



EDWIN S.W. YOUNG  
CITY AUDITOR

---

# OFFICE OF THE CITY AUDITOR

## City and County of Honolulu

### State of Hawai'i

---

September 30, 2011

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 September 30, 2011**

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 Started or Underway**

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

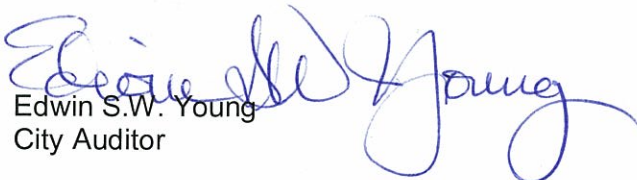
- ***Audit of the City's Management Span of Control:*** This audit compares the existing organizational structure in a sample of five departments against current best practices. The audit objectives are to determine if opportunities exist for improving the economy, efficiency, and effectiveness of the sampled departments, and to determine if cost savings are possible. An overall report and five department level reports were completed and will be issued for management discussion and comments in October 2011.
- ***Audit of the Tax Delinquency Collection Program of the Department of Budget and Fiscal Services:*** Fieldwork was suspended in September 2010 and restarted in April 2011. The audit objective is to identify the extent and cause of tax delinquencies in the city and county. The draft report is completed and will be issued for management discussion and comments in October 2011.
- ***Audit of City's Current Fleet of Ambulances (Resolution 09-86):*** Started in March 2011. The audit addresses issues related to improving ambulance services and reducing overtime in the program. The draft report was released to management for discussion and comments in September 2011.
- ***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 policy and procedures relating to the use and expenditure of the council's annual contingency allowance. The Council Chair's staff was briefed on the preliminary survey results and the initial recommendations are being implemented. Fieldwork is underway. The audit report is scheduled for release to management in Fall 2011.

- **Audit of DPR 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 started in August 2011. Fieldwork is scheduled for Fall 2011.
- **Audit of the Real Property Assessment Division of the Department of Budget and Fiscal Services (Resolution 10-269).** The audit objective is to conduct 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. Preliminary survey started in September 2011.
- **FY 2011 Financial Audit of the City and County of Honolulu.** The audit by the outside accounting firm 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.

### Projects to Be Started<sup>1</sup>

- Audit of Lobbying Activities of the Board of Water Supply (Resolution 09-243)
- Audit of Funds Appropriated for Bicycle Projects (Resolution 10-297)
- Audit of Process for Handling Contract Bid and Award Protests
- Monitoring of the impact of furloughs on City operations and performance (on-going)
- Audit of City Established Non-profits (on-going)
- Service Efforts and Accomplishments (SEA) Report (2011)
- National Citizen Survey (NCS)<sup>TM</sup>, City and County of Honolulu (2011) and National Citizen Survey (NCS)<sup>TM</sup>, City and County of Honolulu (2011) Benchmark Report
- Citizen Centric Report for FY2011

Respectfully Submitted,

  
Edwin S.W. Young  
City Auditor

Attachment

c: City Clerk

<sup>1</sup> Audit objectives:

- *Audit of Lobbying Activities of the Board of Water Supply (Resolution 09-243).* The audit objective is to audit the lobbying activities of the Board of Water Supply.
- *Audit of Funds Appropriated for Bicycle Projects (Resolution 10-297).* The audit objective is to conduct 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.
- *Audit of Process for Handling Contract Bid and Award Protests.*
- *Monitoring of the impact of furloughs on City operations and performance (on-going).*
- *Audit of City Established Non-profits (on-going).*
- *Service Efforts and Accomplishments (SEA) Report (2011).* Report contains city wide and department specific statistics, information and data on city missions, goals, services and programs. Report quantifies inputs, outputs, performance measures, comparisons, and trends over five years. This will be the second SEA for Honolulu.
- *National Citizen Survey (NCS)<sup>TM</sup>, City and County of Honolulu (2011)* Report provides statistically valid survey results of citizen opinions of city services, programs, and priorities. This is the third citizen survey for Honolulu.
- *National Citizen Survey (NCS)<sup>TM</sup>, City and County of Honolulu (2011) Benchmark Report.* Report benchmarks citizen opinions and ratings for city services, programs, and priorities. Report compares Honolulu results against national benchmarks and benchmarks for other cities. This is the second benchmark report for Honolulu.
- *Citizen Centric Report for FY2011.* Report contains community information, a performance report on key missions and services, cost and revenue information, and a look at the year ahead.