2023
Accomplishments Report

JANUARY 2024

Activities and Accomplishments of the Office of the City Auditor from January 2023 through December 2023

Andy Hanau, City Auditor
Matthew Helm, Assistant City Auditor
Danielle Knighten, Deputy City Auditor

CITY OF SAN DIEGO
OCA
OFFICE *of the* CITY AUDITOR

independent. objective. accurate.

Our mission is to advance open and accountable government through independent, objective, and accurate audits and investigations that seek to improve the economy, efficiency, and effectiveness of San Diego City government.

The Office of the City Auditor (OCA) is an independent office that reports to the Audit Committee. OCA identifies opportunities for improvement in City programs, and implementation of OCA's recommendations has resulted in significant financial benefits to the City, substantial improvements in the delivery of critical City services, increased oversight of City programs, and has increased the City's transparency and accountability to those it serves.

OCA conducts performance audits of City departments, offices, and agencies in accordance with government auditing standards. OCA also administers the Fraud, Waste, and Abuse Hotline and performs fraud investigations. OCA makes recommendations to City leadership to mitigate issues identified in our audits and investigations.

CONTACT US:

Find past audit reports—and sign up to get future reports delivered to your inbox—on our website: **sandiego.gov/auditor**

twitter.com/sdCityAuditor

cityauditor@sandiego.gov

619-533-3165

Report fraud, waste, or abuse in city operations through our fraud hotline: **866-809-3500**

600 B Street, Suite 1350, San Diego, CA 92101

Reports

We issue several types of reports to keep the Mayor, City Council, Audit Committee, the public, and other stakeholders informed of our work. Our **performance audits** review the efficiency, effectiveness, and equity of City programs. Our **quarterly hotline reports** summarize work on cases received through our Fraud, Waste, and Abuse Hotline, and we periodically issue separate hotline reports on significant issues of fraudt, waste, and abuse within the City. And, our **recommendation follow-up reports** provide the implementation status of the audit and investigative recommendations we have made, and help hold City Management accountabel for making critical improvements.

We issued a total of 16 reports in 2023, as shown below.

16 total reports issued in CY2023

10 audit & hotline reports issued

7 performance audits
2 fraud hotline reports
1 agreed-upon procedures review

4 quarterly hotline reports

2 public Recommendation Follow-Up Reports

A complete list of all reports issued in 2023, with the number of recommendations made and links to the public reports, can be found in the **Summary of Work Performed** table below. Summaries of the audit reports we issued can be found in **Appendix A**.

Recommendations

We don't just point out problems. We identify and recommend solutions. In 2023, we made 46 recommendations to improve the efficiency, effectiveness, and equity of City operations. Management agreed to implement 96 percent of the recommendations we made.

46 recommendations to improve efficiency, effectiveness, and equity of City operations

City Management agreed with **96%** of our recommendations

Recommendation Agreement

96%
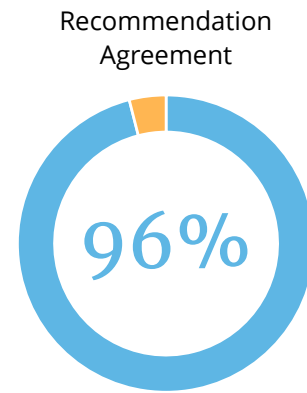
Impact

In calendar year 2023, OCA made recommendations that, when implemented, will help:

- **Speed the City's classified hiring process** to help fill more than 1,000 vacant positions;
- **Reduce fire risk** by ensuring that departments conduct brush management consistently and effectively;
- Respond more quickly to **address unsafe and unsanitary conditions** at facilities serving people experiencing homelessness;
- Proactively **identify and address unsafe driving by City employees** that cost the City $31 million from FY2017 to FY2021;
- **Improve pedestrian safety** by increasing evaluations and expanding reporting to ensure efficient and equitable use of resources;
- Help **avoid major cost overruns and delays on capital projects** through better project planning;
- Help **ensure that the 9-1-1 system functions effectively** in the case of a disaster that impacts the primary call center; and
- **Close a contracting loophole** that was used for over $4 million in City payments in FY2022.

The following table lists the audit reports we issued in calendar year 2023, along with the number of recommendations made and agreed to.

Summary of Audit and Investigative Reports Issued January 2023 through December 2023

Report No.	Date	Description	Recommendations to Improve Efficiency, Effectiveness, or Equity	Number of Recommendations Management Agreed to Implement
23-006	1/26/2023	9-1-1 IT Security (Confidential)	7	7
23-007	3/2/2023	Performance Audit of the San Diego Housing Commission's Homelessness Services Contract Management	4	4
23-008	4/17/2023	Hotline Report of Unsafe Driving by City Employees	4	2
23-009	6/1/2023	Performance Audit of the City's Capital Improvement Project Approval Process	3	3
24-01	7/17/2023	Performance Audit of the City's Brush Management on City-Owned Land	7	7
24-02	7/18/2023	Performance Audit of the City's Classified Employee Hiring Process	12	12
24-03	9/5/2023	Fraud Hotline Report of Purchase Order Approvals	1	1
24-04	10/30/2023	Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety	8	8
24-05	11/13/2023	Agreed-Upon Procedures Report Related to the Central Stores Physical Inventory, Fiscal Year 2023	0	0
24-06	11/14/2023	Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2022	0	0
		Total	**46**	**44**

Recommendation Follow–Up

We follow up on every recommendation that management agrees to implement, and we issue 2 public reports each year with the status of each recommendation. In 2023, our reviews found that management implemented 55 of our recommendations.

Issued **2** public Recommendation Follow-Up Reports

200+ outstanding recommendations:
55 recommendations implemented
148 recommendations remain in process
7 recommendations will not be implemented

Fraud, Waste, and Abuse Hotline

OCA Fraud Investigators managed **307** reports filed with the Fraud, Waste, and Abuse Hotline

168 reports not in purview of OCA Fraud Hotline
139 new reports received in 2023:
        33 reports investigated by OCA
      106 reports referred to City departments

**133** hotline reports closed

25 substantiated
18 corrective action
90 unsubstantiated or no action

The Fraud, Waste and Abuse Hotline is a key element of efforts to detect and deter improper activity within City government.

We continued to effectively use the Hotline to detect and deter fraud, waste, and abuse within the City. Our Fraud Investigators oversaw the investigation of more than 300 cases throughout the year, as detailed in the four quarterly hotline reports we issued. In addition, we issued public Hotline reports on two significant issues we uncovered, which will help Management effectively detect unsafe employee driving and **reduce the more than $30 million the City incurred in liabilities for vehicle accidents** from FY2017 to FY2021, and **improve transparency and accountability for the more than $4 million that was spent outside of the City's normal purchasing processes** in FY2022.
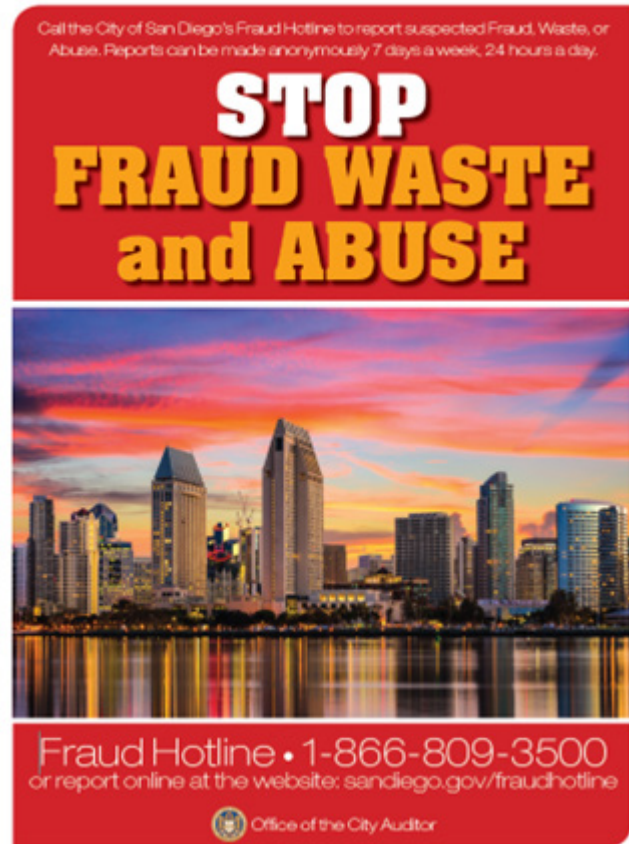
To report suspected fraud, waste, or abuse, please call 1-866-809-3500 or click the link below:

Report Fraud, Waste, or Abuse Online

Awards & Recognition

ALGA

Knighton Award – Distinguished

Matthew Helm, Assistant City Auditor, Danielle Kish, Performance Auditor, and Andy Hanau, City Auditor, accepted the award at the 2023 ALGA Conference on behalf of the team, which also included Carissa Nash, Principal Performance Auditor.

OCA continues to be a leader in the local government performance auditing field. Our Performance Audit of the San Diego Police Department's Use and Management of Body Cameras won a Knighton Award from the Association of Local Government Auditors (ALGA) for being one of the best performance audits in North America for 2022.

The judges found the audit to be responsive to City Councilmembers' and the public's concerns; persuasive, with thorough supporting evidence; well written; and visually effective, with strategically placed infographics and callout boxes to reinforce the audit's message. The judges also found the recommendations to be clear, specific, and feasible, and praised the audit as a prime example of clear communication.

This is OCA's second year in a row winning a Knighton Award and the 9th time we have received this award overall.

OCA Staff Experience & Expertise

1,200+ hours of CPE obtained by staff

professional development training to ensure professional competency & meet Government Auditing Standards educational requirements

1
Staff member completed a certification to enhance professional skills

Certified Internal Auditor (CIA)

1
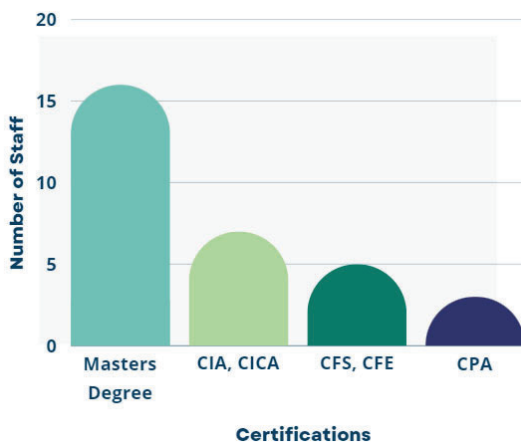Staff member graduated from a City professional development program
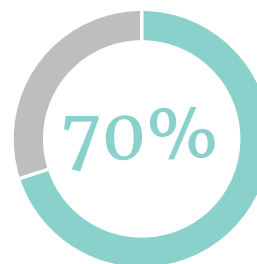
City Management Fellowship

2
Staff members wrote articles to help other audit shops leverage OCA's expertise

Association of Local Government Auditors Quarterly Publication

% of Staff with 5+ Years of Audit or Investigative Experience

70%

CIA = Certified Internal Auditor
CICA = Certified Internal Controls Auditor
CFS = Certified Fraud Specialist
CFE = Certified Fraud Examiner
CPA = Certified Public Accountant

240+ cumulative years of auditor/investigator experience

Presentations

OCA staff made **43** presentations

7 Audit Committee meetings
4 City Council meetings
8 other events and stakeholder meetings

Professional Leadership

OCA maintains active membership in **3** professional organizations


Report Template Redesign

We fully implemented our new report template to make our reports more engaging and easier to read. To cohesively brand all OCA work products, we also updated the format of our Recommendation Follow-Up Reports, Annual Audit Work Plan, and Fraud Quarterly Hotline Reports.

Website Revamp

We updated our website to make it more visually appealing and easier for stakeholders to access our reports and other key information by adding a searchable function and simplifying the overall look of the site. We also added a link to our website and social media to solicit audit ideas from the public.

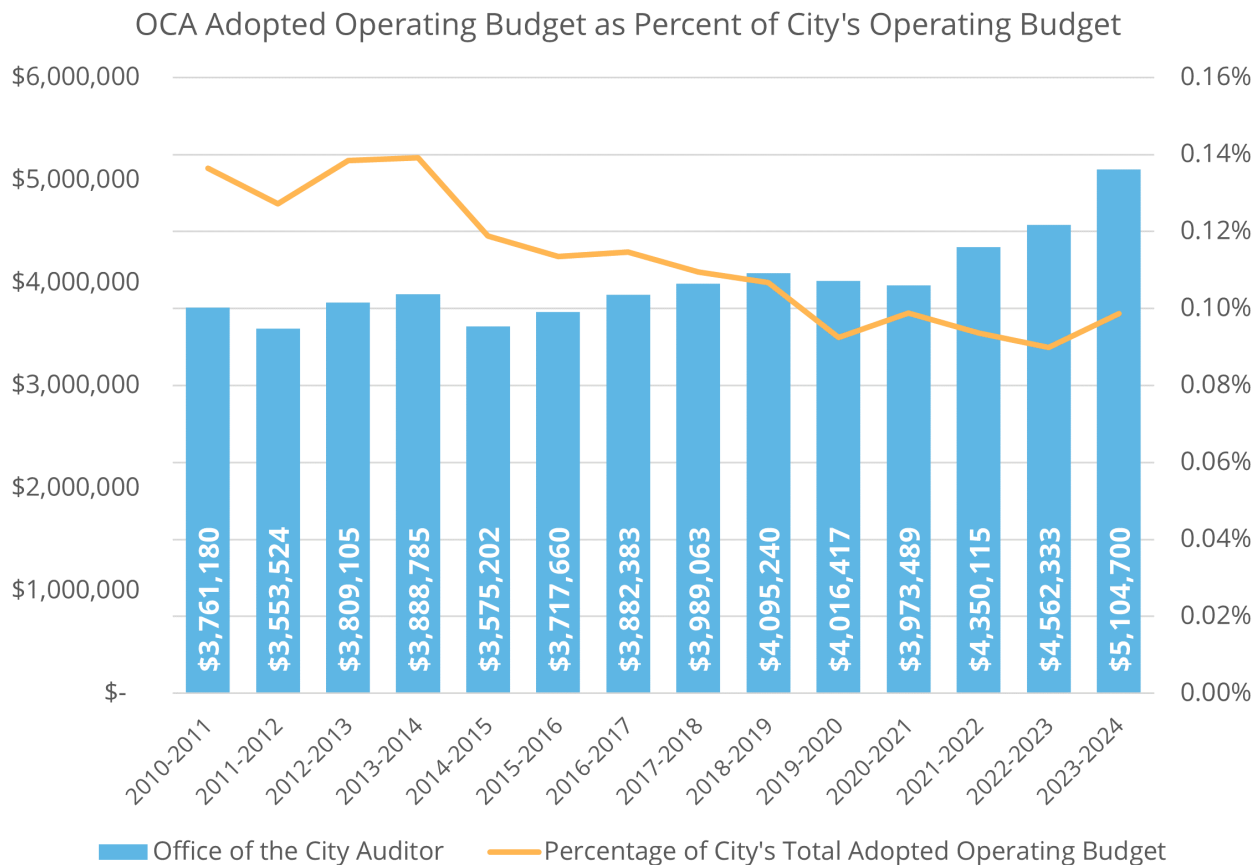Reports are now searchable by topic & key words
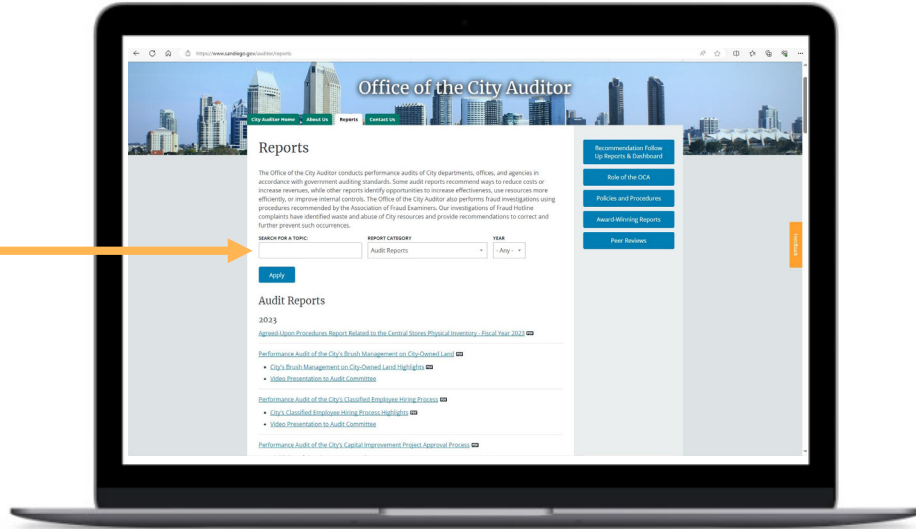
Members of the public can now easily suggest audit ideas
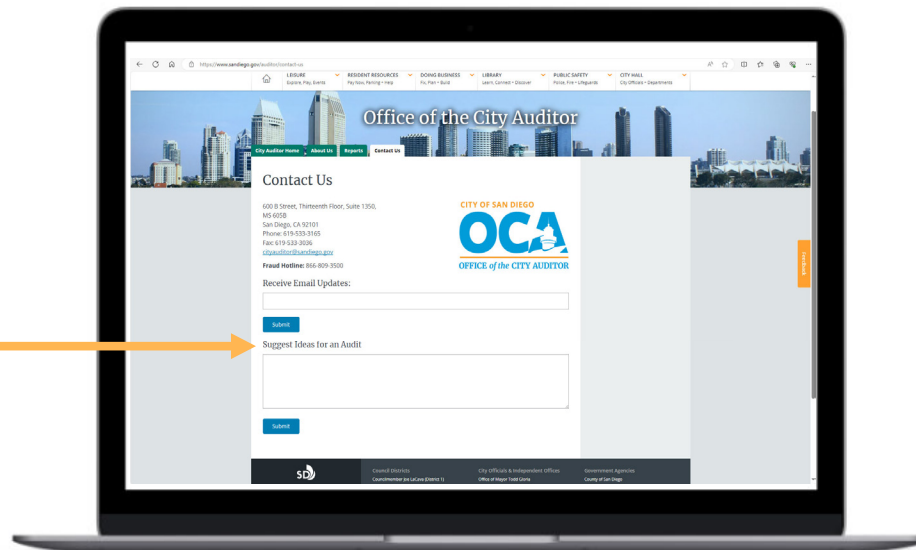
Office Expansion & Salary Competitiveness

In 2023, we also **successfully advocated for additional resources for OCA**. OCA had not added positions in eight years, while the size of the City government had increased substantially. As shown below, in FY2023 OCA made up only 0.09 percent of the City's budget, meaning that **for every $100 the City spent, only 9 cents was spent on OCA**. This limited our audit coverage of critical programs. In addition, our benchmarking indicated that OCA staff salaries were significantly below our peers. At the recommendation of the Audit Committee, the Mayor and City Council provided additional resources to OCA to make OCA staff salaries competitive and add two additional positions beginning at the start of CY2024.

We greatly appreciate the support of the Audit Committee, City Council, and Mayor to add resources to carry out our important mission. Despite being one of the smallest City departments, OCA generates a very high return on investment for the City. As just one example, our 2023 Performance Audit of the City's Brush Management and Fire Prevention Efforts identified several ways the City can reduce the risk of wildfires that have claimed lives and caused more than $1 billion in property damage. In addition, we currently have only one vacancy (for the new administrative position that was added for the beginning of CY2024) which we expect to fill within the next month. We will continue to utilize our resources effectively, and inform the Audit Committee, Council, and Mayor of additional resources that are needed.

OCA Adopted Operating Budget as Percent of City's Operating Budget

Legend: Office of the City Auditor — Percentage of City's Total Adopted Operating Budget

$

**staff pay increase
approved in FY2024 Budget**

We conducted extensive benchmarking and successfully advocated for a budget increase to make OCA staff salaries competitive with our peers and competitors in the job market

2

**new staff member positions
approved in FY2024 Budget**

1 additional performance auditor positions to help right-size OCA and increase our audit coverage

1 additional internal operations position to provide additional administrative support

Ballot Measure for Independent Legal Counsel

To protect and enhance our independence, we continued to pursue a **ballot measure to provide OCA and the Audit Committee access to independent legal counsel**. After over 3 years of OCA advocating for independent legal counsel, City of San Diego citizens will have the opportunity to vote on the issue in the upcoming March 2024 election. We appreciate the Audit Committee and City Council's support on this critical issue.

We are striving to make 2024 yet another successful year for OCA. As always, our top priority is to produce audits and investigations that identify opportunities to improve the efficiency, effectiveness, and equity of critical City programs and functions. To that end, we continue to work towards completion of our FY2024 Audit Work Plan. We have audits in progress on topics including street maintenance; police body worn camera IT security (confidential IT audit); police overtime; San Diego Housing Commission property acquisition; pothole repair; facilities maintenance; and contract management. In addition, we have audits planned on topics including how the City competes for grant funding; planning and management of the Pure Water project; fleet maintenance; and Fire-Rescue overtime. We anticipate beginning all of these audits in the near future.

In the coming months, we will conduct our annual risk assessment and solicit suggestions for audit topics from a range of stakeholders, including the Audit Committee, City Council, the Mayor and City Management, and the general public, which we will use to develop our Proposed FY2025 Audit Work Plan.

We will also pursue continuous improvement in our own office operations and in the efficiency and effectiveness of our communications with our many stakeholders. Major initiatives for the year are anticipated to include **revising our recommendation follow-up process** to make it easier for City Management and more useful for the Audit Committee; continuing to **enhance our recommendation follow-up dashboard** by adding updated information from the current reporting cycle and adding additional historical information on recommendations that were implemented in the past; completing the procurement process for an outside audit firm to perform the City's **Annual Comprehensive Financial Report**; implementing a **360 feedback review process** to further professional development of staff; onboarding five new staff members, including one new performance auditor position and one new internal operations position; and **further enhancing our reports and graphics** with Adobe InDesign and Illustrator. And, to protect and enhance our independence, we hope to see a **ballot measure to provide OCA and the Audit Committee access to independent legal counsel** pass in the upcoming March 2024 election. Should the measure receive voter approval, we will work closely with the Audit Committee to retain independent legal counsel that meets the Committee's and OCA's needs.

2023 was a productive, challenging, and rewarding year for OCA. We issued 10 reports that contained 46 recommendations to improve the efficiency, effectiveness, and equity of City operations. I want to thank our very talented staff for their excellent work and continued dedication to OCA, the City, and our residents and taxpayers.

Since the inception of the City Auditor's Office nearly 15 years ago, we have issued 284 public and confidential reports with 1,453 recommendations. As of June 30, 2023, City Management has implemented 1,186 of those recommendations, while 99 recommendations were not implemented because City Management disagreed with the recommendations, or they were deemed no longer applicable. As of December 31, 2023, there were 168 open recommendations that still need to be implemented.

I am very grateful to the Audit Committee and City Council for the support given to this Office. I am also very appreciative of City Management's cooperation and assistance during this period. City Management has continued to provide the information needed for our audits and investigations and agreed or partially agreed to implement 96 percent of all audit recommendations in 2023. I believe City Management and City staff should be commended for their continuous efforts to utilize the audit process to improve City operations.

Respectfully submitted,

Andy Hanau,
City Auditor

cc: Honorable Mayor Todd Gloria

        Honorable Members of the City Council

        Honorable City Attorney Mara Elliott

        Eric Dargan, Chief Operating Officer

        Matthew Vespi, Chief Financial Officer

        Christiana Gauger, Chief Compliance Officer

        Charles Modica, Director, Office of the Independent Analyst

Appendix A: Report Highlights

We summarize our audit results for our readers in a 1–2 page Report Highlights section.

The following pages display the Report Highlights for each audit report issued in calendar year 2023:

- Performance Audit of the San Diego Housing Commission's Homelessness Services Contract Management
- Performance Audit of the City's Capital Improvement Project Approval Process
- Performance Audit of the City's Brush Management on City-Owned Land
- Performance Audit of the City's Classified Employee Hiring Process
- Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety
- Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2022

Performance Audit of the San Diego Housing Commission's Homelessness Services Contract Management

Why OCA Did This Study

Addressing homelessness is a major challenge and top priority for the City of San Diego. At the time of the last count, 4,801 individuals were experiencing homelessness within the City. Contractors perform many of the City's homelessness services, such as operating storage centers, rapid re-housing programs, shelters, transitional housing, permanent supportive housing, safe parking, and outreach. These contracts are mostly administered by the San Diego Housing Commission (SDHC). Our objectives were to: (1) Determine whether SDHC procures homelessness services contracts according to leading practices; (2) Determine whether SDHC adequately monitors contract compliance; and (3) Determine whether SDHC holds contractors accountable for following best practices in providing homelessness services.

What OCA Found

We found that generally SDHC followed best practices in the procurement, administration, and monitoring of homelessness services contracts. We also found that the City lacks a documented process for addressing maintenance requests at homelessness services sites.

Finding 1: **SDHC follows its policies and procedures for contract procurement, but can improve its process to identify sole sourced contractors' potential conflicts of interest.** We found that SDHC followed its procurement policy while obtaining contracts, but did not follow its conflict of interest policy for sole sourced contracts. This increases the risk that potential conflicts are not identified and prevented.

We found that in 29 sampled contracts, the contracts followed the authorized procurement path, were evaluated according to policy, and were approved by the appropriate authority. Competitive procurements included Statements for Public Disclosure, but sole source procurements did not. This was caused by a procurement policy that did not include a requirement for Statements for Public Disclosure, while SDHC's conflict of interest policy requires these for all contracts over $50,000.

Aspect of Procurement:	Type of Procurement:	
	Competitive (RFP/RFQ)	Sole Source
Procurement Path	✓	✓
Evaluation	✓	✓
Conflict of Interest Disclosure	✓	✗
Approval	✓	✓

Source: OCA generated based on review of procurement documentation for 29 sampled contracts.

Finding 2: **SDHC ensures contracted homelessness services programs follow best practices through contract design, ongoing administration, and compliance monitoring.** We found that SDHC ensures programs follow best practices, including use of a trauma-informed care approach; incorporation of Housing First policies; having an exit, grievance, and appeals process and policy; obtaining and incorporating client feedback; and collecting and using data to monitor performance. SDHC ensures adherence to these best practices through contract design, ongoing contract administration, and annual compliance monitoring.

We also found that SDHC followed best practices in performance management, but systemwide limitations make it difficult for programs to achieve community targets. For example, staffing issues plagued providers in recent years, limiting their ability to provide in-depth case management services. SDHC is trying to address this systemwide issue in a variety of ways, including a partnership with San Diego City College for workforce training and development and a salary study to determine if homelessness service staff are adequately compensated. Additionally, COVID-19 policies made it difficult for contractors to achieve performance targets.

8 months
between the issue being reported and the issue being addressed

March 22, 2022
SDHC reported ceiling tile issues to City staff.

October 28, 2022
Auditors observed damaged ceiling tiles at site visit.

November 2022
SDHC reported that the issue was resolved. The ceiling tiles were fixed when excessive water damage due to an unrelated incident caused an evacuation and City Facilities entered the site to make repairs.

Source: OCA generated based on maintenance request, observation, and interviews.

Finding 3: **The City lacks documented processes for repairs at City-owned or leased homelessness facilities, causing persistent unsafe and unsanitary conditions at some locations.** We found a lack of documented City process resulted in delayed repairs at some City-owned or leased homelessness facilities. We observed disrepair at sites, including shelters, a safe parking lot, and the Homelessness Response Center. Some examples of disrepair were moldy ADA-showers, a ripped privacy mesh, and a broken HVAC system. Maintenance requests we reviewed showed broken outlets and falling ceiling panels. Some issues were reported on consecutive reports with no information on remediation.

SDHC's contracts require contractors to report any maintenance or repair needs to SDHC. SDHC has a process for receiving, evaluating, and submitting maintenance and repair requests to the City through the Homelessness Strategies and Solutions Department (HSSD). However, HSSD does not have a documented process for receiving and submitting maintenance and services requests to those responsible for performing maintenance.

As a new department, HSSD is responsible for ensuring homelessness policies are carried out by various City departments. In this role, HSSD has the opportunity to evaluate existing process and implement an improved procedure.

What OCA Recommends

We make four recommendations to improve SDHC's procurement practices and improve the City's process for completing maintenance requests at facilities where the City is responsible for maintenance and repairs:

- SDHC should develop an Administrative Regulation requiring collection of Statements for Public Disclosure for sole source contractors.

- SDHC should include the requirement for collecting Statements for Public Disclosure in a future procurement policy revision.

- HSSD should work with stakeholders to perform inspections of all homelessness services sites where the City is responsible for maintenance and complete any identified maintenance needs.

- HSSD should develop a documented City procedure for tracking maintenance requests between providers, SDHC, and City departments. This procedure should include required information, estimated timelines, and communication of progress to all stakeholders.

SDHC agreed to implement both of its recommendations. Although HSSD indicated agreement with its recommendations, it is unclear if HSSD will take the necessary actions to address the issues we identified. For more information, contact Andy Hanau, City Auditor at (619) 533-3165.

OCA
Independent · Objective · Accurate

Performance Audit of the City's Capital Improvement Project Approval Process

Why OCA Did This Study

Infrastructure, such as police and fire stations, libraries, parks, transportation networks, and water and sewer lines, is essential to communities' well-being. The estimated total value of the City's infrastructure is $12.5 billion, and approximately $4.58 billion will be dedicated to the City's infrastructure projects over the next five years.

One of the biggest hurdles to timely completing projects within estimated costs is conducting sufficient planning and creating a realistic funding plan, particularly because the City has significantly more asset needs than available funding. Therefore, we conducted a performance audit to determine whether the City adequately considers Capital Improvement Program (CIP) project planning and funding during the prioritization, review, and approval processes to help ensure projects are completed as quickly and cost-effectively as possible.

What OCA Found

Finding 1: The City has frequently approved CIP projects prematurely, which likely contributed to significant project cost overruns and much longer project timelines.

- A lack of proper vetting of new Standalone CIP projects (S-projects) has led to approval of CIP project proposals that likely did not have sufficiently defined scopes, reasonably accurate initial cost estimates, and realistic funding plans.

- **Almost half (44 percent) of the projects we reviewed likely had insufficiently planned proposals when first approved for the City's CIP.**

- Of the projects that were insufficiently planned, 68 percent experienced funding shortfalls at some point in their project lifecycle. These projects ended up **exceeding initial cost estimates by 264 percent** and **took 4 years longer to complete** than sufficiently planned, fully funded projects.

- The City's Capital Improvements Program Review and Advisory Committee (CIPRAC) recommended S-projects for the CIP even though not all key project information was included in the project proposal.

Exhibit 1: CIP Projects Can Include New Fire Stations, New Libraries, New Bridges or Water Pipe Replacements, and Many Other Assets
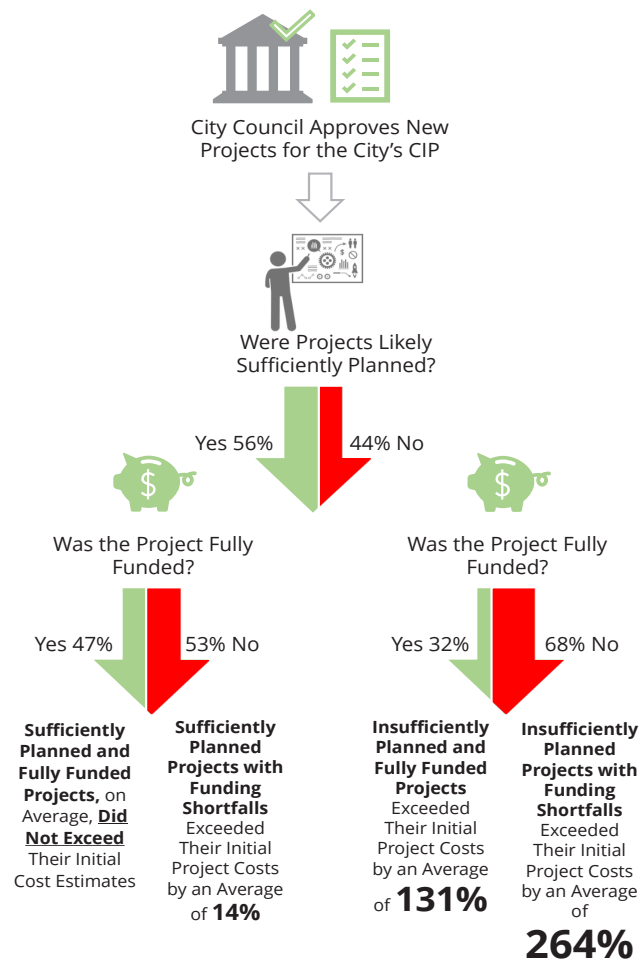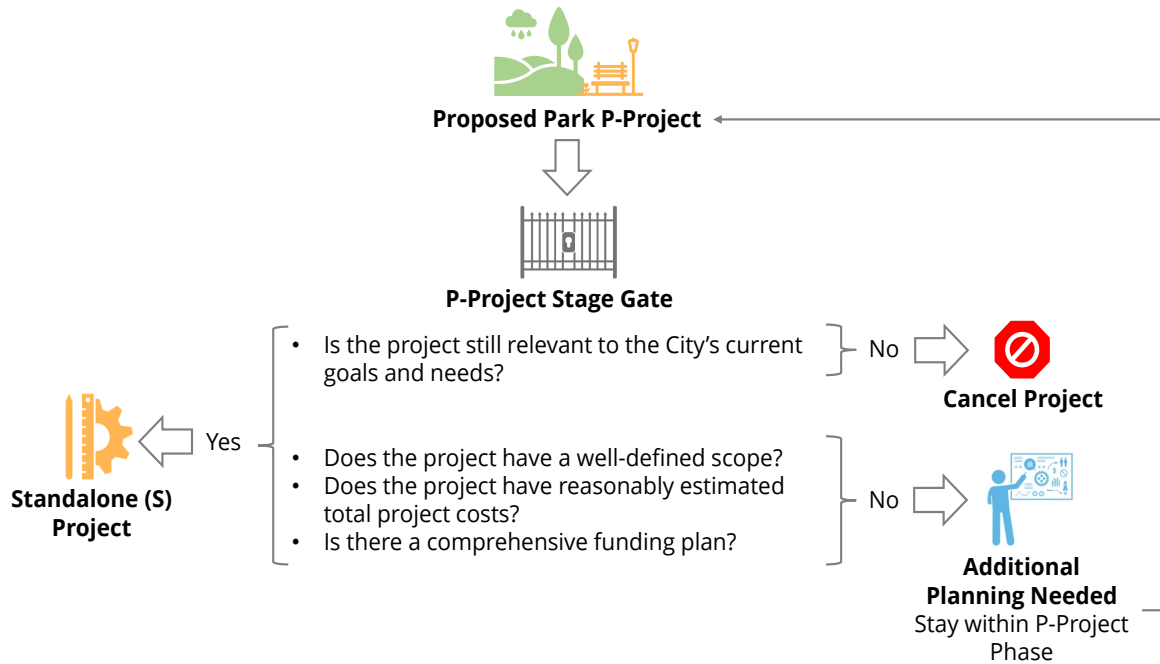

Source: Images obtained from E&CP.

Exhibit 18: Completed S-Projects We Reviewed That Were Likely Insufficiently Planned and Experienced Funding Shortfalls Cost 264% More Than Initial Project Cost Estimates

City Council Approves New Projects for the City's CIP

Were Projects Likely Sufficiently Planned?

Yes 56%   44% No

Was the Project Fully Funded?   Was the Project Fully Funded?

Yes 47%   53% No   Yes 32%   68% No

Sufficiently Planned and Fully Funded Projects, on Average, <u>**Did Not Exceed**</u> Their Initial Cost Estimates

Sufficiently Planned Projects with Funding Shortfalls Exceeded Their Initial Project Costs by an Average of **14%**

Insufficiently Planned and Fully Funded Projects Exceeded Their Initial Project Costs by an Average of **131%**

Insufficiently Planned Projects with Funding Shortfalls Exceeded Their Initial Project Costs by an Average of **264%**

Source: OCA generated based on analysis of project data in E&CP's project management system and Annual CIP Budgets.

Exhibit 21: The P-Project Phase Could Help Ensure Project Proposals Have Fully Developed Scopes, Reasonably Accurate Estimated Project Costs, and Realistic Funding Plans Prior to Moving Forward

Proposed Park P-Project

P-Project Stage Gate

- Is the project still relevant to the City's current goals and needs? — **No** → **Cancel Project**

→ **Yes** → **Standalone (S) Project**

- Does the project have a well-defined scope?
- Does the project have reasonably estimated total project costs?
- Is there a comprehensive funding plan?

— **No** → **Additional Planning Needed** Stay within P-Project Phase

Source: OCA generated based on E&CP documentation and interviews with E&CP management.

We found that project proposals can be insufficiently planned for the following reasons:

- According to the Engineering & Capital Projects Department (E&CP) and Asset Managing Departments, the City does not consistently provide enough time and resources to sufficiently plan projects prior to City Council approval.

- **The City does not require detailed scopes or realistic funding plans before approving all projects for the CIP**; additionally, Council Policy 000-02 has vague language that does not require realistic and defined project cost estimates when the Council approves partially funded new CIP projects.

Sufficiently planned project proposals with well-defined project scopes, reasonably accurate initial project cost estimates, and realistic funding plans would help the Mayor and the City Council allocate limited CIP funding more strategically and effectively. Adequate planning will also help E&CP to establish standardized project delivery timelines.

Notably, E&CP's recently adopted informal Preliminary Engineering—or P-project—phase seeks to ensure project readiness prior to the creation of a new S-project as well as to promote the efficiency of project completion. **The P-project phase also helps set realistic stakeholder expectations for project feasibility, costs, and timelines.**

What OCA Recommends

We made three recommendations and E&CP and the Department of Finance (DoF) agreed to all three. Recommendations include:

- Create a Council Policy requirement for all new projects to start as P-projects unless E&CP and DoF can verify that the new project is "project-ready." Specifically, the new policy should establish stage gates within the P-project phase that will only allow a project to progress if it has a well-defined scope, reasonably accurate total project cost estimates, and a realistic funding plan.

- E&CP should work to establish standardized project delivery timelines for projects that have completed the P-project phase and reassess these timelines on a regular basis.

- CIPRAC should review all S-projects approved prior to the rollout of the P-project initiative, to assess whether projects are still feasible and whether they still align with the City's goals, needs, expectations, and funding plan/strategy.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or cityauditor@sandiego.gov.

Performance Audit of the City's Brush Management on City-Owned Land

Why OCA Did This Study

The City of San Diego (City), like other cities throughout California, faces an increased threat of wildfires as climate change, drought conditions, and a buildup of dry vegetation have led to an increase in wildfire frequency and intensity.

In areas adjacent to structures and dwellings, brush management is used to create a defensible space that provides protection from an approaching wildfire and minimizes the spread of a structure fire to wildlands or surrounding areas. According to the Municipal Code, the City is generally responsible for performing brush management on public land adjacent to existing structures to achieve 100 feet of defensible space.

The objective of this audit was to determine whether the City conducts regular and effective brush management on City-owned lands within high wildfire risk zones.

What OCA Found

Finding 1: **The City lacks comprehensive brush management oversight, causing inconsistent and potentially ineffective brush management efforts by some departments with significant amount of land in Very High Fire Hazard Severity Zones.**

- Although the Fire-Rescue Department (Fire-Rescue) is responsible for enforcing State and local fire codes and for fire prevention and mitigation, it **does not proactively monitor or inspect City-owned lands to ensure compliance with brush management regulations**.

- A Citywide brush management implementation policy could ensure consistent brush management efforts and compliance.

- Fire departments in other cities have a proactive role in overseeing and coordinating brush management and fire prevention efforts on city-owned land.

Exhibit 5: We Estimate That There are Approximately 3,200 Acres of City-Owned Lands Within Very High Fire Hazard Severity Zones and Within 100 Feet of a Structure, Managed by at Least 10 Different City Departments

Department	Number of acres located in a Very High Fire Hazard Severity Zone and within 100 feet of a structure*	Percent
Parks and Recreation	2,039 **	64%
PUD - (Wastewater and Water)	649	20%
Transportation	206***	6%
DREAM (Includes Airports)	190	6%
Environmental Services	58	2%
Police	22	1%
Stormwater	21	1%
Fire-Rescue	10	< 1%
Library	7	< 1%
Economic Development	0.4	< 1%
Grand Total	**3,203***	**100%**

Notes:

* Not all of the acres listed may necessarily need brush management; for example, the Municipal Code exempts 100-foot defensible space requirements for structures built after 1989 or areas where the Fire Chief has approved an alternative compliance that provides sufficient defensible space, so the number of acres subject to the City's brush management requirements is lower than 3,203; however, we had no feasible way to quantify that number.

** These 2,039 acres under Parks and Rec's purview includes 1,293 acres managed by Parks and Rec Open Space Division, 404 acres managed by Parks and Rec Community Parks I and II Divisions, and 336 acres managed Parks and Rec Regional Parks Division, among others.

***This estimate also incorporates additional information provided by Parks and Rec Open Space Division.

Source: OCA generated based on EGIS geospatial analysis of Building Outlines (2016 LiDAR), City-Owned Land, Very High Fire Hazard Severity Zones, and information provided by Parks and Rec Open Space Division.

Finding 2: The Parks and Recreation Department Open Space Division has a program to perform regular and effective brush management; however, the City should implement a more coordinated approach to ensure other high fire risk City-owned lands undergo regular brush management.

Brush management for the purpose of creating defensible space is crucial to reduce wildfire risk. However, we found that **the City does not have a process to ensure regular and effective brush management on all required land**, and of the departments with significant brush management responsibilities that we reviewed, **only the Parks and Rec Open Space Division has a program to ensure regular and effective brush management on land within its purview**.

- The Transportation Department and Public Utilities Department's brush management efforts are primarily reactive and generally have less systematic processes to ensure proactive regular brush management on land within their purview.

- Departments' siloed approach to performing brush management results in irregular and inefficient brush management, which increases wildfire risk.

Exhibit 7: Brush Management Efforts are Not Consistent Across Departments

	Parks and Rec Open Space Division	PUD	Transportation
Performs comprehensive brush management?	✓	✗	✗
Provides brush management trainings to staff and contractors?	✓	✓*	✗
Utilizes biologists on site to account for sensitive animal and plant species?	✓	✓**	✗
Monitors efficacy of vendor performance?	✓	✓***	✗
Approximate number of acres located in Very High Fire Hazard Severity Zone and within 100 ft of a structure	1,293	649	206

Notes:

*PUD has trainings pertaining to navigating sensitive plant and animal species.

**According to PUD, it has two Environmental Biologist III positions that are currently vacant; however, it noted that its planners accompany field crews as needed to account for sensitive animal and plant species.

***According to PUD, it completes contractor evaluations as needed as required per its contract with its weed abatement/brush management vendor.

Source: OCA generated based on interviews with Parks and Rec, Transportation, and PUD; review of Parks and Rec training materials and contractor evaluations; and information provided by Open Space Division and City GIS data.

- **Better coordination and integration within and among departments can mitigate the threat of wildfire in some of the riskiest areas in the City, increase operational efficiencies, and help address common complaints from residents.**

- City departments have not established agreements to coordinate work and leverage resources amongst each other to ensure regular and effective brush management on all required City-owned land.

What OCA Recommends

We made seven recommendations to ensure consistent and effective brush management on required City-owned land. Key recommendation elements include:

- The Chief Operating Officer (COO) should implement an Administrative Regulation that directs Fire-Rescue to identify and maintain information on City-owned lands requiring brush management and establishes policies and procedures for Fire-Rescue to proactively monitor these lands for compliance with brush management.

- The COO should consider consolidating brush management responsibilities to the extent operationally and fiscally possible.

- Parks and Rec should incorporate certain paper streets into its brush management program.

- City departments with significant brush management responsibilities should strengthen opportunities for collaboration.

- Parks and Rec should obtain feedback on contractor performance as applicable from other departments, and should continue to conduct quarterly contractor performance evaluations.

- Fire-Rescue and Parks and Rec should determine the extent to which additional resources may be needed to carry out brush management activities and responsibilities.

City Management agreed to implement all seven recommendations.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or cityauditor@sandiego.gov.

Performance Audit of the City's Classified Employee Hiring Process

Why OCA Did This Study

The City of San Diego (City) has operated with an elevated employee vacancy rate perpetuated by the length of time it takes to hire. City leaders have expressed concern regarding the high vacancy rate and its effect on the City's ability to provide public services. Analyzing budgeted classified not-sworn positions, we conducted a performance audit with the following objective:

Determine whether changes to the City's hiring process and Civil Service Rules would increase the efficiency and effectiveness of the hiring process for classified employees.
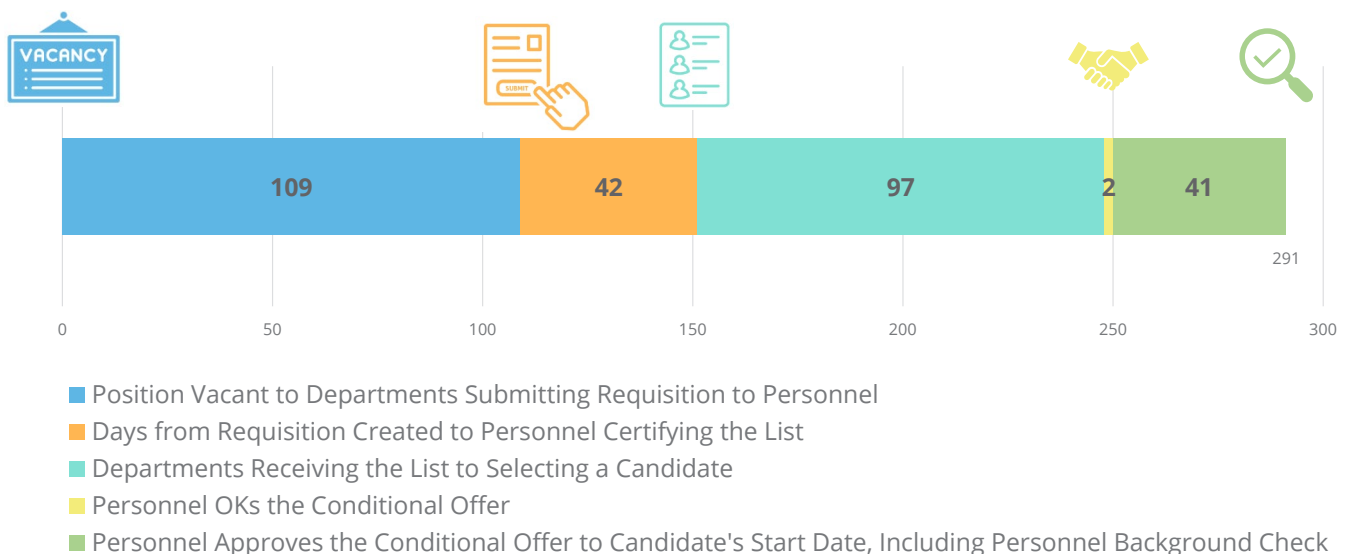
What OCA Found

Finding 1: The City Administration should take a more active role in monitoring and advocating for efficiency in the hiring process, which took approximately 9 months to complete on average.

- The City's lengthy hiring process likely contributed to **19 percent of vacant positions remaining vacant for more than 14 months**.

- In total, the **classified hiring process took approximately 9 months** to complete. The **unclassified hiring process, which is run primarily by the Administration, took almost as long**—nearly 8 months.

- The **Administration does not monitor or have goals** for how long hiring departments take to hire classified or unclassified employees.

- In our sample, the lengthiest step in the classified hiring process was the time it took hiring departments to submit a requisition to Personnel requesting a list of candidates (109 days).

- Once hiring departments requested a list of eligible candidates, the positions in our sample still took an average of 26 weeks to fill, **42 percent longer than the average local government organization** according to NEOGOV.

- Hiring at the City takes so long because the overall hiring timeline is **not transparent**, there is **no centralized oversight of hiring departments**, and there is **no expert on the Administration side** driving efficiency.

Exhibit 7: Hiring Departments Were Responsible for About 70% of the Hiring Timeline in Our Sample

Average Days to Fill a Budgeted Classified Not-Sworn Vacant Position from Our Sample

- ■ Position Vacant to Departments Submitting Requisition to Personnel
- ■ Days from Requisition Created to Personnel Certifying the List
- ■ Departments Receiving the List to Selecting a Candidate
- ■ Personnel OKs the Conditional Offer
- ■ Personnel Approves the Conditional Offer to Candidate's Start Date, Including Personnel Background Check

Source: OCA generated based on a sample of data from SAP, Personnel, NEOGOV, and hiring departments.

Excerpt from Exhibit 9: In Our Sample, Applicants Started the Position 224 Days After They Applied

On Average, Applicants Started More Than **7 Months** After They Applied
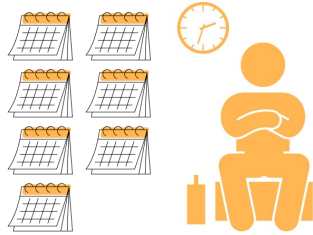
Source: OCA generated based on sampled data from SAP, Personnel, NEOGOV, and hiring departments.

Finding 2: The Personnel Department can better balance its focus on fairness in hiring with efficiency by streamlining Personnel regulations and practices.

- The hiring process requires **more than 60 steps**. The extensiveness of the current hiring process makes it unclear and confusing, and **Personnel's guidance on the hiring process is inconsistent and incomplete**.

- The Civil Service Rules are generally broad enough to allow flexibility and expediency in the hiring process, but **Personnel Regulations go beyond requirements** and create administrative burdens without sufficient benefit in some cases. For example:

  - Many hiring departments believe Personnel requires positions to be fully vacated before hiring departments can request a list of candidates to hire from in most cases.

  - Personnel requires hiring departments to fill out more than 90 pages of forms during the interview process alone, many of which require duplicate information.

  - Personnel Regulations require employees to be fingerprinted in a machine installed in the Personnel Department.

  - Personnel requires pre-employment medical checks and drug screenings for many not-sworn classifications, while many cities simply require pre-employment drug screenings for candidates applying for safety-sensitive positions.

  - Personnel still relies on physical forms and is not clear that it accepts electronic signatures on all forms.

What OCA Recommends

We made 12 recommendations: 8 to Personnel and 4 to the City Administration. Key recommendations include:

- The Chief Operating Officer should designate a **central point of oversight and coordination** for hiring departments' hiring of classified employees.

- The Administration should identify the key phases in the hiring process timeline, **set goals** for how long each step should take, and **monitor and report hiring timeline information** by department.

- The Administration should determine if there are administrative requirements or other barriers contributing to the length of time phases in the hiring process take and **propose changes** to make the process more efficient and effective.

- Personnel should work with the Administration to **provide the information it needs** to implement these recommendations and present to the Civil Service Commission.

- Personnel should formalize the practice of allowing hiring departments to **begin the hiring process as soon as they are aware of an upcoming vacancy**.

- Personnel should **streamline the documents it requires departments and applicants to fill out**.

- Personnel should **develop a hiring process overview and step-by-step guide** that depicts the overall hiring process and is clear, understandable, up to date, and easy for all City stakeholders to find.

- Personnel should create a background check, medical check, and drug and alcohol screening process that requires **fewer steps and paperwork** for classified not-sworn positions.

The Personnel Department and the City Administration agreed to all recommendations.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or cityauditor@sandiego.gov.

Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety

Why OCA Did This Study

In 2015, the City of San Diego took the Vision Zero pledge—committing to end all traffic deaths within the City in 10 years. In 2016, the Office of the City Auditor (OCA) conducted an audit of the City's pedestrian safety programs. That audit issued 18 recommendations covering infrastructure prioritization, increased enforcement, and coordinated education efforts.

The objective of this re-review is to determine the extent to which the City is still implementing the identified (or similar) recommendations, and the potential impact of these efforts, as pedestrian fatalities continue to increase in San Diego and nationwide.

What OCA Found

The City has maintained implementation of most recommendations from the 2016 audit, but some efforts should be expanded or updated.

Topic 1: Transportation

The 2016 audit found that the City should prioritize its limited infrastructure resources towards locations that pose the greatest risk to pedestrians, and issued four corresponding recommendations.

Our re-review found that Transportation is still conducting high-crash analyses and programming treatments for the identified high-risk intersections.

Additionally, in 2019, the City conducted a systemic safety analysis to proactively identify high-risk intersections based on a variety of factors, including road type, traffic volume, and speed limit. **While we found the City is responding to the highest-crash locations, there are not enough resources to fix all the dangerous areas**—hundreds of unfunded pedestrian-related projects have been placed on the Transportation Unfunded Needs List. Transportation should complete an update of this systemic safety analysis to ensure limited resources continue to be prioritized efficiently and effectively.

An emerging issue since the initial audit is the equitable distribution of improvements and resources. In this review, we analyzed available treatment data against the City's Climate Equity Index (CEI)—a tool that incorporates both environmental justice and social equity by using dozens of measurements to produce an overall index score for areas throughout the City. We found that areas with lower CEI scores had a lower proportion of pedestrian safety improvements. While the data we analyzed was limited, and the City is taking some steps to combat this issue, it should monitor and report out equity metrics to increase public accountability and transparency.

Exhibit 2: Pedestrian Fatalities in San Diego and Nationwide Continue to Rise
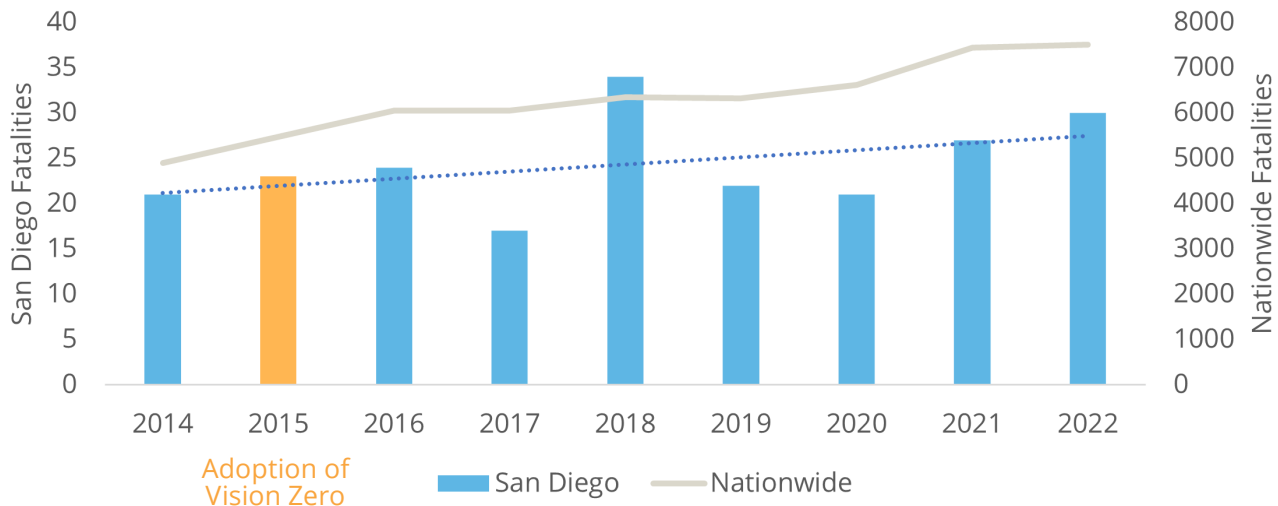
Source: OCA generated based on data from the City of San Diego and the Governors Highway Safety Administration.

Topic 2: Communications

The 2016 audit found that the City should increase awareness and change pedestrian and driver behavior by developing a Citywide public education and outreach campaign, and issued four corresponding recommendations.

Our re-review found that t**he City is still collaborating with outside agencies and internal departments, but should develop a community outreach and engagement plan** that includes an updated media strategy, work with community-based organizations, and a focus on project-specific information.

Topic 3: Monitoring & Evaluation

The 2016 audit found that current funding levels may not have been sufficient to achieve long-term Vision Zero goals, and that the City did not have strategies to evaluate or monitor the City's progress nor to report results; the audit issued five corresponding recommendations.

Our re-review found that the Mobility Board is still identifying priority engineering, enforcement, and education initiatives. **However, the City should expand its program and treatment evaluations as well as improve the City website to increase public transparency and better communicate project benefits.** The City currently completes some basic crash evaluations as requirements for grant funding, but should consistently evaluate both the impact of the systemic safety programs and larger infrastructure projects in order to ensure that treatments are having the intended effects.

Additionally, while the Vision Zero website contains some basic information and is still updated, other cities are expanding access by including more detailed information and compelling narratives. Both treatment evaluations and **an improved website can help enhance public transparency and potentially increase support for Vision Zero projects**.

Topic 4: Oversight & Management

We found that although the City still conducts inter-departmental meetings, t**here is a risk that without a consistent driving force or dedicated position, the City may not be able to fully use data-driven systems**, and certain tasks, such as ensuring the website is updated and coordinating interdepartmental efforts, may be delayed. We also found that other cities operate with a central authority that oversees Vision Zero activities, and all cities we interviewed had a staff member dedicated to Vision Zero.

Exhibit 17 below shows different cities and their oversight bodies or staff positions.

Exhibit 17: Other Cities Have a Dedicated Vision Zero Coordinator and Oversight Bodies to Conduct Vision Zero

	Dedicated Vision Zero Coordinator	Internal Oversight Committee	External Oversight Committee
San Diego	✗	✗	✓
Austin	✓	✓	✓
Minneapolis	✓	✓	✓
Portland	✓	✗	✓
San Francisco	✓	✓	✓
San Jose	✓	✓	✓

Source: OCA generated based on interviews and data from relevant cities.

What OCA Recommends

We make eight recommendations across the four re-review topics as described below:

Topic 1 – Transportation: Two recommendations to improve reporting efforts, specifically around equity, and to complete an updated systemic safety analysis.

Topic 2 – Communications: One recommendation to develop an inclusive public engagement and outreach plan around mobility and update the Vision Zero communications plan.

Topic 3 – Monitoring & Evaluation: Two recommendations to develop a policy for evaluating the impacts of the high-crash and systemic-safety analysis programs, and to evaluate large pedestrian-related infrastructure on speeds, volumes, and crash data. One recommendation for relevant departments to collaborate on website improvements, including progress on identified goals.

Topic 4 – Oversight & Management: Two recommendations creating or assigning a Vision Zero coordinator and forming an interdepartmental mobility governance group to provide oversight and ensure departmental collaboration.

Management agreed to implement all recommendations.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or cityauditor@sandiego.gov.

Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2022

This audit is conducted annually in accordance with the requirements of City of San Diego Charter Section 55.2

Why OCA Did This Study

The City Charter requires that the City Auditor report annually the extent and nature of the Mission Bay and the San Diego Regional Parks Improvement Funds' revenues, expenses, and improvements and compliance with the requirements of Section 55.2. To comply with the Charter and in accordance with the City Auditor's Fiscal Year 2023 Annual Audit Work Plan, we have performed an audit of the Mission Bay and the Regional Parks Improvement Funds' financial activity in fiscal year 2022.

Source: Images of Mission Bay Park obtained from Tripadvisor.

What OCA Found

We found the City of San Diego is in substantial compliance with the requirements of Charter Section 55.2, but departments are still working on implementing recommendations from prior audits.

Fiscal Year 2022 Financial Activity:

We found that $5,707,545 was transferred from Mission Bay Lease Revenue to the San Diego Regional Parks Improvement Fund (SDRPIF) for capital improvements and $10,599,726 was transferred to the Mission Bay Improvement Fund (MBIF). Based on these transfers plus interest, the total transfers were $5,774,310 to the SDRPIF and $10,843,520 to the MBIF.

There were SDRPIF expenditures of $3,001,231 and MBIF expenditures of $9,314,621 in FY2022. We found that all the transfers and expenditures complied with the Charter requirements.

What OCA Recommends

There were no additional recommendations made in this year's annual Mission Bay report. However, we reviewed the status of the eight recommendations from the prior year FY2021 Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds report issued August 2, 2022.

We found that four of the eight audit recommendations have been implemented, and four remain outstanding. Improvements can be made by implementing these four recommendations. Management has agreed to implement all four of the remaining recommendations.

For more information, contact Andy Hanau, City Auditor, at (619) 533-3165 or cityauditor@sandiego.gov.

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