

Performance Audit of the City's Key Performance Indicators

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Finding 1

Although they are a critical governance and management tool, the City underutilizes KPIs and should strengthen oversight to ensure greater accuracy, transparency, and value for City services.

Finding 2

The City lacks a cohesive approach to KPIs and should provide increased guidance for their selection and development to enhance accountability and comparability.

Andy Hanau, City Auditor

Matthew Helm, Assistant City Auditor

Nathan Otto, Principal Performance Auditor

Nicole (Niki) Kalmus, Senior Performance Auditor

Alberto Murillo, Performance Auditor

CITY OF SAN DIEGO



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The Office of the City Auditor would like to thank staff from the Performance and Analytics Department, as well as Council Offices and operational departments throughout the City who shared feedback with us through our surveys.



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

Performance Audit of the City's Key Performance Indicators

Why OCA Did This Study

Performance measurement is an **essential transparency tool** for a government agency like the City of San Diego (City), allowing taxpayers, City Management, and Council to monitor and engage with how the City is performing. The FY2026 Adopted Budget estimates that the City will face an average annual structural budget deficit of \$49 million from FY2027 through FY2030. Given limited resources, Key Performance Indicators (KPIs) should be used by City leadership as evidence to **help allocate the budget** in a way that **minimizes negative service level impacts**, to evaluate the City's programs and services, and to **deliver improved outcomes** for residents.

Therefore, we conducted a performance audit with three objectives:

- (1) Determine if the City has achieved its KPI targets for the past three years (FY2023–FY2025);
- (2) Evaluate the control environment of the City's KPI process with respect to City policies and government best practices; and
- (3) Assess the relevance and timeliness of the City's KPIs as determined by stakeholder feedback and the City's Strategic Plan.

What OCA Found

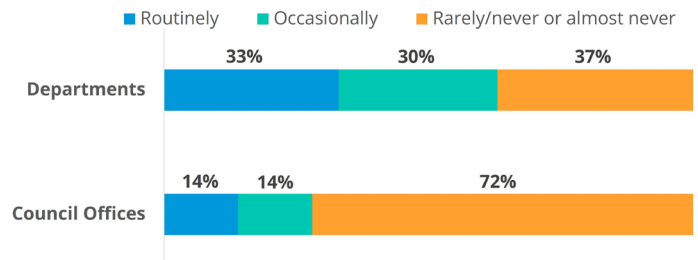
Finding 1: Although they are a critical governance and management tool, the City underutilizes KPIs and should strengthen oversight to ensure greater accuracy, transparency, and value for City services.

- Only **one out of seven** Council Offices and **9 out of 27** departments that responded to our KPI survey reported **routinely using KPIs to inform budget, policy and/or operational decisions**.
- KPIs are not being used because of Council and Management **concerns about KPI accuracy and value**; however, the City has **limited controls** and oversight to ensure KPIs are accurate and reliable.
- We found no evidence that KPIs have been discussed in a systematic or regular manner at Council Committees from FY2015 through FY2025.

- Council Offices reported little value in reviewing current KPIs during the budget process.

Exhibit 3: Survey Results Indicate Council Offices and Departments Are Not Routinely Using KPIs to Inform Budgetary Decisions

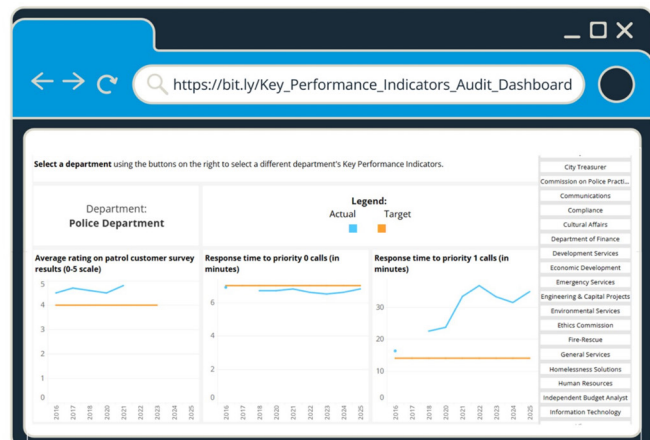
How often do you refer to KPIs when you make budgetary decisions?



Source: OCA generated based on a survey of Council Offices and departments with KPIs in the FY2025 and FY2026 budgets..

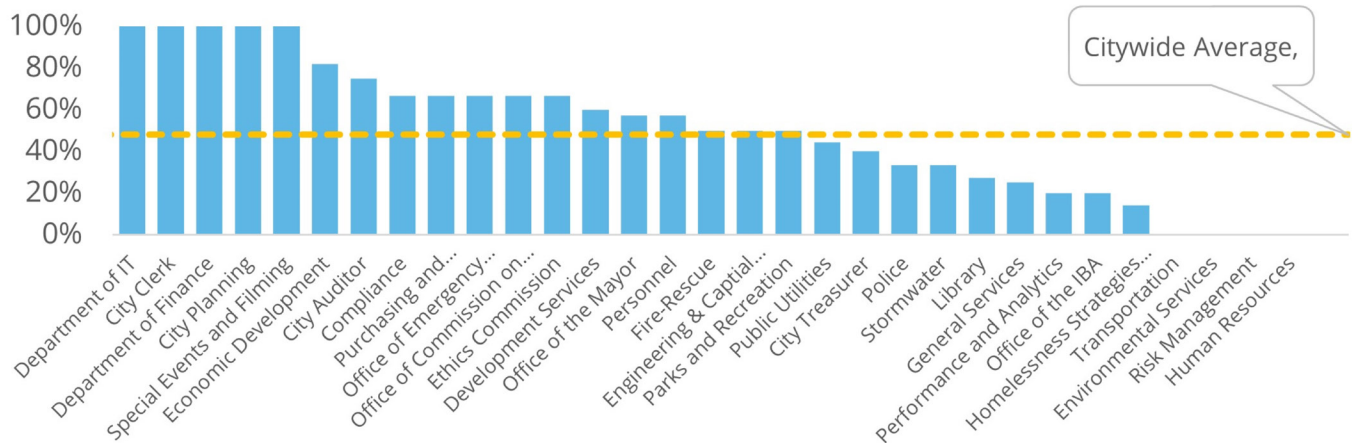
- Limited oversight and controls can lead to inaccurate KPIs, KPIs that are not top priorities, and KPIs that are irrelevant, unrealistic, and/or misaligned with best practices.
- The City can improve its online KPI performance dashboard by **incorporating visuals and historical data** to help identify performance trends over time.
- As a supplement to this audit report, we built a dashboard with visual historical data: https://bit.ly/Key_Performance_Indicators_Audit_Dashboard.

Exhibit 10: The City's KPI Performance Dashboard Should Include Visuals of Historical Trends and Descriptions of Each KPI



Source: Screenshot of OCA generated performance dashboard based on KPI data from FY2017 to present.

Exhibit 12: Reflecting a Range of Realistic vs. Aspirational Targets, the Percentage of KPIs that Met their Performance Target Varied from the Extremes of 0% to 100% Across Departments in FY2026, which Makes it Difficult to Compare and Interpret Results



Source: OCA generated based on analysis of the FY2026 Budget.

Finding 2: The City lacks a cohesive approach to KPIs and should provide increased guidance for their selection and development to enhance accountability and comparability.

- The percent of KPIs that met their targets **varies widely** across City departments—ranging from 0–100 percent. On average, the City met 48 percent of its KPI targets; however, due to the **differing ways in which departments select KPI goals**, it is unclear what conclusions decisionmakers and the public are supposed to reach.
- While the Performance and Analytics Department (Panda) provides support, training, and guidance to departments for their KPIs, **the City does not have a formal, enforceable policy on whether KPIs should be aspirational or realistically achievable.**
- According to Panda, it encourages departments to implement KPIs that **balance aspirational** targets (i.e., they reflect the ideal service level regardless of budget) **and achievable** targets (i.e., they are realistic given the budgetary reality).
- City departments and Council Offices do not agree on whether KPIs should be aspirational or realistic, but **most agree that departments should have at least one of both.**
- The U.S. Government and the City and County of San Francisco have two sets of KPIs— aspirational, long-term KPIs and realistic, nearer-term KPIs.

- A **KPI philosophy** would enhance accountability, comparability, and expectations management for services across City departments.
- Notably, the City Attorney's Office is the only City department without KPIs.
- The City Attorney's Office stopped publishing KPIs in the budget in FY2006 and annual reports detailing the department's accomplishments in 2017.

What OCA Recommends

We made five recommendations and City Management agreed to implement all five. Key recommendation elements to improve KPI oversight and comparability include:

- Developing, publishing, and presenting at Council Committee(s) an annual Performance Report for the City's KPIs to facilitate more in-depth discussion of KPIs;
- Creating a KPI data validation process to ensure accuracy of the City KPIs;
- Developing a publicly accessible dashboard that includes historical performance data;
- Creating and implementing a formal policy documenting the City's KPI philosophy and guidance for departments to follow; and
- The City Attorney's Office establishing and reporting a KPI (or KPIs).

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

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Background

Performance monitoring is key to the success of any organization and should be integral to decision-making processes. By measuring and monitoring performance, organizations can make informed policy decisions, optimize resource allocation, improve services, and create an environment of trust and transparency. In addition, for a government agency like the City of San Diego (City), performance measurement is an essential transparency tool, allowing residents and taxpayers to monitor and engage with how the City is performing. The City's Strategic Plan states, "we value transparency by using data to make better-informed decisions, answer questions, and build trust with the public." To that end, the City has established Key Performance Indicators (KPIs) that are intended to measure the progress of City operations and programs toward defined goals.

The FY2026 Adopted Budget estimates that the City will face an average annual structural budget deficit of \$49 million from FY2027 through FY2030.¹ Given limited resources, KPIs should be used by City leadership as evidence to help allocate the budget in a way that minimizes negative service level impacts, evaluate the City's programs and services, and deliver improved outcomes for residents. Therefore, in accordance with the Office of the City Auditor's FY2025 Audit Work Plan, we conducted a performance audit of the City's Key Performance Indicators. The objectives of this audit were to:

1. Determine if the City has achieved its KPI targets for the past three years (FY2023–FY2025);
2. Evaluate the control environment of the City's KPI process with respect to City policies and government best practices; and
3. Assess the relevance and timeliness of the City's KPIs as determined by stakeholder feedback and the City's Strategic Plan.

Key Performance Indicators are required by Council Policy 000-02.

KPIs are reported annually and are published for each department in the City's Proposed and Adopted Budget documents. According to Council Policy 000-02, the City's "Proposed and Adopted Budget documents shall contain performance data for prior year actual results, current year projected/current year actual for the adopted budget, and targets for the upcoming year." The Council Policy charges the Performance and Analytics Department (Panda) with managing activities related to performance monitoring and reporting. According to the City's FY2026 Adopted Budget, performance indicators help readers evaluate City services and enable the City to quantify service

¹ A full update to the Five-Year Outlook for Fiscal Years 2027–2031 will be released in November 2025. The most recent Office of the Independent Budget Analyst's Review of the Mayor's Five-Year Financial Outlook can be found at: https://www.sandiego.gov/sites/default/files/2025-01/25-01-iba-review-of-the-mayor-s-fy-2026-2030-five-year-financial-outlook_0.pdf

levels for all departments by showing the results or outcomes of departments' performance. **Exhibit 1** shows the Budget's KPI table format as of FY2026.

Exhibit 1

Department KPI Table Format in the FY2026 Budget

Performance Indicator	Definition	Baseline	FY2025 Performance	Goal
Performance Indicator 1	Indicator Definition 1	19	21	28
Performance Indicator 2	Indicator Definition 2	14	18	24
Performance Indicator 3	Indicator Definition 3	N/A	70%	100%

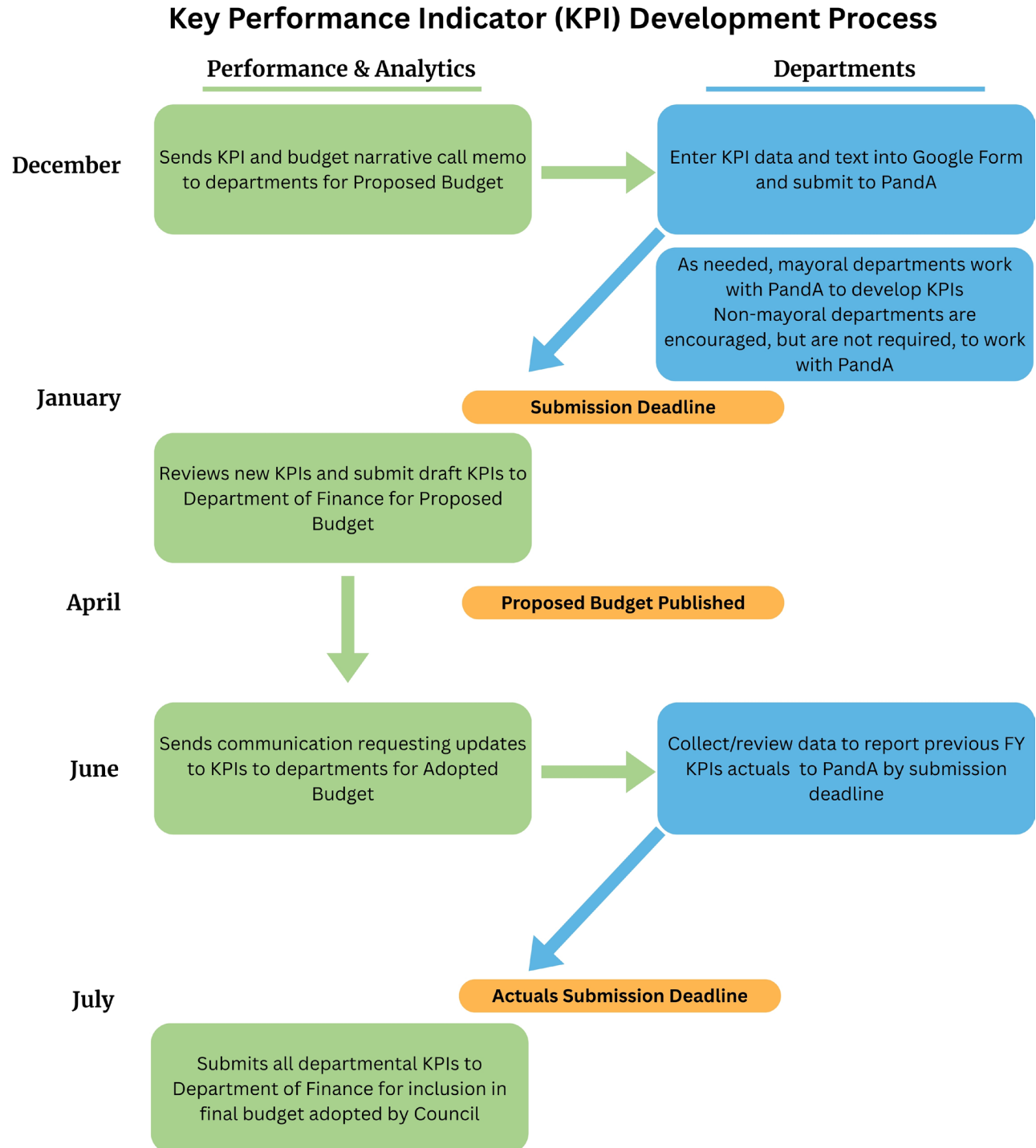
Source: Screenshot of the FY2026 Adopted Budget department Key Performance Indicator example table.

Departments are responsible for developing, monitoring, and reporting their KPIs.

Departments are ultimately responsible for selecting, monitoring, and reporting their KPIs.

The Performance and Analytics Department (Panda), in collaboration with leaders from every City department, brainstorms, collects, and reviews KPIs to help City departments better understand, measure, and manage operational metrics. Though Panda supports mayoral and non-mayoral departments in developing KPIs, departments are ultimately responsible for selecting, monitoring, and reporting their KPIs featured in the annual budget documents.

The process for selecting and publishing KPIs is shown in **Exhibit 2**. Panda notifies departments in advance of the KPI submission deadline and requests that departments enter KPI data into a shared spreadsheet. Once received, Panda reviews documentation for new KPIs. Then, after the budget is approved by City Council, Panda sends another notification to departments requesting actual previous fiscal year KPI performance and finalized upcoming fiscal year KPIs. The actual KPIs are published with the Adopted Budget in August.

*Exhibit 2***PandA Collects KPIs from Departments for Publication in the Proposed and Adopted Budgets**

Source: OCA generated based on review of PandA's FY2026 KPI guidelines for departments and materials from the Department of Finance.

Finding 1

Although they are a critical governance and management tool, the City underutilizes KPIs and should strengthen oversight to ensure greater accuracy, transparency, and value for City services.

Finding Summary

Key Performance Indicators promote data-driven decision making and build a culture of continuous improvement. Just as with the management of any complex corporation or organization, regular performance measurement is essential for evaluating whether the City is on track to reach its goals and to aid decision makers such as the City Council, the Mayor, and departments in making budgetary or operational changes to improve service delivery. However, although KPIs are a critical governance and management tool, we found that KPIs are underutilized by both City Management and City Council. Specifically, we found:

- Only one out of seven Council Offices and 9 out of 27 departments that responded to our KPI survey reported routinely using KPIs to inform budget, policy and/or operational decisions;
- The City has limited controls in place to ensure KPI accuracy and data reliability;
- Council Offices have concerns about the accuracy of the current KPIs;
- KPIs are rarely discussed at City Council or Council Committees due to limited docket space and time constraint;
- The Performance and Analytics Department (PandA) does not have capacity to review all KPIs; and
- Limited oversight and controls have led to inaccurate KPIs, KPIs that are not top priorities, and KPIs that are irrelevant, unrealistic, and/or misaligned with best practices.

We found that underutilization of KPIs at the City is due to a variety of factors, including low City Council and department confidence in the value of current KPIs for improved service delivery, Council concerns about KPI accuracy, and limited opportunities to discuss KPIs because KPIs are only presented in the budget. To improve the City's oversight of KPIs and performance management controls and make them as useful as possible to City leadership, we recommend the City publish an Annual Performance Report of KPIs separate from the budget, finalize a KPI data validation procedure, and develop a publicly accessible dashboard that includes graphical representation of historical data so that stakeholders can better see KPI performance over time.

KPIs should be used by City Management and Councilmembers to determine whether the City is on track to reach its service delivery goals.

KPIs are an essential management tool for both the private and public sectors. The current KPIs at the City are intended to be dynamic and transparent, promote data-driven decision making, and build public trust. The City's KPI guidelines and trainings, provided to departments by Panda, state that City KPIs should be relevant to departments for better decision making, aligned to the City's strategic goals, and measurable for the department. These guidelines align with best practices from the Government Finance Officers Association (GFOA), International City/County Management Association (ICMA), and the National League of Cities (NLC). For the FY2025 budget, Panda completed a KPI Overhaul Project that encouraged departments to measure the performance of their core business areas and was intended to increase the value of KPIs to the City.

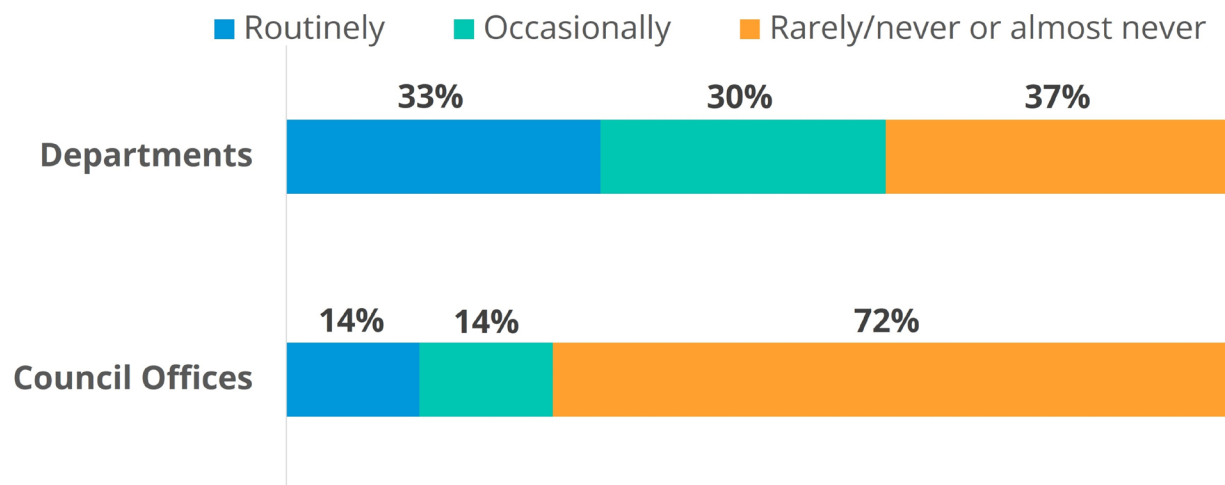
Many departments and most Council Offices do not use the City's KPIs to make operational or budgetary decisions.

The City is not using KPIs to inform high-level decisions.

Though Panda's KPI guidelines follow best practices and the City's Strategic Plan states, "we value transparency by using data to make better-informed decisions, answer questions, and build trust with the public," we found the City is not using KPIs to inform high-level decisions. We surveyed City Council Offices and City departments on the City's KPIs as currently presented in the budget and the performance monitoring process. We received responses from seven out of nine Council Offices and 27 out of 31 departments. Of the survey respondents, only one out of seven (14 percent) of Council Offices reported *routinely* using KPIs to inform budget and/or policy decisions. On the operations side, only 9 departments (33 percent) that responded to our survey reported *routinely* using KPIs to make budgetary and operational decisions. **Exhibit 3** displays the results of our survey on the use of KPIs by Councilmembers to inform budgetary decisions and by departments to inform budgetary decisions. **Exhibit 4** shows quotes from Council Offices on why they do not generally use KPIs to inform budgetary decisions.

Exhibit 3**Survey Results Indicate Council Offices and Departments Are Not Routinely Using KPIs to Inform Budgetary Decisions**

How often do you refer to KPIs when you make budgetary decisions?



Note: We sent a survey to all nine Council Offices and all 33 departments with KPIs in FY2026. Seven Council Offices and 27 departments responded.

Source: OCA generated based on a survey of Council Offices and departments with KPIs in the FY2025 and FY2026 budgets.

Exhibit 4**Several Council Offices Expressed Limitations to Utilizing KPIs in the Budgetary Process**

“KPIs can be useful to see how much funding a program or department needs to deliver services. However, KPIs may not measure impact, success, or equity.”

“Our Council Office reviewed Transportation’s KPIs to inform us on the City’s performance with street maintenance. However, there are not enough resources in Council Offices to conduct a deep dive into the KPIs. There are minimal staffers managing the entire budget information for a Council Office.”

Note: Quotes have been edited for anonymity.

Source: OCA generated based on interviews with Council Offices.

Our survey of departments found more positive perceptions of the City's current KPIs overall. We found that out of the 27 departments that responded, 13 departments (48 percent) believe that KPIs *sometimes* lead to meaningful action or changes when performance falls short, and 10 departments (37 percent) believe that KPIs *always or often* lead to meaningful change. In addition, we asked respondents to select the most useful aspects of the City's KPIs. Of the top three most selected aspects, 20 departments (74 percent) selected *tracking performance trends over time (e.g., year-over-year comparisons)*,¹⁴ 14 departments (52 percent) selected *service delivery outcomes (i.e., impact on residents and community needs)*, and 11 departments (41 percent) selected *departmental efficiency metrics (i.e., cost-effectiveness and resource utilization)*.

Some departments use KPIs to determine and communicate resource needs to meet targets and others use them to conduct internal evaluations.

Departments also provided examples of how they use KPIs in their operations. For example, some use KPIs to determine and communicate resource needs to meet targets and others use them to conduct internal evaluations. We found examples within the City of KPIs being used to improve service delivery, such as General Services' "days to complete medium priority work orders" KPI, which prompted the department to develop more efficient and accurate procedures to manage facilities maintenance work orders. Additionally, the Office of the City Clerk used its "provide guidance and training to City departments to comply with Statement of Economic Interest requirement" KPI to improve filer oversight through earlier outreach, provide trainings, and integrate daily reporting to mitigate conflicts of interest in public service. **Exhibit 5** displays specific examples of how departments have used KPIs for decision making.

Exhibit 5

Some Departments Have Identified Valuable KPIs for Strategic Decision Making

“Our persistent challenges in meeting response time KPIs, largely due to staffing shortages, prompted us to conduct a comprehensive analysis of our staffing levels. Through that process, we were able to more clearly quantify how under resourced we are and how that impacts service delivery. This deeper understanding has not only shaped more innovative staffing strategies but also helped us communicate the challenge more effectively to City leaders and the community. It’s a great example of how KPIs can drive meaningful operational and strategic decisions.” – San Diego Police Department

“Over the past year, the KPI ‘percentage of favorable customer satisfaction survey scores’ guided operational decisions in the Office of the City Clerk. In reviewing monthly reports, we noticed a slight dip in performance during a high-volume period. This prompted a closer evaluation of our staffing patterns, training processes, and communication workflows. In response, we realigned staff schedules to better match peak demand times, provided refresher training on effective customer service practices, and implemented a triage system for incoming inquiries. These changes led to improved response rates and elevated our KPI performance.” – Office of the City Clerk

“Our annual Patron Satisfaction Survey results indicated that some patrons did not find the library to be an accessible space (Patron Satisfaction Survey score on accessibility of the library is a KPI). The department dedicated projects to meet the accessibility needs of the community. This in turn lead to an increase in our survey results related to accessibility.” – Library

Source: OCA generated based on survey responses from City departments.

We also found examples from other cities of performance data being used as evidence to help with budget savings, evaluate programs and services, and deliver improved outcomes for residents. For example, city staff in Bellevue, Washington used performance data to award a more competitive golf operations contract to improve financial performance and later relied on the same data to defend their decision against another vendor before the city council—ultimately avoiding the need to repeat the vendor proposal process. Additionally, by analyzing the timeframes for completing initial inspections for code enforcement, the City of Kansas City moved from completing 90 percent of inspections in 120 days to completing 90 percent of inspections in 10 days—without requesting additional resources.

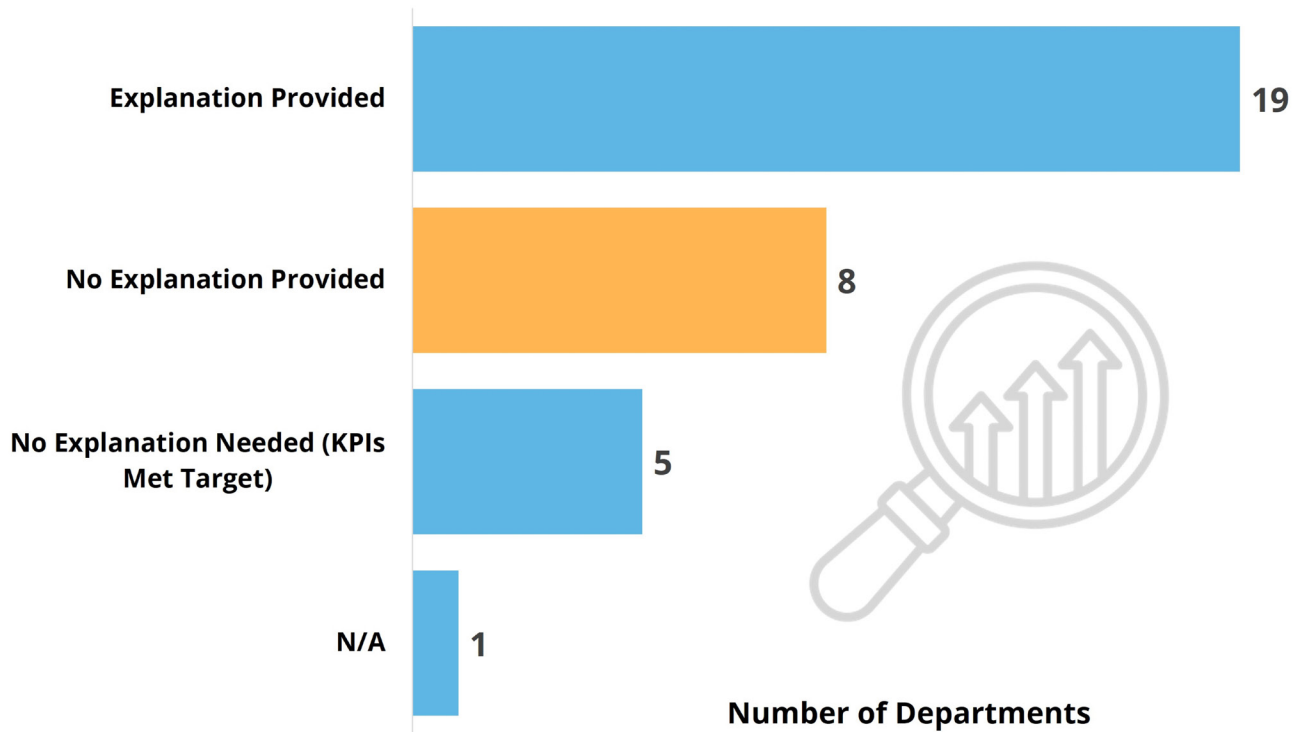
In another example, city staff in Los Angeles analyzed the city's 311 call center data to optimize staffing, reducing average wait times from six minutes to under one minute.²

The City has limited controls and oversight to ensure Key Performance Indicators are accurate and reliable.

Without details on unmet performance, it can be difficult for Council Offices and the public to understand if any additional resources or actions are needed for future improvement.

Council Policy 000-02 outlines the City's guidelines for budgetary decision making and standards for budgetary practices and fiscal performance, including expectations for the City's KPIs; however, we found the City is not meeting its requirements. The policy requires departments to annually update their Tactical Plans, which include the departments' missions, strategic goals and objectives, and key performance indicators. The policy also requires departments to provide explanations for performance measures not meeting or trending toward performance targets. However, in the FY2026 Adopted Budget, we found that most City departments did not fully provide explanations for unmet performance targets, as shown in **Exhibit 6**. According to PandA, it does not enforce the requirement of departments to provide explanations. Without details on unmet performance, it can be difficult for Council Offices and the public to understand if any additional resources or actions are needed for future improvement and may be one reason why Council Offices do not generally use KPIs to inform budgetary decisions.

² The National League of Cities (NLC) studied existing performance management systems in 10 U.S. cities through staff interviews and surveys. The NLC study can be found at: <https://www.nlc.org/wp-content/uploads/2016/10/CSAR-Performance-Management-Report-2014.pdf>

*Exhibit 6***Despite the Council Policy Requirement, 8 of 27 Departments Did Not Fully Explain Unmet Performance Targets in the FY2026 Adopted Budget**

Note: There are 27 total departments that should have provided explanations for not meeting their KPI targets because 5 departments met all their KPI targets, and 1 department (City Attorney's Office) does not have KPIs. Of the 19 departments in the "Explanation Provided" category, 13 explained only some of their unmet performance targets; this does not comply with the Council Policy's intent.

Source: OCA generated based on analysis of the FY2026 Adopted Budget.

Regular KPI reviews required by the City's Statement of Budgetary Principles have not occurred.

The City's Statement of Budgetary Principles (Principles) is issued by the Independent Budget Analyst (IBA) and is an annual agreement between the City Council and the Mayor. The Principles have provided KPI review and frequency guidelines at the Budget and Government Efficiency Committee (B&GE) for the past several years.

We found no evidence that KPIs have been discussed comprehensively in a systematic or regular manner at B&GE from FY2015 through FY2025.

While some KPIs may be discussed from time to time as related agenda items, we found no evidence that KPIs have been discussed comprehensively in a systematic or regular manner at B&GE from FY2015 through FY2025. The Principles from FY2015 through FY2021 indicated that performance data was meant to either be reviewed quarterly, from FY2015 through FY2016, in a Performance Report or, from FY2017 through FY2021, in a dashboard. Beginning in FY2020, the Principles noted that the B&GE Committee should discuss and review performance measure data from the dashboard. For FY2023, the frequency of KPI reviews shifted from quarterly to a "regular" schedule, though regularity was not defined. Finally, the Principles for FY2025 and FY2026 add that KPIs will be reviewed and discussed at the B&GE or "another Committee as appropriate." Despite the annual adoption of the Principles by City Council and the Mayor, the lack of comprehensive reviews of KPIs at B&GE meetings can be a missed opportunity for departments and elected officials to determine what results are being achieved from prior program decisions or appropriations, identify areas where performance is falling short, and work together toward action strategies to achieve KPI goals.

Some Council Offices find little value in reviewing the current KPIs during the budget process.

Similarly, although KPIs are included in the budget documents and could be discussed during annual budget hearings to City Council, we found that KPIs are rarely discussed. Survey results and interviews indicated that some Council Offices find little value in reviewing the current KPIs during the budget process because Council Offices focus on other areas of a department's budget and have insufficient time to thoroughly scrutinize departmental KPIs. Further, guidance from ICMA states that performance monitoring should be an on-going priority, rather than only during the budget process where each department is competing for scarce resources and may be worried about highlighting suboptimal results. Thus, presenting performance data during the budget process may not be the best scenario for performance monitoring. According to Panda, it promotes a cultural belief in the City that KPIs should be a starting point for continuous improvement rather than a cause for punishment or budget reduction.

PandA should create and present a standalone Annual Performance Report to strengthen KPI oversight.

Reviewing performance data on a regular basis can help identify trends before they become problems.

Implementing regular and systematic monitoring beyond the budget process, paired with timely analysis and adjustments, is essential to enhance the accuracy and effectiveness of KPIs. KPI best practices recommend tracking and communicating performance results to improve service delivery and promote transparency and public trust. ICMA guidance states that without some regularly occurring method of measuring performance, it can be very difficult to understand current and past performance and whether the City is on track to reach future goals. Reviewing performance data on a regular basis can help identify trends before they become problems and help ensure timely performance management. Therefore, to strengthen oversight of KPIs, create a culture of continuous improvement, and promote performance monitoring as a year-round activity independent from the budget cycle, PandA should create and present a standalone Performance Report annually to B&GE and City Council. The Performance Report should include explanations for not meeting or trending toward performance targets, as required by Council Policy 000-02. Per Council Policy 000-02, KPIs should still be reported in the budget. The Performance Report will be an additional and separate report, specifically for KPIs.

Limited oversight of KPIs can lead to inaccurate and irrelevant KPIs, as well as a perception among City Council that performance monitoring at the City does not lead to meaningful action.

Previous OCA reports identified KPIs that were irrelevant, unrealistic, inaccurate, or did not follow best practices.

Inaccurate or unreliable KPIs put the City at risk of inaccurate performance assessments resulting in improper policy or management decisions. As shown in **Exhibit 7**, since 2019, 11 different audits by OCA have identified various issues with KPIs. Specifically, previous reports identified KPIs that were irrelevant, unrealistic, inaccurate, or did not follow best practices.

For example, the 2019 Performance Audit of Public Utilities Department Customer Service Division Customer Service Office (Call Center) found that the Call Center's KPI of average number of days to respond to and to resolve customer-initiated investigations did not inform decision making, follow best practices, or align with the City's Strategic Plan. Since the KPI was not specific to the Call Center's operations, management did not have a formal metric to evaluate customer needs and staff performance.

Additionally, the 2022 Performance Audit of the Development Services Department Code Enforcement Division found that the department did not fully track important case metrics and inaccurately calculated its response time KPI. Code Enforcement's misreported case and response time metrics incorrectly informed City decision makers on its operations, which increased the risk that the division's resources were misaligned.

In another example, the 2020 Performance Audit of Purchasing and Contracting's Small Local Business Enterprise (SLBE) Program found that the SLBE program only exceeded its 20 percent participation rate target because it excluded goods and services contracts. However, including goods and services contracts in the participation rate calculation dropped the participation rate to 12 percent. Therefore, the KPI was misleading City leaders and the public on the success of the program.

Exhibit 7

Past Audits Have Identified Issues with KPIs

Audit Report Topic	KPI irrelevant/not tracking delivery of services	No KPI to inform decision making	Unrealistic KPI targets	KPI inaccurate	KPI does not follow best practices
Tree Trimming (2019)					
PUD Call Center (2019)					
Street Sweeping (2020)					
Small Local Business Enterprise (2020)					
IT Service Delivery (2021)					
Equity in Recreation (2021)					
Code Enforcement (2022)					
Lease Management (2022)					
Re-Review Potholes (2024)					
Street Maintenance (2024)					
Fleet Maintenance (2025)					

Source: OCA generated based on review of OCA audit reports from 2019 through 2025.

Council Offices have low confidence in the value of KPIs for improved service delivery as currently presented in the budget, and are unlikely to use KPIs for decision making.

Limited oversight likely contributes to the perception we identified among Councilmembers that the current KPIs do not lead to meaningful action or operational change. For example, our survey results indicate that Council Offices have low confidence in the value of KPIs for improved service delivery as currently presented in the budget, and are unlikely to use KPIs for decision making. We found that three out of seven Council Offices that responded to our survey believe that KPIs *never or rarely* lead to meaningful action or operational change when performance falls short. The other four Council Offices believe KPIs lead to meaningful change when performance falls short only *sometimes*.

Council Offices are concerned about KPI accuracy, but Panda does not have the capacity to perform regular quality assurance checks on KPIs for accuracy.

We found that Council Offices have concerns regarding the accuracy of the current KPIs reported in the budget. Three of the seven Council Offices that responded to our survey reported they believe KPIs are only *somewhat accurate*, and two offices responded they believe KPIs are *somewhat inaccurate*. Panda reviews KPIs for accuracy only when a KPI is newly established. Once a KPI has been reviewed and published, Panda does not perform quality assurance or data validity reviews. According to Panda, it does not have the capacity to verify KPI accuracy on a regular basis because there is only one full time equivalent employee (FTE) dedicated to reviewing KPIs.

Publishing the KPI calculation methodology from the KPI Documentation Form in the Annual Performance Report would enhance transparency of KPIs.

To properly assess progress toward performance goals, KPIs must be accurate and reliable. As such, Panda requires each KPI be submitted with a corresponding KPI Documentation Form. The KPI Documentation Form contains standards that all of the City's KPIs should meet, such as alignment with the City's Strategic Plan, unit of measurement, how the KPI is calculated, who measures the data, reporting frequency, and more. Panda stores the KPI Documentation Form for internal reference as needed but does not publish the information publicly. Given the City Council's concerns over accuracy, publishing the KPI calculation methodology from the KPI Documentation Form in the Annual Performance Report would enhance transparency of KPIs to help ensure their accuracy, without increasing the need for more review by Panda. It would also strengthen oversight of KPIs by providing a dedicated forum for departments to review their KPI methodologies and potentially discuss them with City Council or City leadership.

Formalizing the data validation procedure for the City's KPIs would minimize the risk of inaccurate KPIs and increase the value of KPIs.

In addition to the KPI Documentation Form, PandA has developed a draft Standard Operating Procedure (SOP) that, once formally adopted, would increase PandA's oversight and monitoring of KPI quality and accuracy. The draft SOP outlines how PandA will systematically review KPIs for accuracy, relevance, and effectiveness. For example, by conducting quarterly reviews of KPIs and performance, preliminary reviews of new KPIs, and issuing a KPI Review Report that explains performance, as well as recommendations for adjustments. According to PandA, the department needs additional staff to finalize and execute the SOP. However, formalizing the standardized data validation procedure for the City's KPIs would minimize the risk of inaccurate KPIs and increase the value of KPIs to Council and the public. Therefore, PandA should adopt and execute its draft Standard Operational Procedure and should implement a departmental policy that codifies the publication and presentation of the Performance Report annually.

The City can improve its online KPI performance dashboard by incorporating visuals and historical data.

Graphics and dashboards with historical data help identify performance trends over time to improve monitoring and oversight. The City's KPIs are published in tables in the annual budget and in a performance dashboard.³ As of the FY2025 budget, historical data beyond the prior fiscal year performance is combined into a baseline metric, rather than broken up by each fiscal year. Additionally, departments can add and remove KPIs at their discretion, which can sometimes make it difficult to report historical trends. However, we found that after substantial changes were made with the KPI Overhaul Project in FY2025, relatively few changes were made in the FY2026 budget. The KPI Overhaul Project resulted in 99 new KPIs and 144 dropped KPIs in the FY2025 budget, while in FY2026, in total, departments added 4 KPIs and dropped 6 KPIs, with 151 KPIs remaining unchanged.

We benchmarked with eight comparable cities, as shown in **Exhibit 8**. We found that all eight municipalities publish historical data in some capacity, which further demonstrates the importance and value of KPIs for large municipalities. Three of the benchmarked cities publish graphs in their budgets, which allow viewers to see historical trends. The City of San Diego does not publish KPI graphs or charts.

³ The City's KPI Dashboard can be found at: <https://performance.sandiego.gov/budget/>

In addition, six of the benchmarked cities publish performance dashboards. Five of which update their dashboards more frequently than the City of San Diego, which updates its dashboard annually. While these benchmarked cities are comparable in some ways, we note that they may vary in terms of relevant associated staff size. For example, according to PandA, the department has two staff members (1.0 FTE) dedicated to reviewing KPIs whereas the City and County of San Francisco has four staff members and dedicated funding through the City Charter.

Exhibit 8

Many Comparable Cities Graphically Display KPIs with Historical Data in Their Budget or on a Public Dashboard

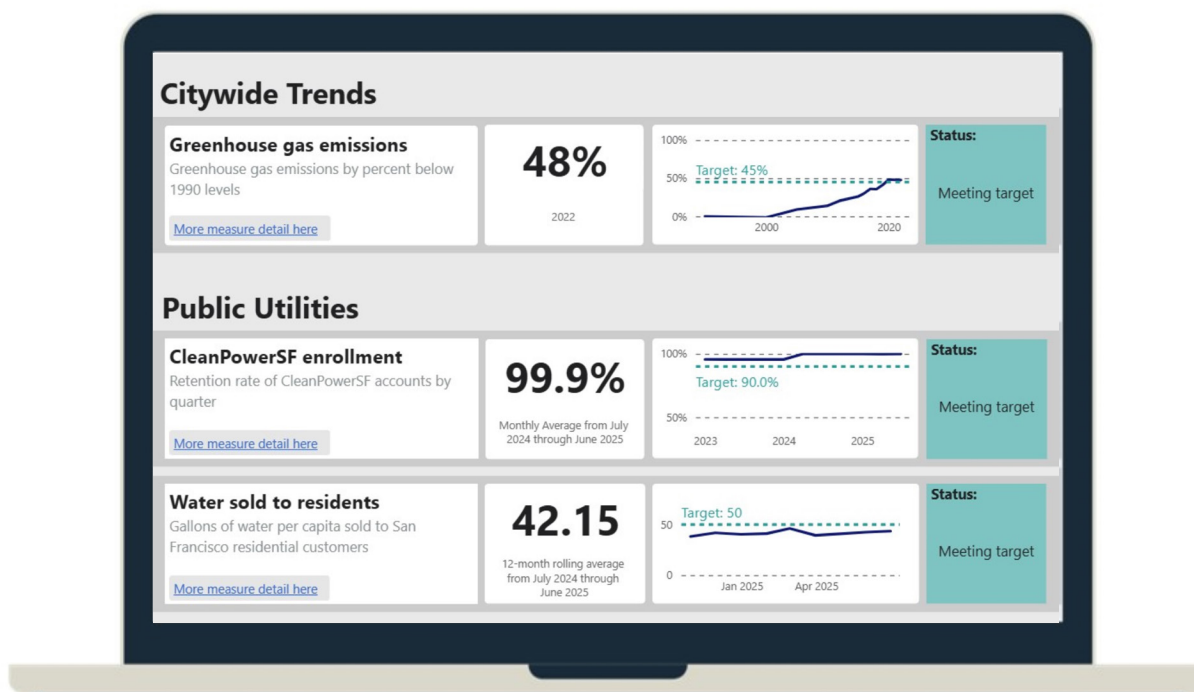
City	KPIs in Budget & Format	Historical Data Presented in Budget	KPI Dashboard	Dashboard Update Frequency	Historical Data Graphically Presented
San Diego	Yes, tables	No	Yes	Annual	No
Los Angeles	Yes, tables	Yes	No	N/A	N/A
San Francisco	Yes, graphs & tables	Yes	Yes	Annually, Quarterly, or Monthly	Yes
San Jose	Yes, graphs & tables	Yes	Yes	Quarterly	Yes
Phoenix	No	N/A	Yes	Annually, Quarterly, or Monthly	Yes
Seattle	No	N/A	Yes	Annually, Monthly, or Weekly	Yes
Austin	Yes, graphs	Yes	Yes	Annually	Yes
Dallas	Yes, tables	Yes	Yes	Monthly	No
San Antonio	Yes, tables	Yes	No	N/A	N/A

Source: OCA generated based on FY2026 Adopted Budget, City of San Diego website, and benchmarking research.

Exhibit 9 is a screenshot of the City and County of San Francisco's online Performance Scorecard for Sustainability and Climate Action, which has a visual historical indicator. **Exhibit 9** also shows that San Francisco includes more details on its performance measures in a link. Performance indicator descriptions could be used by the City of San Diego to provide readers and dashboard users with the details from the KPI Documentation Form and more information on what the KPI measures, the unit of measurement, and how it is calculated.

Exhibit 9

The City and County of San Francisco's Public Performance Measures Are Displayed With Historical Data



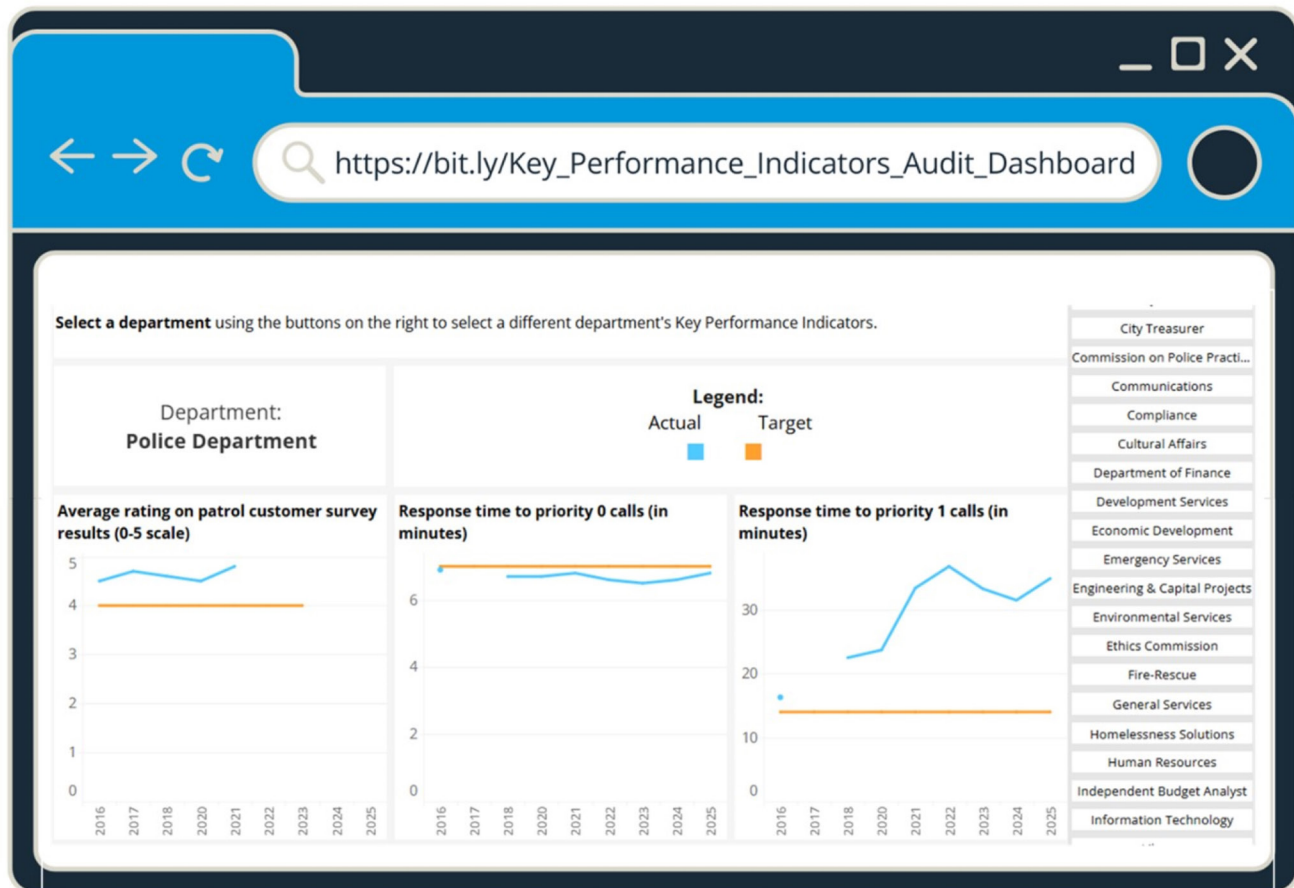
Source: Screenshot of the City and County of San Francisco's Performance Scorecard for Sustainability and Climate Action, accessed August, 2025.

Based on our benchmarking research, we found that the City's dashboard could be improved by including additional features, such as visual graphical historical data over time and performance indicator descriptions. To make the City more accountable and effectively communicate its performance metrics, PandA should develop a publicly accessible dashboard that includes graphical representation of departmental performance over time, when possible.

As a supplement to this audit report, we built a performance dashboard with visual historical data as an example of how the City's dashboard could be improved. Examples from the dashboard are included as screenshots in **Exhibit 10** below and Appendix C of this report. The dashboard, which displays the available City performance data since FY2017, can be accessed at https://bit.ly/Key_Performance_Indicators_Audit_Dashboard.

Exhibit 10

The City's KPI Performance Dashboard Should Include Visuals of Historical Trends and Descriptions of Each KPI



Note: The missing target line indicates there is no target data for the "average rating on patrol customer survey results" KPI.

Source: Screenshot of OCA generated performance dashboard based on KPI data from FY2017 to present.

Recommendations

To improve the City's oversight of KPIs to help ensure greater accuracy, transparency, and value, we recommend:

Recommendation 1.1

(Priority 1)

The Performance and Analytics Department (PandA) should develop and publish an annual Performance Report for the City's KPIs separate from the City's budget document. The Performance Report should:

- a. Be presented annually to the Budget and Government Efficiency Committee, or other Committee(s) as appropriate, and to City Council as a separate item from the budget;
- b. Include explanations for performance measures not meeting or trending toward performance targets, as required by Council Policy 000-02; and
- c. Include KPI calculation methodology.

PandA should lead efforts to formalize a requirement for recurring Performance Reports, such as by a Process Narrative, Standard Operating Procedure, or Council Policy.

Management Response: Agree [See full response beginning on page 43.]

Target Implementation Date: October 2027

Recommendation 1.2

(Priority 2)

The Performance and Analytics Department should implement its draft Standard Operating Procedure to create a KPI data validation process and ensure accuracy of the City KPIs.

Management Response: Agree [See full response beginning on page 43.]

Target Implementation Date: January 2027

Recommendation 1.3

(Priority 2)

The Performance and Analytics Department should develop a publicly accessible dashboard that includes, at a minimum, graphical representation of historical data to demonstrate departmental performance over time, when applicable. The dashboard should be updated annually and include historical performance of past fiscal year(s). Other elements that should be considered include a clear performance indicator description of what the KPI measures, the unit of measurement, and how it is calculated.

Management Response: Agree [See full response beginning on page 43.]

Target Implementation Date: March 2027

Finding 2

The City lacks a cohesive approach to KPIs and should provide increased guidance for their selection and development to enhance accountability and comparability.

Finding Summary

Across the City, departments have various understandings and philosophies about Key Performance Indicators (KPIs). For example, the number of departments with KPIs varies from 2 to 20 per department, with the City Attorney's Office as the only department with no KPIs. At the same time, the percentage of KPIs that met their performance targets ranged by department from 0 percent to 100 percent. The Performance and Analytics Department (PandA) encourages departments to implement KPIs that balance aspirational and realistically achievable targets. However, we found City departments and Council Offices are not aligned on whether KPIs should be aspirational or realistic. The U.S. Government and the City and County of San Francisco have two sets of KPIs— aspirational, long-term KPIs and realistic, nearer-term KPIs. We recommend PandA work collaboratively with City leadership to create a formal policy documenting the City's KPI philosophy; this would enhance accountability, comparability, and expectations management for services across City departments. We also recommend the City Attorney's Office create at least one KPI to improve consistency across City departments and to align with comparable cities.

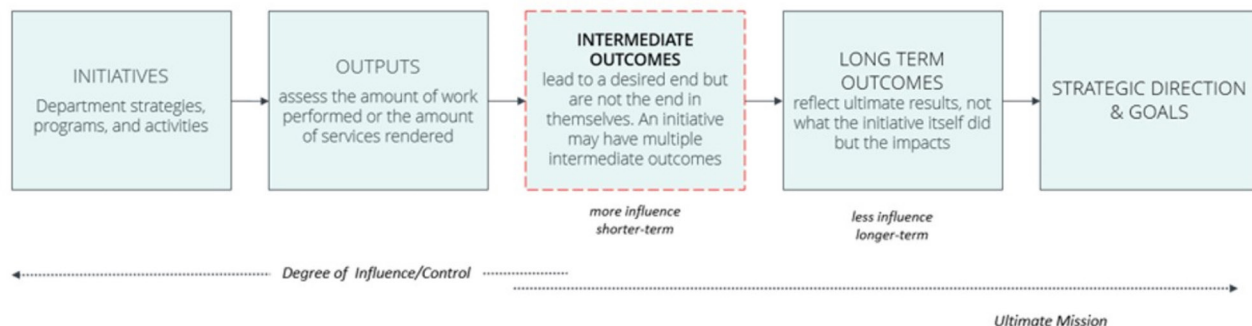
The City lacks a standard philosophy or guidance policy for its KPIs.

PandA encourages departments to align their KPIs with the City's Strategic Plan and to select aspirational and/or realistic targets. While PandA provides support, training, and guidance to departments for their KPIs, the City does not have a formal, enforceable policy on whether KPIs should be aspirational or realistically achievable.

Exhibit 11 shows a screenshot from one of PandA's trainings to help departments select KPIs that reflect long-term outcomes and strategic goals. PandA also encourages departments to pick KPIs that are "Simple, Relevant, Aligned, Actionable, and Measurable." Despite the trainings, we found City departments have various understandings, uses for, and philosophies about KPIs.

Exhibit 11

PandaA Currently Provides Some Guidance and Assists Departments With Establishing and Measuring KPIs



Source: Screenshot of Performance and Analytics FY2024 KPI Training PowerPoint.

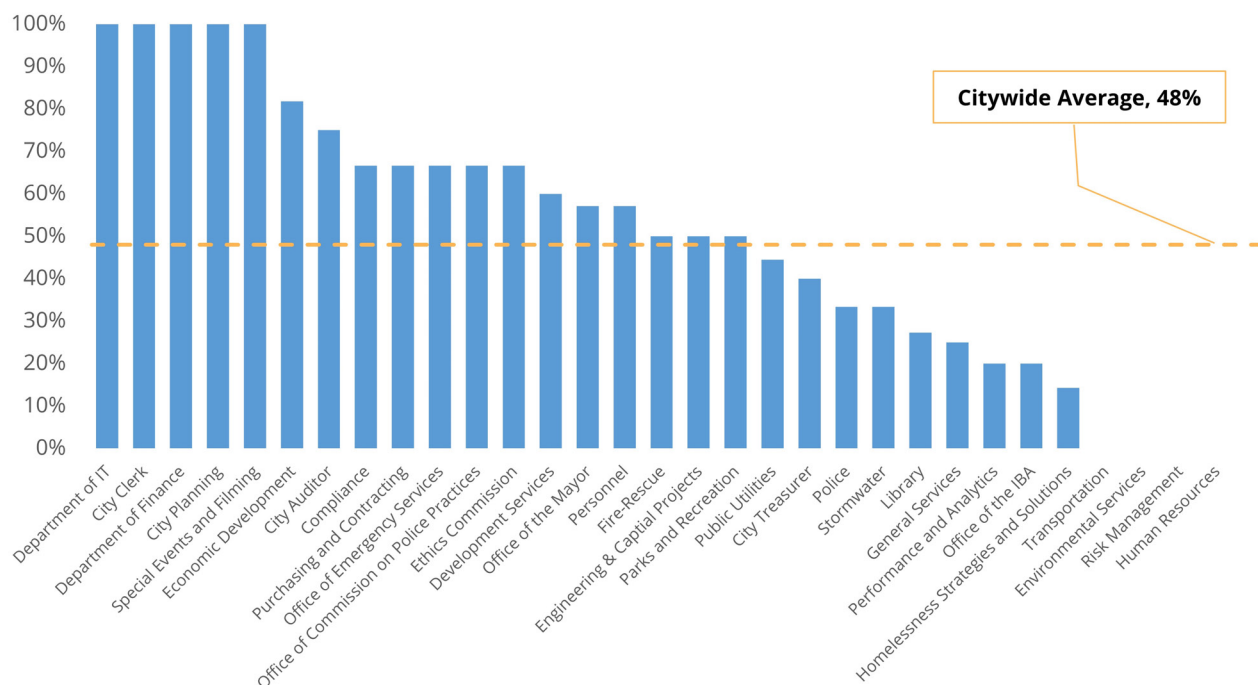
The percent of KPIs that met their targets varied widely across City departments, which limits the City's ability to compare performance.

Due to the differing ways in which departments select KPI goals, it is unclear what conclusions decision makers and the public are supposed to reach.

In the FY2026 budget, the percent of KPIs that met performance targets ranged by department from 0 percent to 100 percent, as shown in **Exhibit 12**. The variation suggests that targets are not comparable across the City in terms of achievability. For example, City Councilmembers and the public may unfairly believe a department that meets 100 percent of its targets is using the City's limited resources more efficiently than one who meets only 20 percent of its targets, when in reality the only difference is one department has set aspirational targets while the other has set realistic ones. We also found that City departments have a wide assortment of measures ranging from 2 to 20 KPIs per department, apart from the City Attorney's Office, which has no KPIs. **Exhibit 12** also shows that on average, the City met 48 percent of its KPI targets; however, due to the differing ways in which departments select KPI goals, it is unclear what conclusions decision makers and the public are supposed to reach. When KPIs are not standardized, it makes monitoring and comparing performance across the City difficult and makes it harder for decision makers to understand how resources could be more efficiently allocated.

Exhibit 12

Reflecting a Range of Realistic vs. Aspirational Targets, the Percentage of KPIs that Met Their Performance Target Varied from the Extremes of 0% to 100% Across Departments in FY2026, Making it Difficult to Compare Results



Source: OCA generated based on analysis of the FY2026 Budget.

City departments and Council Offices do not agree on whether KPIs should be aspirational or realistic, but most agree that departments should have at least one of both.

According to PandA, it encourages departments to implement KPIs that balance aspirational and realistically achievable targets. As discussed in Finding 1, we surveyed City Council Offices and City departments on the City's current KPIs and performance monitoring process. We found there are different beliefs across the City on if KPIs should be realistically achievable or aspirational. Our survey showed that 15 of the 27 departments (56 percent) that responded to our survey and four of seven responding Council Offices (57 percent) believe that KPIs should have at least one aspirational KPI target and one realistically achievable KPI target. The other responses were a mix of the following: KPIs should remain as they are now—either aspirational or realistic, depending on the needs of the department (six departments); KPIs

should be only aspirational (three departments) or only realistically achievable (two departments, one Council Office); or unsure (one department, two Council Offices). **Exhibit 13** displays some quotes from departments and Council Offices on the value of both types of KPIs.

Exhibit 13

City Council and Department Survey Respondents Desire Both Realistic and Aspirational KPIs

“The KPIs should include both aspirational and realistic targets and should differentiate between the two within the budget document. Having a handful of aspirational goals is good to list, however the majority of KPIs should focus on achievable goals that can be reached with proposed budget allocations.”

“It is important to show what a department can achieve given budget restraints. However, an aspirational goal based on benchmarking would be important to have so Council can decide if increased budget is required.”

“If the aspirational target is not achievable, such a KPI could lead to unreasonable expectations by the public and could be demoralizing to the department.”

“It’s important that our city and community partners understand what we can realistically achieve with the resources currently available. Setting practical targets helps build credibility and align expectations. At the same time, we believe KPIs should also reflect aspirational goals. They help paint a picture of what’s possible with greater investment and more innovative strategies within the department. We don’t want to be limited by current constraints to the point that we lose sight of long-term potential. Balancing both allows us to be transparent about where we are, while still pushing toward where we want to be.”

Note: Quotes have been edited for anonymity.

Source: OCA generated based on survey responses from Council Offices and City departments.

As a result, we found the City's KPIs appear to be an assortment of realistic and aspirational KPIs. For example, in FY2026, Purchasing and Contracting had a KPI to "increase procurement knowledge," which measured the percentage of external department staff that stated an increased procurement knowledge/understanding after training. While the performance in FY2025 was 91 percent, the target for FY2026 was set at just 25 percent.

Conversely, in FY2026, General Services presented two KPIs that appeared to be much more aspirational: Facilities Preventative Maintenance and Fleet Electrification. Actual performance was well below target for each of these KPIs. For Facilities Preventative Maintenance, the target was 70 percent of preventative maintenance compared to the total maintenance activities, but the actual achieved was significantly lower at 19 percent.⁴ For Fleet Electrification, the target was 90 percent of Fleet vehicles powered or supplemented by a stored or outside electric source (EV), but the actual achieved was just 5 percent.⁵

Best practices state the importance of both aspirational and realistic targets for performance management.

KPIs could be aspirational and reflect the ideal service level regardless of budget, or be realistic and achievable given the budgetary reality.

The U.S. Government Accountability Office, Government Finance Officers Association (GFOA), and the International City/County Management Association Performance Management for Local Government (ICMA) suggest performance indicators be used both for organizational objectives and for department operations. Therefore, KPIs could be aspirational and reflect the ideal service level regardless of budget, or be realistic and achievable given the budgetary reality. **Exhibit 14** compares realistic and aspirational performance measures.

⁴ The Facilities Preventive Maintenance target KPI of 70 percent is aligned with best practices for organizations to be able to operate a sustainable facilities maintenance program. However, among other factors, limited resources have hampered the City's ability to achieve this level of maintenance. See OCA's July 2024 Performance Audit of Facility Maintenance for more detail, available at: <https://www.sandiego.gov/sites/default/files/2024-07/25-01-performance-audit-of-facility-maintenance.pdf>

⁵ Fleet Electrification is a goal of the City's Climate Action Plan as well as the State of California. The overall goal is 90 percent, with 100 percent of light duty vehicles and 75 percent of medium duty and heavy-duty vehicles being electric by Fiscal Year 2035 per the City's Climate Action Plan.

Exhibit 14

Aspirational KPI Targets Reflect Ideal Service Level, While Realistic KPI Targets Reflect the Achievable Service Level Within the Established Budget

Aspirational vs. Realistically Achievable KPI Targets

Aspirational	vs.	Realistic
• Long-term • Ideal service level based on industry standards • Should generally encompass the agency's mission and scope of responsibilities • Pros: ◦ May help Council decide if additional resources are required ◦ Can demonstrate long-term potential • Cons: ◦ May not be achievable with existing resources ◦ Not meeting the target does not inform about efficiency and effectiveness ◦ Could lead to unrealistic expectations by the public		• Nearer-term / short-term • Achievable service level based on actual allocated resources • Advances progress toward longer-term strategic goals and objectives • Relies predominantly on agency execution, not additional funding • Reflects top priorities of leadership, not the full scope of the departmental mission • Pros: ◦ Provide a sense of what is possible with budget allocation ◦ Aligns public expectations and can increase public trust in government • Cons: ◦ May not convey where the City wants to be

Source: OCA generated based on best practices from the U.S. Office of Management and Budget and the International City/County Management Association Performance Management for Local Government.

As an example, the U.S. Government has Strategic Objectives and Agency Priority Goals. Strategic Objectives are for long-term monitoring—they are updated and revised every four years and reviewed annually. Agency Priority Goals are short-term goals for 2-years that are reviewed quarterly. After the 2-year cycle, agencies can keep an existing goal, make changes, or select new ones. At the end of the cycle, the results of the short-term goal are included in a performance report. Similarly, the City and County of San Francisco has goals that derive from the City and County's strategic plan to be achieved in 3–5 years and near-term performance measures tracked in a performance report dashboard on a monthly basis.

A KPI philosophy would enhance accountability, comparability, and expectations management for services across City departments.

The KPI philosophy should direct departments to identify if a KPI is realistic or aspirational.

Clearly defining if a target is realistic or aspirational would help City Council and the public compare KPIs across the City and understand how a KPI should be used. In addition, it can help avoid the perception of failure if a target is unmet. To streamline KPI selection and increase the value of KPIs for City Council and the public, PandA should seek input from City leadership, including City Council, such as by soliciting input during the presentation of the performance report. Then, PandA should create and implement a formal policy documenting the City's KPI philosophy and guidance for KPI selection. Specifically, the philosophy should direct departments to identify if a KPI is realistic or aspirational, or other similar relevant considerations. The additional guidance can enhance accountability by facilitating more in-depth discussions on what is needed to achieve performance targets, make KPIs more comparable to one another across departments for budgetary decisions, and improve public trust for City services by increasing transparency.

Notably, the City Attorney's Office is the only City department without KPIs.

Though not required by Council Policy or budget guidance, all independent City departments except for the City Attorney's Office have KPIs. The City Attorney's Office stopped publishing KPIs in the budget in FY2006 and in annual reports detailing the department's accomplishments in 2017. The City Attorney's Office expressed the concern that certain KPIs could lead to the perception of improper motives or incentives to meet them.

However, we benchmarked against eight City Attorney Offices and Municipal Courts and found that five out of eight (63 percent) have performance measures in recent budget documents, websites, or online dashboards, including the City and County of San Francisco and cities of San Antonio, Austin, and Dallas.⁶ The cities of Phoenix and Seattle report metrics specifically on their Municipal Court's performance.

⁶ We benchmarked against the City and County of San Francisco and Cities of Los Angeles, San Jose, Phoenix, Seattle, San Antonio, Austin, and Dallas.

Examples of performance measures from these municipalities include:

- Case file integrity (accuracy and completeness of case files) (Seattle);
- City Attorney's Office client satisfaction survey results for overall services (San Antonio);
- Number of hours required to respond to requests for advice and counsel (San Francisco);
- Percent of call center wait times under 60 seconds (Phoenix); and
- Public and juror survey question responses to survey questions (favorable, neutral, and unfavorable) (Seattle).

The City Attorney's budget is set by the Mayor and appropriated by City Council. Therefore, to enhance transparency and consistency with other City departments, the City Attorney's Office should establish and report a KPI (or KPIs).

Recommendations

To enhance accountability, KPI comparability, and expectations management for key City services, we recommend:

Recommendation 2.1

(Priority 2)

The Performance and Analytics Department, seeking input from City leadership to include City Council—such as by soliciting input during the presentation of the performance report—should create and implement a formal policy documenting the City's KPI philosophy and guidance for departments to follow. Specifically, guidance should include content on whether KPIs should be realistic, aspirational, a long-term or short-term goal, or other similar relevant considerations. The results of this formal guidance should be reflected in the performance reports from Recommendation 1.1.

Management Response: Agree [See full response beginning on page 44.]

Target Implementation Date: December 2026

Recommendation 2.2

(Priority 3)

The City Attorney's Office should work with the Performance and Analytics Department to establish and report a KPI (or KPIs).

Management Response: Agree [See full response beginning on page 46.]

Target Implementation Date: June 2027

Appendix A

Definition of Audit Recommendation Priorities

The Office of the City Auditor maintains a priority classification scheme for audit recommendations based on the importance of each recommendation to the City, as described in the table below.

While the City Auditor is responsible for providing a priority classification for recommendations, it is the City Administration's responsibility to establish a target date to implement each recommendation, taking into consideration its priority. The City Auditor requests that target dates be included in the Administration's official response to the audit findings and recommendations.

PRIORITY CLASS*	DESCRIPTION
1	Fraud or serious violations are being committed. Significant fiscal and/or equivalent non-fiscal losses are occurring. Costly and/or detrimental operational inefficiencies are taking place. A significant internal control weakness has been identified.
2	The potential for incurring significant fiscal and/or equivalent nonfiscal losses exists. The potential for costly and/or detrimental operational inefficiencies exists. The potential for strengthening or improving internal controls exists.
3	Operation or administrative process will be improved.

* The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation that clearly fits the description for more than one priority class shall be assigned the higher priority.

Appendix B

Audit Objectives, Scope, and Methodology

Objective

In accordance with the Office of the City Auditor's Fiscal Year (FY) 2025 Audit Work Plan, we conducted a performance audit of Citywide Performance Monitoring. The objectives of this audit were to:

1. Determine if the City has achieved its KPI targets for the past three years (FY2023–FY2025);
2. Evaluate the control environment of the City's KPI process with respect to City policies and government best practices; and
3. Assess the relevance and timeliness of the City's KPIs as determined by stakeholder feedback and the City's Strategic Plan.

Scope

Our analysis focused on City departments' Key Performance Indicators published in the City's annual adopted budgets from FY2022 through FY2026. Our audit scope did not include analysis of internal performance metrics, budgets, or fiscal practices and policies.

Methodology

To determine if the City has achieved its KPI targets for the past three fiscal years, if the control environment of the City's KPI process follows City policies and government best practices, and if the City's KPIs are relevant and timely, we:

- Analyzed Key Performance Indicators from the adopted annual budgets to review Citywide performance, including:
 - Reviewed KPIs from FY2023 to FY2026 to determine whether departments met the target or baseline.
 - Tested for trends from FY2022 to FY2026 to identify the changes in the total number of departmental KPIs by comparing the prior adopted budget fiscal year to the subsequent budget document.
 - Tested for trends by examining KPIs with unmet performance targets from prior fiscal year(s) budget document(s) that did not appear in the subsequent adopted budget document.
 - Calculated the number of departments' KPIs that have a footnote explanation for not meeting targets in the FY2025 adopted budget per Council Policy 000-02.

- Organized KPI data provided by the Performance and Analytics Department to build a performance dashboard with visual historical data as an example to supplement the Citywide Performance Monitoring audit report.
- Reviewed government best practices, industry standards, and benchmark information on KPI monitoring and reporting, data reliability and accuracy, and purpose of KPIs from:
 - Balanced Scorecard
 - City and County of San Francisco
 - Clear Point Strategy
 - Government Accountability Office
 - Government Finance Officers Association
 - GovPilot
 - Envisio
 - International City/County Management Association
 - National League of Cities
 - Standards for Internal Control in the Federal Government
 - U.S. Government
 - U.S. Office of Management and Budget
- Reviewed applicable City policies, procedures, and regulations relevant to performance monitoring:
 - City of San Diego Strategic Plan
 - San Diego Council Policy 000-02
 - FY2026 Budget Narrative/Tactical Equity Plan Preparation
 - FY2026 Budget Development Calendar
 - Key Performance Indicator format
 - Statement of Budgetary Principles
- Reviewed performance monitoring audits and reviews conducted by:
 - Austin, TX
 - Milwaukee, WI
 - New York City, NY
 - Salt Lake County, UT
 - San Francisco, CA
 - San Jose, CA
 - Toronto, ON, Canada
- Reviewed OCA performance audits that identified issues with KPIs to determine the actions taken since the audit publication:

- Performance Audit of the City's Right-of-Way Tree Trimming Maintenance Program (2019)
- Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center) (2019)
- Performance Audit of The Transportation and Stormwater Department's Street Sweeping Section (2020)
- Purchasing and Contracting Department's Small Local Business Enterprise Program (2020)
- Performance Audit of IT Service Delivery Effectiveness (2021)
- Performance Audit of Equity in Recreation Programming (2021)
- Performance Audit of Development Services Department's Code Enforcement Division (2022)
- Performance Audit of the City's Lease Management and Renewal Process (2022)
- 2024 High Risk Re-Review of the 2013 Performance Audit of the City's Pothole Repair Operations (2024)
- Performance Audit of the City's Street Maintenance Program (2024)
- Performance Audit of the City's Fleet Maintenance (2025)
- Reviewed documents provided by the Performance and Analytics Department outlining responsibilities, training for departments, and relevant KPI reports and updates.
- Determined the successes, challenges, and opinions of Council Offices and departments regarding KPI development and monitoring by interviewing and surveying key personnel. We sent Council Offices and departments our survey questions via Microsoft Forms. See Data Reliability section, below, for additional details.
- Benchmarked comparable municipalities to identify performance indicator or measure dashboards that include:
 - Los Angeles, CA
 - San Francisco, CA
 - San Jose, CA
 - Phoenix, AZ
 - Seattle, WA
 - Austin, TX
 - Dallas, TX
 - San Antonio, TX
- Conducted benchmarking interviews to compare the City's controls and procedures with municipalities that include:
 - San Francisco, CA
 - San Jose, CA

- Phoenix, AZ
- Seattle, WA
- Benchmarked municipalities to identify City Attorney Offices with performance indicators and measures that include:
 - Los Angeles, CA
 - San Francisco, CA
 - San Jose, CA
 - Phoenix, AZ
 - Seattle, WA
 - Austin, TX
 - Dallas, TX
 - San Antonio, TX
 - San Diego County Disposal Association

Data Reliability

We primarily worked with KPI data from the annual adopted budget documents and the Performance and Analytics Department. We assessed the reliability of these datasets by reviewing existing information about the data and the systems that produced them and by interviewing Performance and Analytics management and staff knowledgeable about the data and how it is entered. We determined that the data were sufficiently reliable for the purposes of responding to our objectives.

We also utilized responses from separate surveys we sent to leadership in operating departments as well as Council offices to solicit their perspectives on a variety of questions related to KPIs. We had response rates of 87 percent of departments and 78 percent of Council Offices. Due to the response rates, we did not attempt to generalize or extrapolate the survey results to represent the opinions of all City departments or all Council Offices. Instead, we attributed survey results specifically to respondents.

Internal Controls Statement

We limited our review of internal controls to specific controls relevant to our audit objectives, described above.

Compliance Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C

Supplemental Dashboard of the City's Key Performance Indicators

As a supplement to this audit report, we built a performance dashboard with graphical representation of historical data as an example of how the City's dashboard could be improved. The dashboard, which displays the available City performance data since FY2017, can be accessed at https://bit.ly/3/Key_Performance_Indicators_Audit_Dashboard.

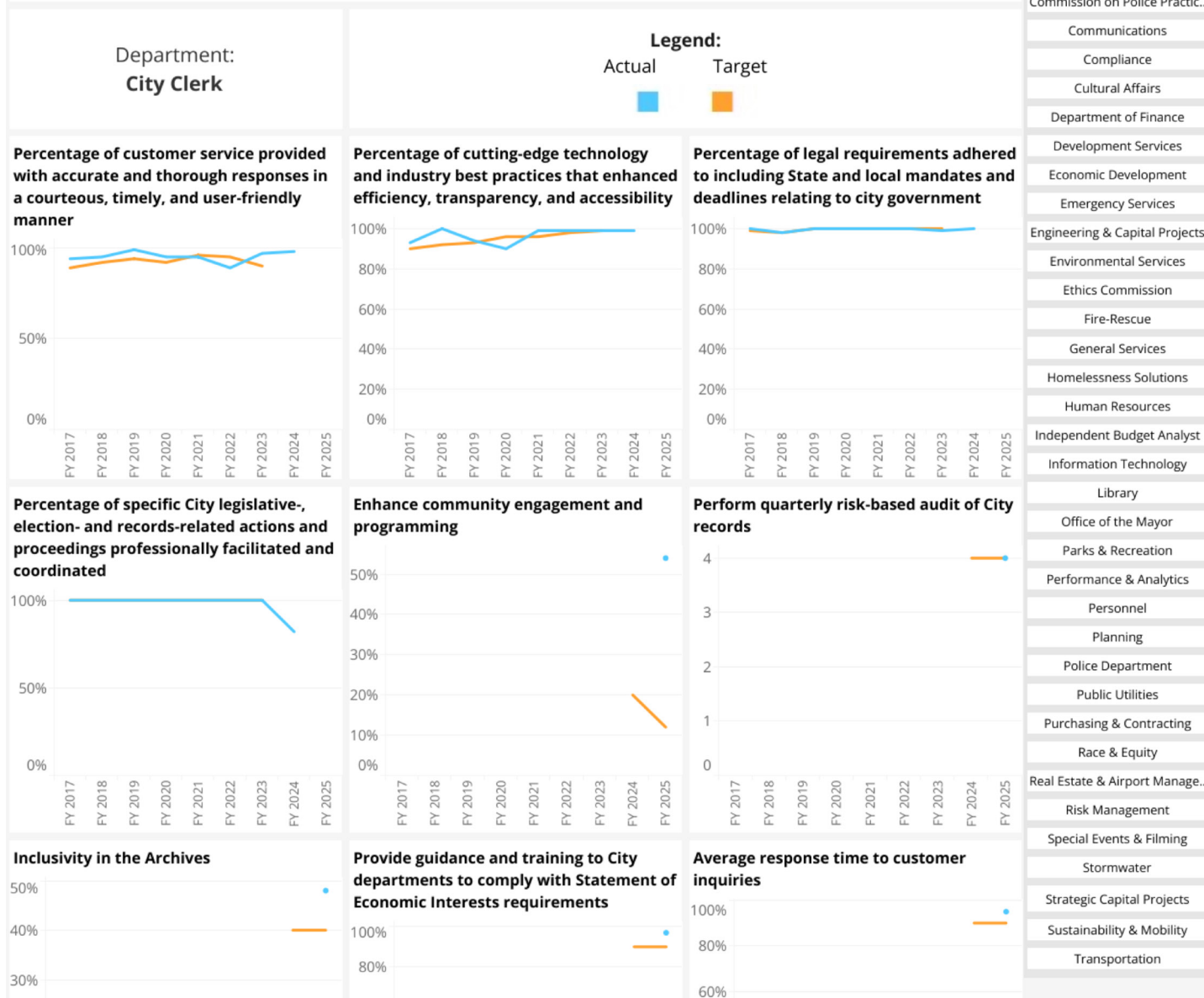
As discussed in **Finding 1** and **Recommendation 1.3**, we found the City's current KPI Dashboard does not include graphical representation of historical data or descriptions of KPI metrics, such as the unit of measurement, an explanation of what the KPI measures, or how it is calculated. We recommend the Performance and Analytics Department (PandA) develop a publicly accessible dashboard that includes, at a minimum, graphical representation of historical data to demonstrate departmental performance over time, when applicable. Other elements that should be considered include a clear performance indicator description of what the KPI measures, the unit of measurement, and how it is calculated.

The dashboard we built does not include all the elements of Recommendation 1.3 due to limitations of the current KPI data. For example, we do not have explanations of what each KPI measures or how the KPI is calculated.

Data for the dashboard was provided by PandA and is also visible at the City's Key Performance Indicators dashboard at <https://performance.sandiego.gov/budget/>. If data is missing, it is due to the department not providing data for that year. Examples from the dashboard are included in this Appendix.

As a supplement to the Office of the City Auditor's Performance Audit of the City's Key Performance Indicators (discussed in Finding 1 and Appendix C), we built a performance dashboard as an example of how the City's dashboard could be improved by adding visual historical information using data provided by PandA. Departments may have been consolidated and data may not have been provided.

Select a department using the buttons on the right to select a different department's Key Performance Indicators.



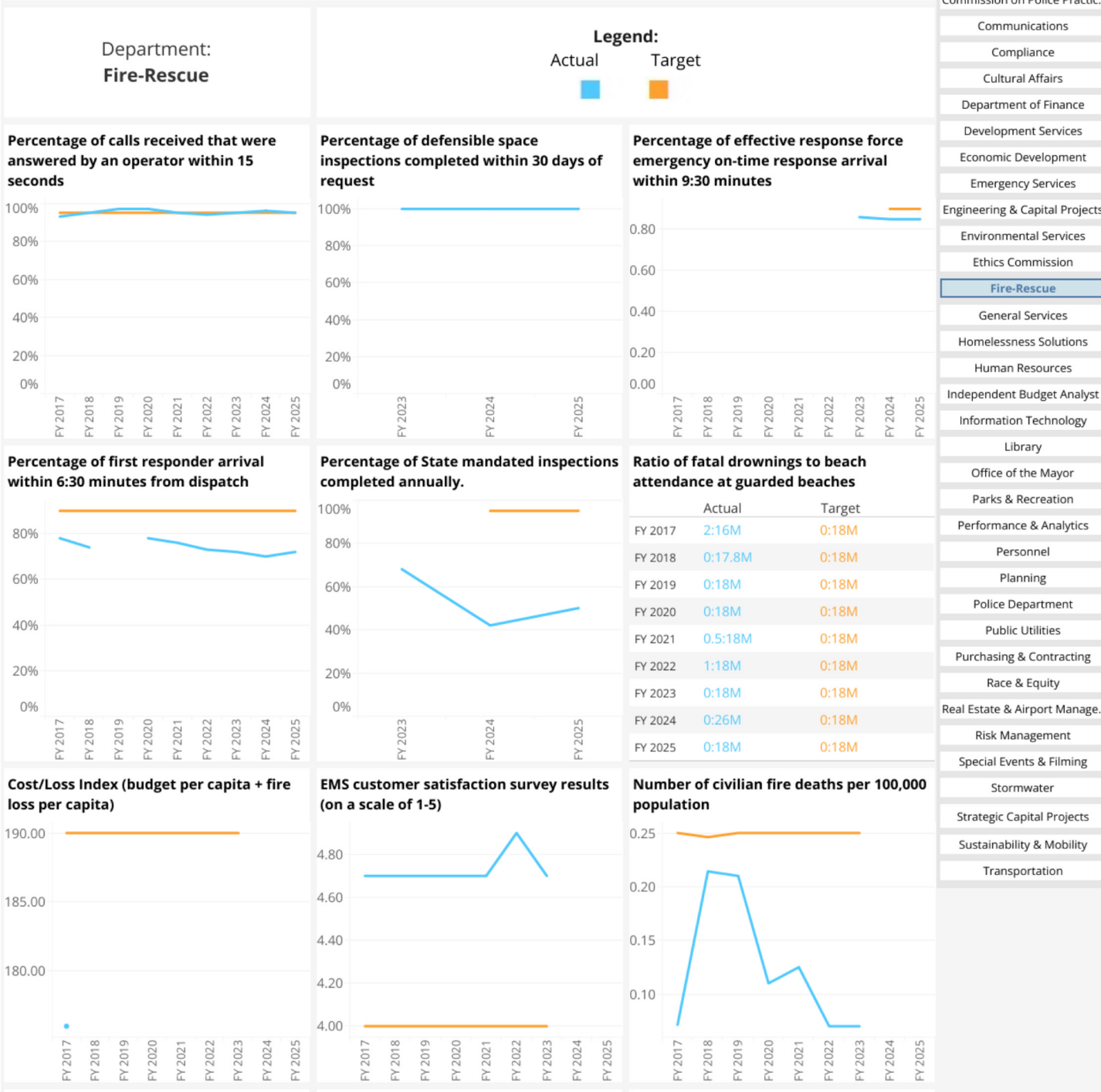
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Select a department using the buttons on the right to select a different department's Key Performance Indicators.



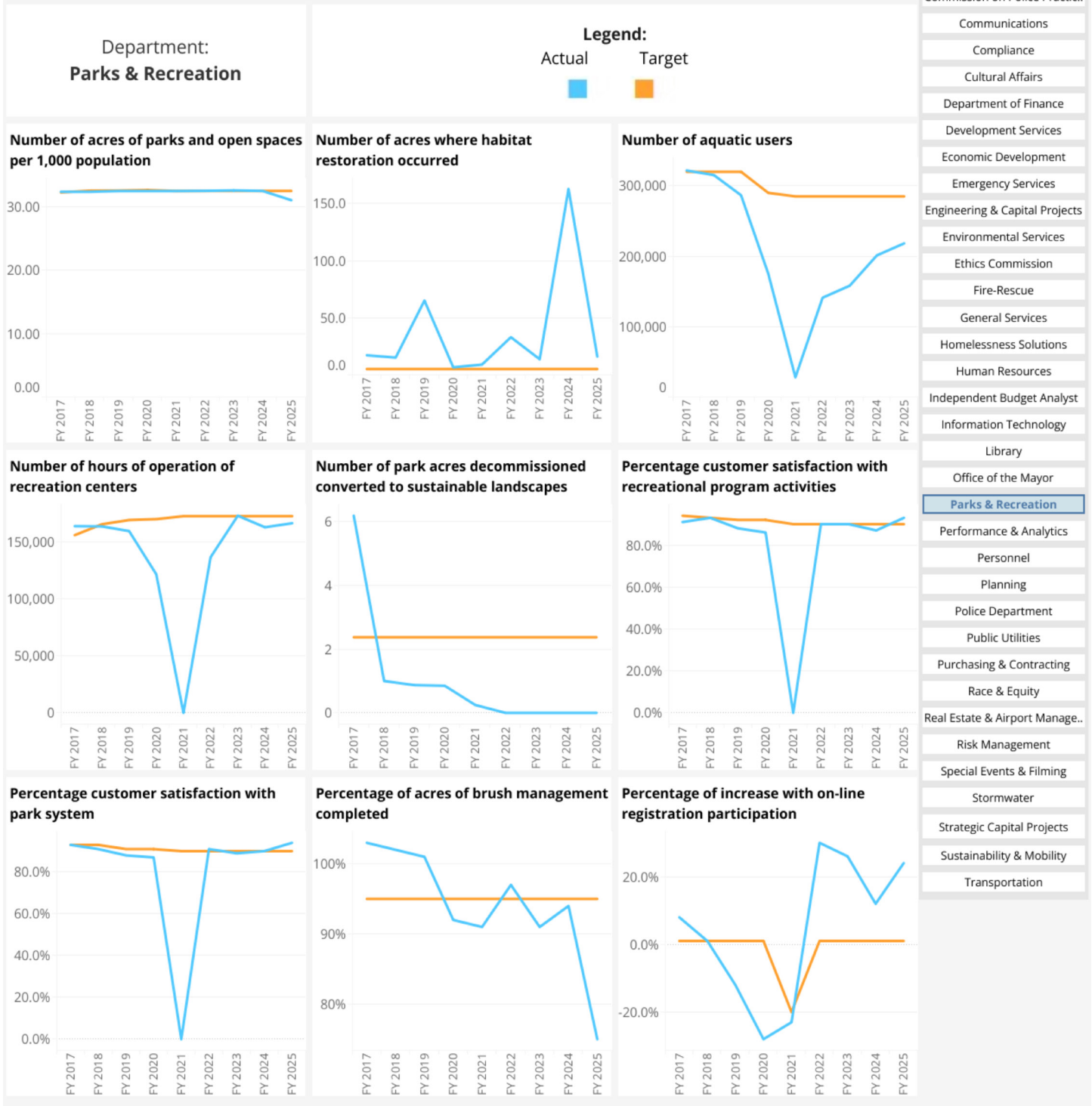
As a supplement to the Office of the City Auditor's Performance Audit of the City's Key Performance Indicators (discussed in Finding 1 and Appendix C), we built a performance dashboard as an example of how the City's dashboard could be improved by adding visual historical information using data provided by PandA. Departments may have been consolidated and data may not have been provided.

Select a department using the buttons on the right to select a different department's Key Performance Indicators.



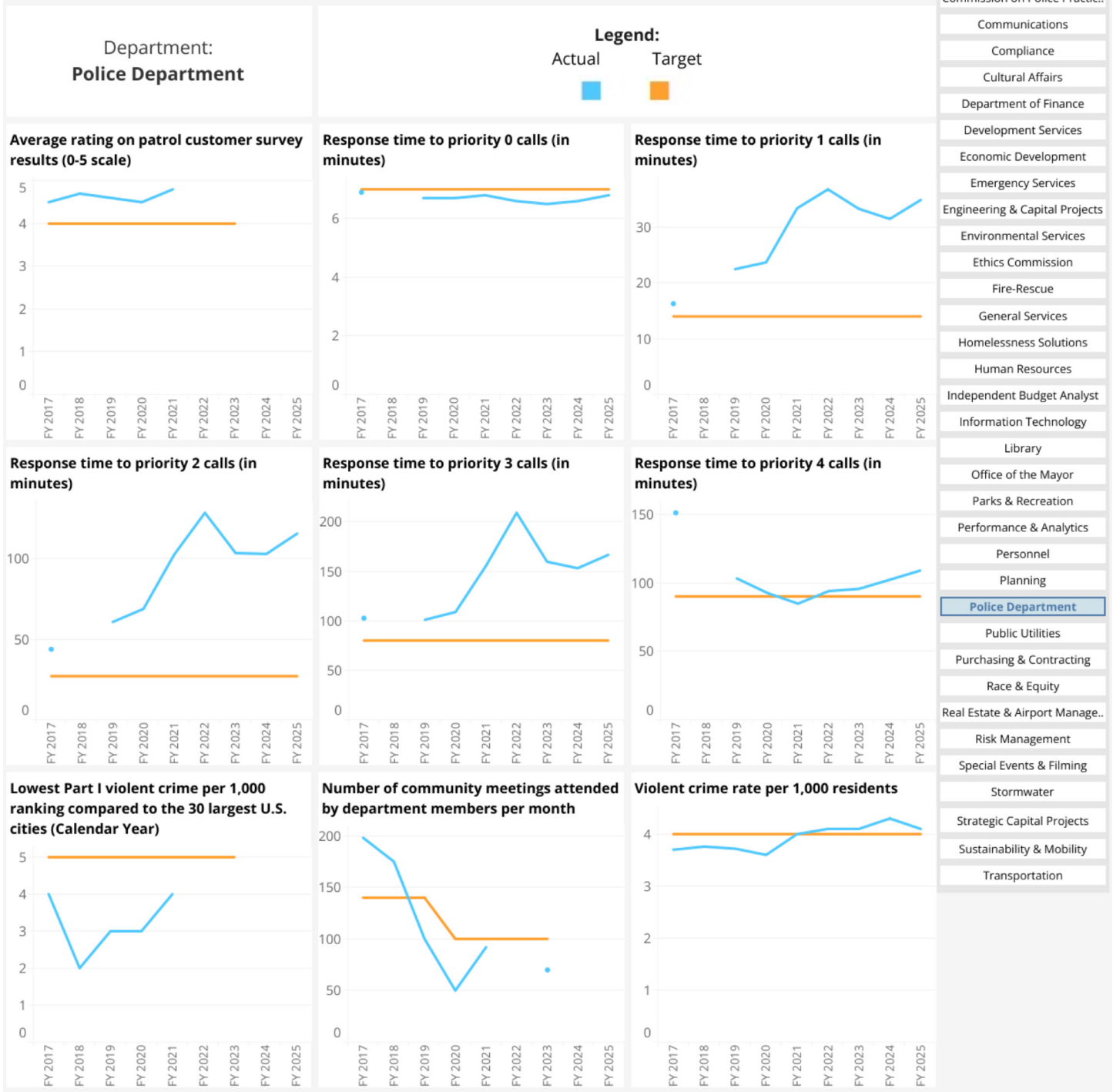
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Select a department using the buttons on the right to select a different department's Key Performance Indicators.



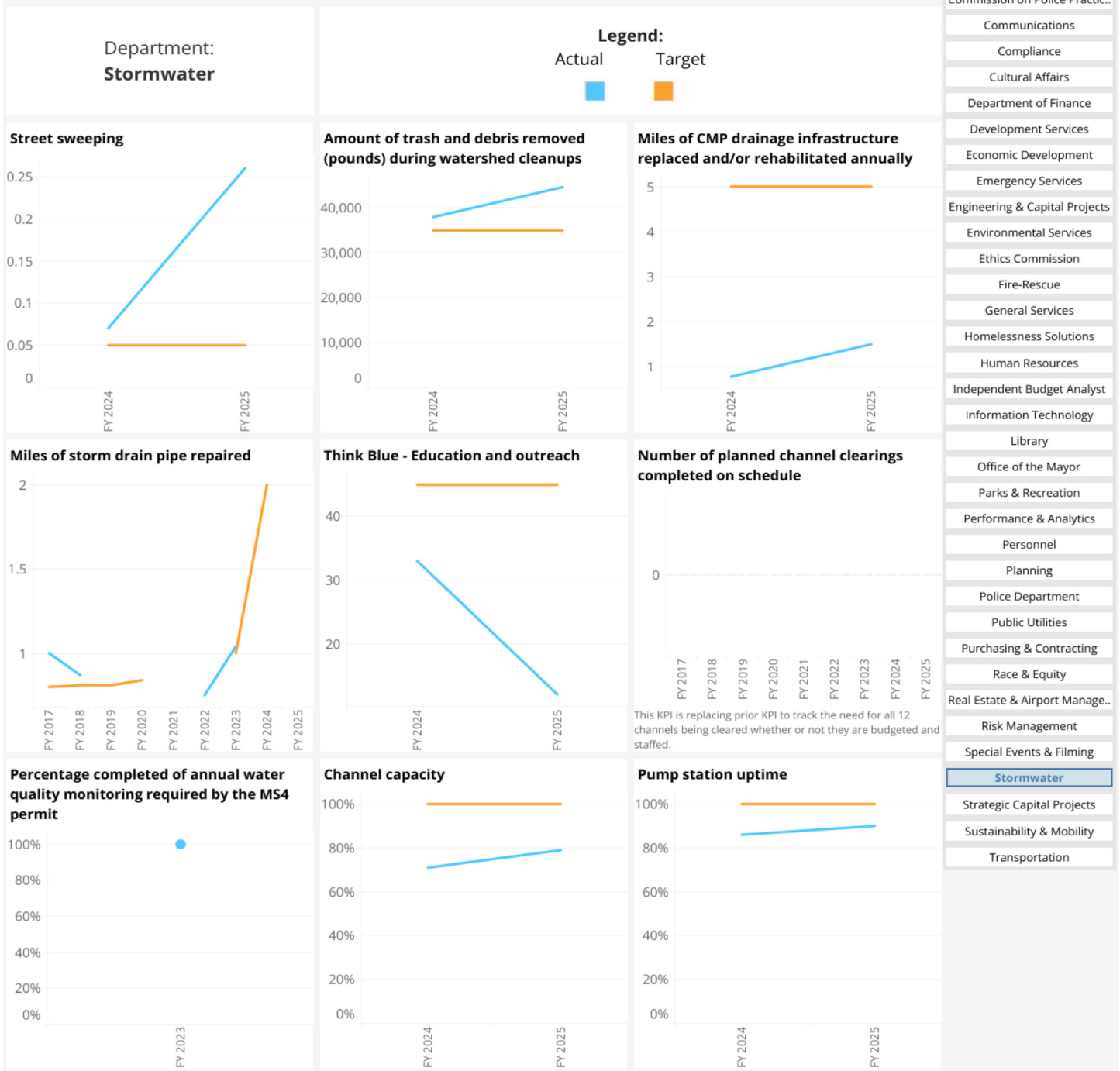
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Select a department using the buttons on the right to select a different department's Key Performance Indicators.



As a supplement to the Office of the City Auditor's Performance Audit of the City's Key Performance Indicators (discussed in Finding 1 and Appendix C), we built a performance dashboard as an example of how the City's dashboard could be improved by adding visual historical information using data provided by Panda. Departments may have been consolidated and data may not have been provided.

Select a department using the buttons on the right to select a different department's Key Performance Indicators.





THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: October 20, 2025

TO: Andy Hanau, City Auditor, Office of the City Auditor

FROM: Alex Hempton, Acting Director, Performance & Analytics Department

SUBJECT: Management Response to the Office of the City Auditor's Performance Audit of Citywide Performance Monitoring

This memorandum serves as the management response to the Performance Audit of Citywide Performance Monitoring (Performance Audit). At the time this response was written, the draft Performance Audit provided to management contained two findings and five recommendations, four of which were directed to the Performance and Analytics Department. Department staff and management appreciate the Performance Audit prepared by the Office of the City Auditor and thank the staff involved.

Management agrees with the recommendations within the Performance Audit and this management response highlights the recommendations that will need additional resources to implement.

The FY26 Adopted Budget poses significant challenges for all City of San Diego (City) departments, and the Performance & Analytics Department (Panda) is no exception. Between the FY25 Mid-Year Revision and FY26 Budget Adoption, two recently vacated Program Coordinator positions were reduced from the department's budget (representing 40% of the Division of Strategic Initiatives team), along with 57% of the department's discretionary spending capacity. With several recommendations requiring the department to undertake new, ongoing operational activities, existing staff capacity will be stretched increasingly thin and may threaten the department's ability to consistently implement such activities. Additionally, the department's budget for software expenditures that had been reduced in the FY25 Mid-Year Revision and FY26 Adopted Budget may require partial restoration in order to appropriately relay, manage, and effectively publish performance data for all City departments and the organization as a whole. In light of current budget conditions, the management response highlights:

- The need for 1.00 Organizational Effectiveness Specialist II, 1.00 Organizational Effectiveness Supervisor, and 1.00 Program Coordinator in the Performance & Analytics Department.
- Panda is committed to implementing these recommendations. Resource allocation and capacity will dictate the speed at which progress can be made on the recommendations.

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Andy Hanau, City Auditor, Office of the City Auditor

October 20, 2025

RECOMMENDATION 1.1: The Performance & Analytics Department (Panda) should develop and publish an annual Performance Report for the City's KPIs separate from the City's budget document. The Performance Report should:

- a. Be presented annually to the Budget and Government Efficiency Committee, or other Committee(s) as appropriate, and to City Council as a separate item from the budget;
- b. Include explanations for performance measures not meeting or trending toward performance targets, as required by Council Policy 000-02; and
- c. Include KPI calculation methodology.

Panda should lead efforts to formalize a requirement for recurring Performance Reports, such as by a Process Narrative, Standard Operating Procedure, or Council Policy. (Priority 1)

Management Response: Agree with the recommendation. Management intends to continue its efforts towards publishing an annual report of the City's performance; as actuals for fiscal year performance (that would be reflected in the new performance report) are not available until fiscal-year close, the department does not anticipate being able to release City KPIs prior to fall of 2026 at the earliest. Other parts or subsets of the publication may be made available prior to that time. The activities related to developing and releasing this publication on an annual basis will exceed current staff capacity, due also in part to the addition of activities identified in the draft standard operating procedure (SOP) in Recommendation 1.2. One (1.00) Organizational Effectiveness Specialist II would be required to contribute to consistently producing the report on an annual basis. Without appropriate resources for these activities, the report will be delayed. Management remains committed to meeting the requirements of Council Policy 000-02.

Target Implementation Date: October 31, 2027

RECOMMENDATION 1.2: The Performance & Analytics Department should implement its draft Standard Operating Procedure to create a KPI data validation process and ensure accuracy of the City KPIs. (Priority 2)

Management Response: Agree with the recommendation. The City is in process of implementing a new budget development software platform, which the department plans to leverage to implement the procedures identified in the draft standard operating procedure (SOP). However, the draft SOP identifies additional monitoring activities that are beyond the capacity of current staff. One (1.00) Organizational Effectiveness Supervisor position would be required to consistently carry out the responsibilities of this SOP.

Target Implementation Date: January 1, 2027

RECOMMENDATION 1.3: The Performance & Analytics Department should develop a publicly accessible dashboard that includes at a minimum graphical representation of historical data to demonstrate departmental performance over time, when applicable. The dashboard should be updated annually and include historical performance of past fiscal year(s). Other elements that should be considered include a clear performance indicator description of what the KPI measures, the unit of measurement, and how it is calculated. (Priority 2)

Management Response: Agree with the recommendation. Management agrees that graphical representations or visualizations can assist in interpreting or consuming performance data.

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Andy Hanau, City Auditor, Office of the City Auditor

October 20, 2025

The department will evaluate the best format for presenting this visual information/dashboard and make it publicly available. To technically develop, maintain, and integrate this dashboard solution in a way that meets stakeholder expectations, a 1.00 Program Coordinator is necessary.

Target Implementation Date: March 31, 2027

RECOMMENDATION 2.1: The Performance & Analytics Department, seeking input from City leadership to include City Council—such as by soliciting input during the presentation of the performance report—should create and implement a formal policy documenting the City’s KPI philosophy and guidance for departments to follow. Specifically, guidance should include content on whether KPIs should be realistic, aspirational, a long-term, or short-term goal, or other similar relevant considerations. The results of this formal guidance should be reflected in the performance reports from Rec 1.1. (Priority 2)

Management Response: Agree with the recommendation. Management agrees that having a documented approach for KPI setting and development would assist in providing additional clarity for department leadership, City officials, and the public, and appropriately set expectations for what content may or may not be reflected in KPIs. The department will integrate the ‘results of this formal guidance’ - i.e., the KPI philosophy - in the performance report mentioned in Recommendation 1.1. The guidance itself may be reflected in training documents, standard operating procedures, or other official or City documents. Existing resources and the additional resources identified as part of addressing other recommendations will contribute to fulfilling this recommendation.

Target Implementation Date: December 31, 2026

Thank you for the opportunity to provide responses to these recommendations. Management appreciates your team’s professionalism throughout this review.

Thank you,



Alex Hempton

Acting Director, Performance & Analytics Department

AH/je

cc: Honorable City Attorney Heather Ferbert
Paola Avila, Chief of Staff, Office of the Mayor
Charles Modica, Independent Budget Analyst
Alia Khouri, Deputy Chief Operating Officer
Kris McFadden, Deputy Chief Operating Officer
Kristina Peralta, Deputy Chief Operating Officer
Casey Smith, Deputy Chief Operating Officer
Matthew Vespi, Chief Financial Officer
Robert Logan, Chief, Fire-Rescue Department
Scott Wahl, Chief, Police Department
Christiana Gauger, Chief Compliance Officer, Compliance Department

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Andy Hanau, City Auditor, Office of the City Auditor

October 20, 2025

Jillian Andolina, Deputy Director, Office of the Independent Budget Analyst

Matt Yagyagan, Director of Policy, Office of the Mayor

Emily Piatanesi, Policy Advisor, Office of the Mayor

Trisha Tacke, Program Manager, Compliance Department

Justin Ellsworth, Acting Deputy Director, Performance & Analytics Department



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: October 20, 2025

TO: Andy Hanau, City Auditor, Office of the City Auditor

FROM: Heather Ferbert, City Attorney

SUBJECT: Management Response to the Office of the City Auditor's Performance Audit of Citywide Performance Monitoring

This memorandum serves as the management response to the Performance Audit of Citywide Performance Monitoring (Performance Audit). At the time this response was written, the draft Performance Audit provided to management contained two findings and five recommendations, one of which was directed to the City Attorney's Office. The City Attorney's Office appreciates the Performance Audit prepared by the Office of the City Auditor and thanks the staff involved.

The City Attorney agrees that Key Performance Indicators, or KPIs, are important tools for measuring the City's success across the spectrum of services it provides. While not labeled "KPIs," the Office regularly reports to City Council the number of civil litigation cases on which it defends the City. The Office also annually reports the volume of services provided by Your Safe Place, The San Diego Family Justice Center, and the wide-ranging criminal case and case deferral volume of its Criminal and Community Justice Division. Additionally, as an elected official, the ultimate KPI for the City Attorney is election or reelection to the Office. However, recognizing the Auditor's desire for "consistency with other City departments," the Office believes one of the already reported measures may be identified as a KPI.

RECOMMENDATION 2.2: The City Attorney's Office should work with the Performance and Analytics Department to establish and report a KPI (or KPIs).

Management Response: The Office of the City Attorney will work with the Performance and Analytics Department to establish and report a KPI from the several metrics already reported to the City Council.

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Andy Hanau, City Auditor
October 20, 2025

Target Implementation Date: KPI identification is targeted for inclusion in the Fiscal Year 2027 Budget, with KPI reporting targeted for the end of Fiscal Year 2027.

Thank you for the opportunity to provide responses to these recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Heather Ferbert", is written over a light blue horizontal line.

Heather Ferbert
City Attorney

HF:JM:sc

cc: Paola Avila, Chief of Staff, Office of the Mayor
Charles Modica, Independent Budget Analyst
Alia Khouri, Deputy Chief Operating Officer
Kris McFadden, Deputy Chief Operating Officer
Kristina Peralta, Deputy Chief Operating Officer
Casey Smith, Deputy Chief Operating Officer
Matthew Vespi, Chief Financial Officer
Robert Logan, Chief, Fire-Rescue Department
Scott Wahl, Chief, Police Department
Christiana Gauger, Chief Compliance Officer, Compliance Department
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