



EDWIN S.W. YOUNG
CITY AUDITOR

OFFICE OF THE CITY AUDITOR

City and County of Honolulu

State of Hawai'i

April 2, 2012

The Honorable Ernest Y. Martin, 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 March 31, 2012**

This report provides the City Council with an update on the activities of the Office of the City Auditor and summarizes our Fiscal Year 2011-12 Work Plan activities.

Status of Projects

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

Completed Audits

- ***Audit of City's Ambulance Fleet and Operations (Resolution 09-86)*** was started in March 2011. The report was published in December 2011 and contained several recommendations for improving ambulance performance and operations, maximizing use of state funds, and reducing employee overtime. In response to the draft report, city managers report they have already implemented most of the recommendations.
- ***FY 2011 Financial Audit of the City and County of Honolulu.*** The audit by Accuity LLP, the contract auditor, started in July 2011. The audit is required by the city charter and includes the Comprehensive Annual Financial Report (CAFR); Public Transportation System - Bus and Paratransit Operations Financial Statements; Sewer Fund Financial Statements; Management Letter; and Single Audit of Federal Financial Assistance Programs. The audit work is completed and the city received an unqualified opinion. The CAFR was released in December 2011.
- ***Audit of the Span of Control of Selected Departments in the City and County of Honolulu.*** This audit compares the existing organizational structure in a sample of five departments against current best practices. The audit determined opportunities exist for improving the economy, efficiency, and effectiveness of the sampled departments, and determined cost savings are possible. The final report was released in January 2012.
- ***Department Organizational Charts.*** In December 2011, we released the detailed organizational charts developed for the management span of control audit to the five departments sampled during the review. The charts can be used to update department organizational charts and to satisfy city administrative requirements for official organizational charts.

- ***Audit of the City's Real Property Tax Delinquency Collection Program.*** The audit identified opportunities for improving the collection of delinquent real property taxes. The final report was released in March 2012.
- ***Service Efforts and Accomplishments (SEA) Report (2011).*** Service Efforts and Accomplishments (SEA) Report (2011). This report contains city wide and department specific statistics, information and data on city missions, goals, services and programs. The report quantifies inputs, outputs, performance measures, comparisons, and trends over five years. This will be the second SEA for Honolulu. The second SEA report was released in March 2012.
- ***Monitoring of the impact of furloughs on City operations and performance.*** The impact of the furloughs were incorporated into the SEA report issued in March 2012.
- ***National Citizen Survey (NCS)TM, City and County of Honolulu (2011) and National Citizen Survey (NCS)TM, City and County of Honolulu (2011) Benchmark Report.*** The National Citizen Survey (NCS)TM, City and County of Honolulu (2011) provides statistically valid survey results of citizen opinions of city services, programs, and priorities. This is the third citizen survey for Honolulu. The Benchmark Report compares Honolulu results against national benchmarks and other cities. This is the second benchmark report for Honolulu. The survey results were released in March 2012.
- ***Citizen Centric Report for City and County of Honolulu.*** The Citizen Centric report is a national initiative supported by the Association of Government Accountants. The purpose of this project is to succinctly present highlights from the SEA report and to summarize city priorities, challenges, inputs, outputs, and performance during FY 2011. The report was completed in conjunction with the SEA in March 2012.

Projects Underway

- ***Audit of the Policies and Procedures Relating to the Honolulu City Council's Annual Contingency Allowance (Resolution 10-73).*** This audit will review and make recommendations for improving policies and procedures relating to the use and expenditure of the council's annual contingency allowance. The Council chair staff was briefed on the preliminary survey results in August 2011 and the initial recommendations are being implemented. Fieldwork is completed and a draft report is being written.
- ***Audit of Department of Parks and Recreation Camping Operations (Resolution 11-46).*** The audit objective is to conduct a performance audit of the camping operations of the Department of Parks and Recreation. Preliminary survey was completed and fieldwork suspended in December 2011 to complete the SEA report. Audit work was restarted in March 2012.
- ***Audit of the Real Property Assessment Division of the Department of Budget and Fiscal Services (Resolution 10-269).*** The resolution requests a performance audit of the real property assessment division of the department of budget and fiscal services regarding its process of classification, reclassification, valuation, and assessment of real property for taxation purposes. The preliminary survey started in February 2012.
- ***Audit of Funds Appropriated for Bicycle Projects (Resolution 10-297).*** The resolution requests an audit of the funds appropriated for bicycle projects to determine why such funding lapses at such a high rate and receives such low priority. Preliminary survey started in January 2012 and was suspended to complete the SEA report. Audit work restarted in March 2012.

Projects to Be Started

- Audit of Lobbying Activities of the Board of Water Supply (Resolution 09-243).
- Audit of Process for Handling Contract Bid and Award Protests.
- Audit of City Established Non-profits (on-going).

Respectfully Submitted,



Edwin S.W. Young
City Auditor

c: City Clerk