024

[City Auditor’s Quarterly Fraud Hotline Report – Fiscal Year 2025 Quarter 1](#)

Audits in Progress – Report Writing 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.	Report issued November 6, 2024	345	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.	January 2025	2,061	1,800
General Services: Fleet Maintenance	The objective is to determine if City vehicles are being serviced according to Fleet Operations' established preventive maintenance schedules and to determine the amount of time it takes for Fleet Operations to return City vehicles to customer departments after preventive maintenance is complete.	January 2025	1,483	2,000

Audits in Progress – Fieldwork Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
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.	February 2025	2,415	2,000
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.	April 2025	821	2,000
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.	April 2025	1,665	2,400

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
Disaster Response	In response to the January 2024 floods, the objectives are to: (1) Determine if the City’s overall disaster planning and preparedness efforts aligned with best practices and positioned the City to respond effectively, facilitate recovery, and coordinate and communicate with key stakeholders; (2) Determine if roles and responsibilities for response and recovery were clear between the City, the County of San Diego, and other stakeholders; and (3) Determine if any changes are necessary to the City’s disaster planning and preparedness efforts to respond effectively to—and facilitate recovery from—future major emergencies and disasters.	May 2025	673	2,200

Audits in Progress – Planning Stage

Audit	Audit Objective	Target Completion Date	Audit Hours Used	Budgeted Hours
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.	May 2025	259	1,000

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, and we updated our interactive recommendation tracking dashboard to accompany the report.</p>	On-going	345	750
Fraud, Waste, and Abuse Hotline	<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>	On-going	1,085	2,960

Audit Reports and Other Work Products Completed During FY2025

07/12/2024

[City Auditor's Quarterly Fraud Hotline Report – Fiscal Year 2024 Quarter 4](#)

07/16/2024

[Performance Audit of Facility Maintenance](#)

- [Report Highlights](#)

07/17/2024

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

- [Report Highlights](#)

07/19/2024

[Annual Citywide Risk Assessment and Audit Work Plan – Fiscal Year 2025](#)

09/11/2024

[Recommendation Follow-Up Report – Status Update as of June 30, 2024](#)

09/30/2024

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In addition, the Office of the City Auditor completed work in July 2024 on the IT Risk Assessment Improvement Project, which produced an improved inventory of City IT systems and applications, including how departments use those systems and applications and potential risks to City data and supported City activities. The refined inventory served as the foundation for the FY2025 IT Risk Assessment, which was completed in August 2024. However, both documents are confidential because they identify potential security risks.

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 FY2024	310
Annual Central Stores Agreed-Upon Procedures Review FY2025	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