



EDWIN S.W. YOUNG  
CITY AUDITOR

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# OFFICE OF THE CITY AUDITOR

## City and County of Honolulu

### State of Hawai'i

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January 7, 2011

The Honorable Nestor Garcia, Chair  
and Members  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawai'i 96813

Subject: **Office of the City Auditor's Quarterly Report as of December 31, 2010**

This report provides the City Council with an update on the activities of the Office of the City Auditor and summarizes our Fiscal Year 2010-11 Work Plan activities.

#### **Status of Projects Started or Underway**

During this quarter, the status of the Office of the City Auditor projects is as follows:

- The ***Financial Audit of the City and County of Honolulu*** for the fiscal year ending June 30, 2010 is underway. Accuity LLP started its audit of the City's financial statements, management internal controls, and audit of federal financial assistance programs in late May. This office is working with the City departments and their staff to resolve problems and to ensure the Accuity audit is completed on-time and at minimal cost. The report is expected to be released in January 2011.
- The financial statements will be incorporated into the ***Comprehensive Annual Financial Report (CAFR)*** which will be released in January 2011.
- The ***Service Efforts and Accomplishments*** project is underway. The project will incorporate the results of a National Citizen Survey opinion poll which will use statistical methods to survey and compile residents' opinions of the City, its services, and its programs. The project will also incorporate departmental and citywide data that will benchmark City operations, performance measures, and show trends in various City programs. The project will attempt to incorporate data that can be used to monitor the impact of furloughs on City operations and performance. Planned release date is March 2011.
- The ***Audit Recommendations Status Report*** of prior audit recommendations was initiated in July 2010. The follow-up audit results will be incorporated into this report. Field work is underway. Projected release date is January 2011.
- A preliminary survey for the ***Audit of the City's Management Span of Control*** was started in July 2010. This audit will compare the existing organizational structure in a sample of departments against current best practices. The audit objectives are to determine if opportunities exist for improving the economy, efficiency, and effectiveness of the sampled departments, and to determine if cost savings are possible. Field work is underway.

- The ***Audit of the Tax Delinquency Collection Program of the Department of Budget and Fiscal Services*** is still in the field work phase. Field work was suspended in September to focus on the SEA project.
- ***Financial Audit of the City and County of Honolulu for Fiscal Year Ended June 30, 2010: City and County of Honolulu – Sewer Fund Financial Statements, June 30, 2010 and 2009*** will be issued in January 2011.

**Projects to Be Started**

- Audit of the Policies and Procedures Relating to the Honolulu City Council's Annual Contingency Allowance (Resolution 10-73)
- Monitoring of the impact of furloughs on City operations and performance.
- Audit of City Established Non-profits
- Audit of the Real Property Assessment Division of the Department of Budget and Fiscal Services (Resolution 10-269)
- Audit of Funds Appropriated for Bicycle Projects (Resolution 10-297)

**Completed Projects**

- A ***Risk Assessment of the City*** was completed in early July and will be used to develop future work plans and identify future areas to audits.
- ***Audit of the Honolulu Police Department's Utilization of the 800 Megahertz Telecommunications System*** was issued in August 2010.
- ***Financial Audit of the City and County of Honolulu for Fiscal Year Ended June 30, 2010: City and County of Honolulu - Public Transportation System - Bus and Paratransit Operations, Financial Statements and Supplemental Schedules, June 30, 2010 and 2009*** was issued in November 2010.
- ***Audit of the Leeward Coast Community Benefits Program*** was issued in December 2010.

Respectfully Submitted,

  
Edwin S.W. Young  
City Auditor

Attachment

c: City Clerk