

Office of the City Auditor City of San Diego

Recommendation Follow-Up through July 1, 2011

Audit Committee Meeting, October 3, 2011



Purpose

- To provide semiannual updates as to the status of open recommendations
 - ♦ Week of June 30th and December 31st Reports

Process

- Comptroller's Office coordinates the collection of audit responses from relevant departments/divisions
 - ♦ Maintain centralized database of all recommendations
- Comptroller provides weekly updates on recommendations reported as implemented
- City Auditor conducts periodic review of recommendations reported as implemented and assesses recommendation status based on sufficient and appropriate evidence

Scope and Classification

- 295 Open Recommendations for 45 Audit Projects
- Recommendation Classification:
 - ◆ Implemented
 - ◆ Partly Implemented
 - ◆ Not Implemented
 - ◆ Not Implemented – N/A
 - ◆ Not Implemented – Disagree*

* Administration disagrees with implementing the recommendation. These recommendations will be retained in an appendix for the subsequent semiannual report after being raised for Audit Committee attention and afterwards, retained in the City Auditor's database.

Results

- The City Auditor reviewed updates for **107 of 295** (36%) recommendations deemed implemented by departments and entities
- **RESULTS: 79 of 107** (74%) recommendations deemed Implemented based on supporting evidence

Age and Status of Recommendations

	Under One Year	One to Two Years	Over Two Years	Total
Implemented	15	29	35	79 (27%)
Partly Implemented	4	10	11	25 (9%)
Not Implemented	116	46	16	178 (60%)
Not Implemented –Disagree	10	0	3	13 (4%)
Total	145 (49%)	85 (29%)	65 (22%)	295

Administration Target Performance

	Past Targets for January 2009 through December 2010	CURRENT PERIOD	Planned Implementation for July through December 2011
Recommendations Targeted for Implementation	55	54	71
Implemented	26	24	7
Partly Implemented	8	6	4
Not Implemented	21	24	60
Percent of Targets Achieved	47%	44%	-

Audit Committee Attention

- 5 Recommendations highlighted for Audit Committee attention
 - ♦ 4 recommendations City Management/auditee choose not to implement
 - ♦ 1 recommendation deemed no longer applicable
 - ♦ City Auditor provides a recommendation –
 - ✦ Requesting a department present an informational report to the Audit Committee highlighting how current operations sufficiently address the City Auditor's concern.

Audit Committee Attention

- 09-006 Hotline Investigation of Junior Life Guard Program
 - ◆ Recommendation #1: We recommend the Junior Lifeguard Program adhere to Department-wide written policies and procedures for making timely deposits. (Not Implemented-NA)
 - ✦ Fire-Rescue no longer accepts funds directly for the City's Junior Lifeguard Program. The San Diego Junior Lifeguard Foundation, a non-profit, was formed to act as the fund raising arm for the program.

Audit Committee Attention

- 09-017 Park and Recreation Pool Audit
 - ◆ Recommendation #6: We recommend Park and Recreation
 - ✦ Implement a sign-in sheet for all day swimmers and drop-in water fitness patrons, and
 - ✦ Instruct cashiers and pool managers to reconcile the daily sign-in sheets to cash register transactions as part of cash station balancing. (Not Implemented-Disagree)
 - ✦ Department tried implementing recommendation but ceased after staff noticed patrons were using fictitious names to sign-in. Additionally, the department felt this requirement contributed to poor customer service.
 - ✦ Without some mechanism to reconcile patrons to cash received, the department is at risk that revenue may not be properly deposited into City accounts. By taking no further action, the department accepts this level of risk. We disagree.
 - ✦ **Recommended Solution:**
 - ✦ **Audit Committee can request department present a report on current pool revenue internal controls and how the controls adequately safeguard pool revenues.**

Audit Committee Attention

- **11-001 Risk Management Public Liability and Loss Recovery Division Audit**
 - ◆ Recommendation #5: Establish a high level risk management working group charged with coordinating Risk Management efforts.
 - ◆ Recommendation #8: Develop policies and department guidance regarding proper reporting of claims complaint information to policy makers and department leaders. (Not Implemented-Disagree)
 - ✦ Department disagrees with recommendations. Department does not believe a working group is the appropriate method for risk management. The department does not believe additional guidance is necessary regarding compliant information.
 - ✦ The recommendations culminate from professional standards or frameworks, as well as examples of the County of Los Angeles and University of California, which recommend involvement of senior executives in risk management efforts. Also, providing better information to City leaders will allow them to make more informed decisions. No alternative structure for coordinating and sharing risk information currently exists.

Audit Committee Attention

- **11-017 Fire-Rescue Emergency Medical Services Audit**
 - ◆ **Recommendation #9: City should begin reporting full actual response time results to policy makers, as well as showing the impact of the City's dispatch process on the assignment of calls. (Not Implemented-Disagree)**
 - ✦ Management disagrees with the recommendation as the inclusion of dispatch time would skew result comparisons with other jurisdictions. According to Fire-Rescue, an industry standard is to track the amount of time a unit takes to reach the scene from the moment they leave the station (wheels turning). The time from when the 911 call is received to when the unit arrives on scene is not tracked.
 - ✦ While responding efficiently from the station is important, none of the key measures tracked truly capture the real time to respond from the time of a 911 call. From the caller's perspective, current measures are not reflective of time to respond.
 - ✦ The Office of the City Auditor is currently conducting a 911 dispatch audit and will address response time in the audit.

Audits for Committee Review

- Due to nature of the recommendations and/or the length of time the recommendation has been outstanding with little progress, we recommend the Audit Committee hear status updates in November on the following:

- 09-015

Audit of the San Diego Public Library Cash Handling (Confidential)

- 18 Recommendations

- Memo from City Auditor's Office should be issued October 2011

Future Enhancements

- Adjust City Auditor's Citywide Risk Assessment to increase activity risk based on lack of recommendation implementation – **Implemented**
- Report Management's estimated date for recommendation implementation – **Partly Implemented**
 - ♦ Working with the Comptroller's Office to obtain missing dates

Recommended Action

- We ask the Audit Committee to take action to:
 - ♦ Accept the report and recommended staff actions

Questions