

Audit Recommendation Follow-Up Report

APRIL 2026

Status Update as of December 31, 2025

Andy Hanau, City Auditor
Matthew Helm, Assistant City Auditor



April 9, 2026

Honorable Members of the Audit Committee
City of San Diego, California

Recommendation Follow-Up Report – Status Update as of December 31, 2025

Attached is the Office of the City Auditor's Recommendation Follow-Up Report, which provides the status of open recommendations as of December 31, 2025. We will continue reporting on open recommendations semiannually for periods ending around June 30th and December 31st.

We have provided a short summary of data and attached the status updates for all recommendations. We look forward to presenting this report at the April 23, 2026 Audit Committee meeting.

The intent of this report is to keep the Audit Committee and other stakeholders informed about the implementation status of recommendations made by the Office of the City Auditor. We welcome any suggestions or recommendations for improving this report to enhance your ability to monitor the effective implementation of City Auditor recommendations.

We would like to thank all the staff from the various departments that provided us with information for this report. All of their valuable time and efforts are greatly appreciated.

Respectfully submitted,

Andy Hanau
City Auditor

cc: Honorable Mayor Todd Gloria
 Honorable City Councilmembers
 Honorable City Attorney Heather Ferbert
 Rolando Charvel, Chief Financial Officer
 Mayoral Operational Chiefs
 Department Directors
 Charles Modica, Independent Budget Analyst
 Jeffrey Peelle, Assistant Director, Department of Finance

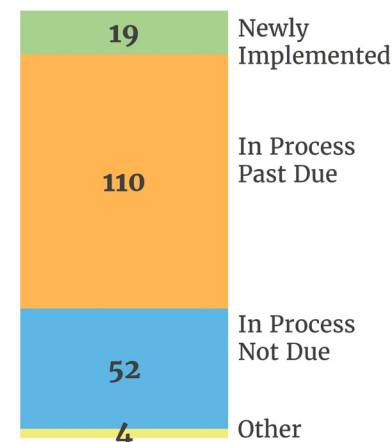
Audit Recommendation Follow-Up Report

Status Update as of December 31, 2025

Implementation Status

We don't just point out problems, we identify and recommend solutions. The City's implementation of our recommendations has resulted in significant financial benefits to the City, substantial improvements in the delivery of critical City services, improved oversight of City programs, and has increased the City's transparency and accountability to those it serves. We follow up on the implementation status of our audit and investigative recommendations every six months. For this follow-up period, OCA reviewed the status of 185 open recommendations across 42 audit and investigative reports.

Implementation Status



Impacts of Newly Implemented Recommendations

Newly implemented recommendations will help improve various City programs and processes. For example:

- To help ensure that overtime is used for the most critical operational needs, SDPD implemented part of a recommendation, which centralized the assignment and tracking of overtime. **According to SDPD, this is expected to save approximately \$6.5 million in FY2026 compared to FY2025 actuals.**
- To help ensure City vehicles receive preventive maintenance and safety inspections timely, Fleet Operations has enabled departments to monitor the status of their fleet maintenance work orders, and has been conducting coordination meetings to share information and create accountability. **As a result, the percent of City vehicles receiving preventive maintenance safety inspections on time has more than doubled to 85%**, which will help avoid costly breakdowns and reduce the risk of City vehicles operating unsafely.
- To help **improve the City's response to disasters**, the City has enhanced public outreach to increase awareness of emergency preparedness, resources, and disaster risks; developed a policy requiring annual emergency response trainings and practice drills that include key operations staff, the Mayor, and Councilmembers; and has developed guidance on After-Action Reports.
- To help ensure the City **administers contracts effectively and consistently**, Purchasing & Contracting finalized a Contract Administration Guide and is offering trainings to all relevant City staff on City contracting guidelines and processes. Also, to help provide **transparency and accountability for contracting**, Purchasing & Contracting has established a quarterly report to the City Council with various information on each contract, such as remaining contract values and expiration dates.
- To inform budgetary decisions for the Grants Program, the Department of Government Affairs analyzed the potential costs and benefits of grant-identification software and contracted grant writers, and included this analysis in its Annual Grants Report. This will help the Mayor and City Council understand the **potential return on additional investments in the Grants Program**, and how they could make the City more competitive for available grants.

Fiscal Benefits of Recommendations Still In Process

Many in-process recommendations can help improve the City's financial situation if implemented. For example:

- Stormwater Re-Inspection Fee (2018):** We recommended recovering re-inspection costs from non-compliant properties, which Stormwater estimates would generate \$1.5 million+ per year.
- Lease Management (2022):** We recommended updating leases of City property because undercharging even a small percentage due to holdover could result in millions of dollars in foregone revenue each year.
- Workplace Safety (2021):** We found that the City's costs from workplace injuries could be more than \$200 million per year. We recommended the City improve workplace safety programs to reduce workplace injuries, as the City's workers' compensation claims rate was 17 percent higher than similar agencies.
- Environmental Services (2025):** We found that the City does not increase private waste hauler franchise fees by inflation and has not conducted a franchise fee study to ensure costs are fully recovered. Conducting such a study will help ensure those fees, which amount to approximately \$14 million per year, can withstand a legal challenge and that the City is recovering all allowable costs.

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Summary

The mission of the Office of the City Auditor is to advance open and accountable government through independent, objective, and accurate audits and investigations that seek to improve the efficiency, effectiveness, and equity of City government.

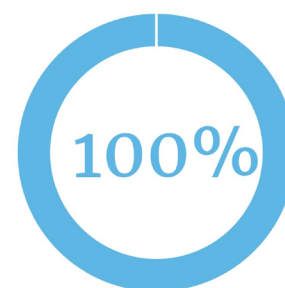
We greatly appreciate the Administration's efforts to implement audit and investigative recommendations to improve City operations and mitigate the risks identified during our audits and investigations.

As of our last recommendation follow-up report for the period ending June 30, 2025, there were 175 open recommendations. Since then, we have issued two performance audit reports, which added 10 new recommendations with 100 percent agreement, for a total of 185 open recommendations for the period ending December 31, 2025, as shown below.³

10 new recommendations to improve efficiency, effectiveness, and equity of City operations issued July 1, 2025 through December 31, 2025

City Management agreed with **100%** of new recommendations

Recommendation
Agreement



22 Recommendations Resolved for
Period Ending December 31, 2025

185 Recommendations Reviewed:

- 19** Implemented
- 110** In Process – Past Due
- 52** In Process – Not Due
 - 1** Partially Implemented – No Further Action
 - 2** Not Implemented – N/A
 - 1** Disagree (Audit Committee Requested Action)

To augment this and future recommendation follow-up reports, we have created and published an interactive dashboard on our website as shown in **Exhibit 1**. For the interactive dashboard and copies of past reports, visit our website:

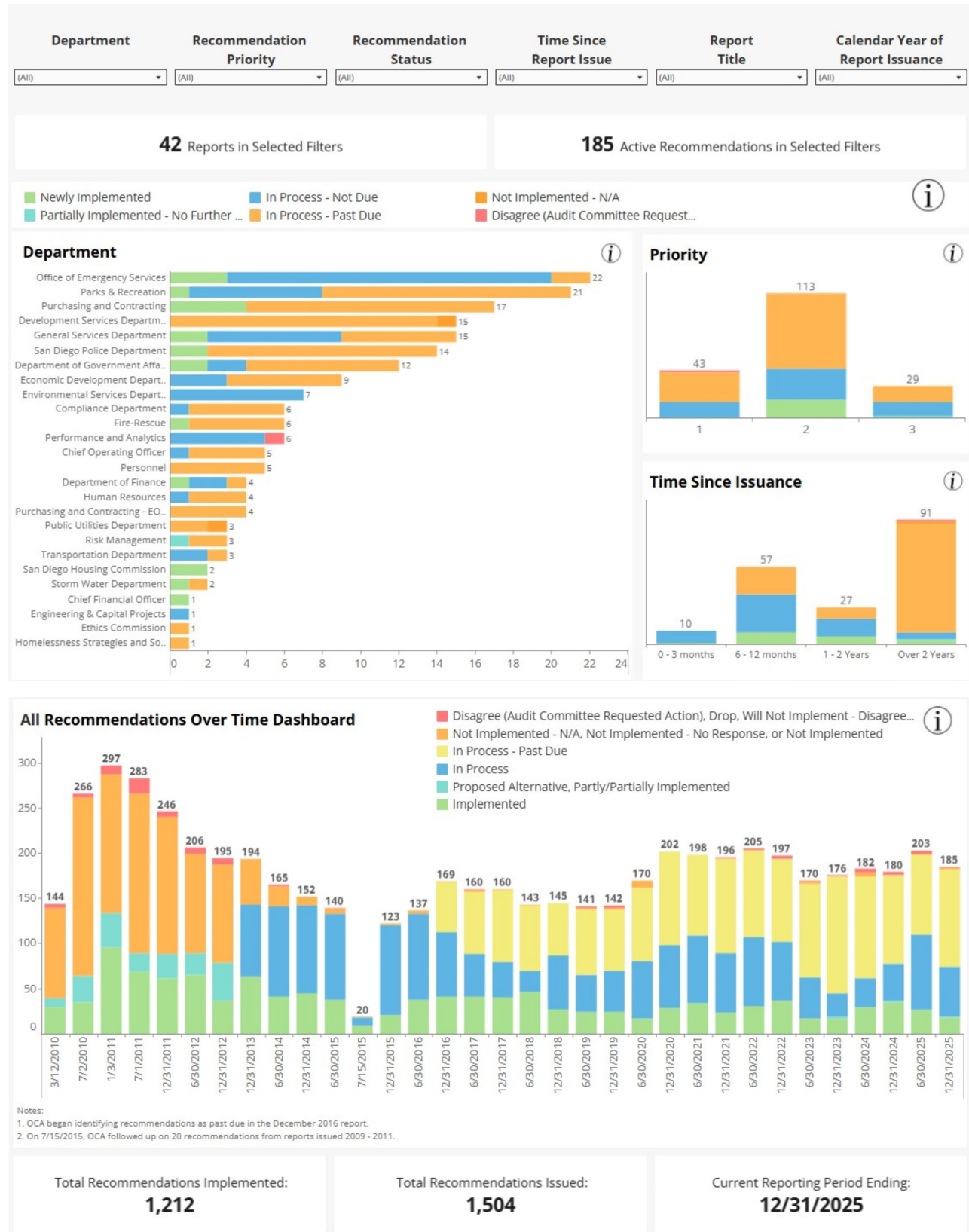
[Recommendation Follow-Up Home Page](#)

[Recommendation Follow-Up Dashboard](#)

[Audit Recommendation Follow-Up Reports](#)

As shown in **Exhibit 1**, the dashboard allows users to view and sort open recommendations by report year of issuance, department, recommendation priority, recommendation status, implementation time (since report issuance), and report.

³ We also issued a confidential performance audit report with 10 recommendations. Confidential recommendations are followed up on in a separate report.

Exhibit 1**Screenshots of the Dashboard for the Current Report Period Ending December 31, 2025**

Implementation Status of Recommendations

This report reflects the status of all Office of the City Auditor open audit recommendations as of December 31, 2025. We contacted departments directly to gather recommendation status information, reviewed all outstanding recommendations, and placed the recommendations into the following status categories:

Previously Implemented: Management provided sufficient and appropriate evidence to support implementation of all elements of the recommendation, or identified and implemented an alternative approach that addresses the risk and we deemed the recommendation to be implemented during a prior reporting period;

Newly Implemented: Management provided sufficient and appropriate evidence to support implementation of all elements of the recommendation, or identified and implemented an alternative approach that addresses the risk;

In Process – Past Due: Management provided some evidence, but not all elements of the recommendation have been addressed; or the department has agreed to implement the recommendation but has not yet completed the implementation, and the original target implementation date has passed;

In Process – Not Due: Management provided some evidence but not all elements of the recommendation have been addressed, or the department has agreed to implement the recommendation but has not yet completed the implementation, and the original target implementation date has not yet passed;

Not Implemented – N/A: Circumstances changed to make the recommendation no longer applicable;

In Process (Proposed Alternative): Management disagreed with the original recommendation as written, but it reported it has a proposed alternative approach to mitigate the identified risk that was reported in the audit;

Disagree (Audit Committee Requested Action): Management disagreed with the original recommendation as written, but the Audit Committee requested action to mitigate the risk; and

Partially Implemented – No Further Action: Management has completed some elements of the recommendation, but has not fully addressed the risk and does not plan to take any further action.

The following icons are used throughout this report to indicate the **46** recommendations for which the department reported that it requires additional resources and the **3** recommendations for which the department did not provide a current update on the implementation status. In addition, given the City's fiscal challenges, we also have also an icon to highlight the **28** recommendations that can provide a fiscal benefit to the City if implemented, such as increased revenues, reduced costs or significant efficiencies, or cost avoidance.



= Requires Resources



= No Update Provided



= Fiscal Benefit

Exhibit 3 below summarizes the status of the 185 recommendations by audit report in chronological order.

Exhibit 3

Audit Reports and Recommendation Status

Report #	Report Title	Newly Implemented	In Process Past Due	In Process Not Due	Other	Page #
15-012	The City Needs to Address the Lack of Contract Administration and Monitoring on Citywide Goods and Services Contracts		1			22
15-016	Performance Audit of Citywide Contract Oversight	1	2			24
16-016	Citywide Contract Oversight II - Contract Review		2			28
17-013	Performance Audit of the San Diego Convention Center		1			31
18-023	Performance Audit of the Storm Water Division		1			33
19-002	Performance Audit of the Real Estate Assets Department's Portfolio Management Practices		1			35
20-002	Performance Audit of Public Utilities Department's Advanced Metering Infrastructure Implementation				1	9
20-003	Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract		4			37
20-008	Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects		5			40

Report #	Report Title	Newly Implemented	In Process Past Due	In Process Not Due	Other	Page #
20-009	Performance Audit of the City's Efforts to Address Homelessness		1			14 & 45
20-010	Hotline Investigation of Gifts Received by a City Employee		1			48
20-011	Performance Audit of the City's Strategic Human Capital Management		1			51
21-001	Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program		2			54
21-002	Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2020	1	1			57
21-005	Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program		4			59
21-006	Performance Audit of Strategic Human Capital Management II: Employee Performance Management		1			63
22-002	Performance Audit of the City's Major Building Acquisition Process		1	1		65
22-005	Performance Audit of Equity in Recreation Programming		12			68
22-007	Performance Audit of the City's Lease Management and Renewal Process		4			87
22-008	Performance Audit of Workplace Safety and Workers' Compensation		5			92
22-009	Performance Audit of the Development Services Department's Code Enforcement Division		9		1	98
23-001	Performance Audit of SDPD's Use and Management of Body Cameras		6			107
23-004	Performance Audit of the City's Get It Done Application and Service Requests Management				1	112
23-005	Performance Audit of the City's Towing Program	1	3			115
23-08	Hotline Report of Unsafe Driving by City Employees		2		1	17
24-01	Performance Audit of the City's Brush Management on City-Owned Land		4			120

Report #	Report Title	Newly Implemented	In Process Past Due	In Process Not Due	Other	Page #
24-02	Performance Audit of the City's Classified Employee Hiring Process		5			126
24-03	Fraud Hotline Report of Purchase Order Approvals		1			133
24-04	Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety			3		135
24-08	Performance Audit of SDPD Overtime	1	3			138
24-09	Performance Audit of the San Diego Housing Commission's Property Acquisition Process	2				141
24-11	2024 High Risk Re-Review of the 2013 Performance Audit of the City's Pothole Repair Operations		1			143
25-01	Performance Audit of Facility Maintenance		1	7		145
25-02	Performance Audit of the City's Contract Management Process	2	3			153
25-05	Fraud Hotline Report of Boat Storage Permits	1		6		157
25-06	Performance Audit of the City's Fleet Maintenance	2	5	2		163
25-07	Performance Audit of the City's Grants Program	2	8	2		169
25-08	Performance Audit of the City's Trash, Recycling, and Organics Collection and Handling			7		181
25-09	Performance Audit of Fire-Rescue Overtime	1	5			189
25-10	Performance Audit of the City's Disaster Response	4	2	17		193
26-03	Performance Audit of the City's Key Performance Indicators			5		207
26-04	Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2024	1	2	2		210
Grand Total		19 (10%)	110 (59%)	52 (28%)	4 (2%)	

Report Sections

This report provides detailed information about the recommendations in the following sections:

Section A: Recommendations Highlighted for the Audit Committee's Attention

Generally, this section includes recommendations for which: (a) the Administration disagreed with implementing the recommendation; (b) the status update significantly varied from previous updates provided by the Administration; (c) some type of further action by the Audit Committee is needed; (d) Management took partial action to implement the recommendation and plans to take no further action; and/or (e) it is determined to be Not Applicable (N/A) any longer and should be dropped.

Section B: Recommendation Implementation Status by Report

This section includes all newly implemented and in process recommendations as of December 31, 2025, organized by audit or investigative report. This section includes brief summaries of every report, as well as a table summarizing the status of all recommendations from that report.

Format for Recommendation Status Updates

As a result of ongoing process improvement discussions between OCA and the Compliance Department, in January 2024, we issued a [joint memorandum](#) with the Chief Operating Officer to City Department Directors regarding the requested format for providing status updates for our recommendations.

The format, which is reflected in many of the recommendation implementation updates in this report, includes the following basic elements:

1. A summary of the key steps or tasks required to implement an agreed-upon recommendation;
2. The status of each step or task, including whether the step or task has been completed, or any information on the progress in completing the step or task; and
3. Target timeframes for completing the remaining steps or tasks.

Section A

Recommendations for the Audit Committee's Attention

This section includes recommendations highlighted for the Audit Committee's attention. Generally, this section includes recommendations for which: (a) Management has **disagreed** with implementing the recommendation; (b) the **status update significantly varied from previous updates** provided by the Administration; (c) some type of **further action** by the Audit Committee is needed; (d) Management took **partial action** to implement the recommendation and **plans to take no further action**; and/or (e) it is determined to be **Not Applicable (N/A)** any longer and should be dropped.

Performance Audit of Public Utilities Department's Advanced Metering Infrastructure Implementation

20-002

(JP)

In our [Performance Audit of Public Utilities Department's Advanced Metering Infrastructure Implementation](#), we found that insufficient project planning and management caused major delays and may lead to cost overruns. Specifically, we found:

Finding 1: The Public Utilities Department did not adequately plan, budget for, or manage the Citywide AMI implementation, leading to major delays and potential cost overruns.

Finding 2: The Public Utilities Department needs to address several staffing issues to improve the performance of the Citywide AMI implementation.

Finding 3: The Public Utilities Department should accurately track meter replacement labor costs to improve project oversight.

Finding 4: EAM Work Manager data controls do not effectively prevent data entry errors, leading to inefficiencies and billing delays.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Public Utilities	Previously Implemented (December 2019)			
2	Public Utilities	Previously Implemented (December 2019)			
3	Public Utilities	Not Implemented – N/A			
4	Public Utilities	Not Implemented – N/A (June 2023)			
5	Public Utilities	Previously Implemented (December 2019)			
6	Public Utilities	Not Implemented – N/A (June 2024)			
7	Public Utilities	Previously Implemented (December 2021)			
8	Public Utilities	Not Implemented – N/A (June 2024)			
9	Public Utilities	Not Implemented – N/A (June 2023)			
10	Public Utilities	Not Implemented – N/A (June 2023)			
11	Public Utilities	Not Implemented – N/A (June 2024)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
12	Public Utilities	Not Implemented – N/A (June 2024)			
13	Public Utilities	Not Implemented – N/A (June 2024)			

The Performance Audit of the Public Utilities Department's Advanced Metering Infrastructure Implementation was issued in July 2019, finding that insufficient project planning and management caused major delays and may lead to cost overruns. The audit made 13 recommendations to improve planning, budgeting, and management, address staffing issues, accurately track labor costs, and improve data entry accuracy.

The Public Utilities Department (PUD) previously implemented Recommendations 1, 2, 5, and 7. In its update for the Recommendation Follow Up Report for Period Ending June 30, 2023, PUD reported that it planned to use a vendor instead of City crews for the AMI implementation. PUD requested that the remaining 9 recommendation due to the new approach, but the Audit Committee passed a motion at the September 20, 2023 meeting that closed 3 of the recommendations as Not Implemented – N/A, but the remaining 6 recommendations as in process.

In the Recommendation Follow Up Report for Period Ending June 30, 2024, PUD reported that it would be using a performance based Request for Proposal to select a vendor to design and implement a smart metering system. At the September 18, 2024 Audit Committee meeting, the Committee voted to close 5 more recommendations as Not Implemented – N/A, because that solicitation would procure a vendor responsible for deploying AMI Citywide. However, Recommendation 3 remained in-process in order to verify that PUD enters into a performance-based contract that includes adequate provisions to hold the vendor responsible for smart meter implementation, which would address the underlying risks in the 5 recommendations closed as Not Implemented – N/A.

In January 2026, PUD informed City Council and the Independent Rates Oversight Commission that it is pausing advancement of its AMI program and cancelling the current smart meter solicitation. As the solicitation is now cancelled without an expected restart to the AMI deployment, Recommendation 3 is also no longer applicable.

The 2019 audit identified significant shortcomings in PUD's project management for the AMI implementation. In particular, the audit found that PUD did not adequately plan, budget for, or manage the Citywide AMI implementation; needed to address staffing issues; did not accurately track labor costs; and did not have adequate IT controls leading to billing delays. If PUD does restart the AMI implementation at a later date, it will need to ensure that these risks are adequately mitigated. If the Public Utilities Department restarts an AMI program at a later date, OCA will evaluate whether to re-open the relevant recommendations or include AMI in our annual risk assessment.

Requested Action:

As a result, **we propose that Recommendation 3—the last remaining recommendation from this report—be closed as Not Implemented - N/A.**

The recommendation will continue to be available for reference on OCA's Recommendation Follow-up Dashboard should PUD decide to implement AMI at a later date, at which time OCA will evaluate whether to re-open the relevant recommendations or include AMI in our annual risk assessment.

Recommendation 3*Public Utilities*

The Executive Steering Committee, in conjunction with the project manager, should develop a deployment plan for the Citywide AMI implementation project, which includes specific and detailed tasks, responsibilities, budgets, and a timeline for completion. Budgets and timelines for completion should be supported by detailed analysis based on realistic assumptions. (Priority 1)

Department Reported: Not Implemented – N/A**OCA Request: Not Implemented – N/A**

According to Public Utilities, in an effort to maintain affordability for water and wastewater customers during a period of sustained cost pressure, the Public Utilities Department is pausing advancement of its Advanced Metering Infrastructure (AMI) program and cancelling the current smart metering solicitation. This decision reflects a careful reassessment of near-term funding capacity and competing operational priorities, not a lack of strategic value in smart metering technology.

While AMI offers long-term operational, revenue, and customer-service benefits, moving forward at this time would require significant near-term capital investment (ranging from \$170-200m). Given the Department's commitment to minimizing rate impacts where possible, staff has determined that deferring AMI implementation is the most prudent course of action in the City's current fiscal environment.

In coordination with the Purchasing & Contracting Department, staff will formally reject all submitted bids and cancel the solicitation pursuant to San Diego Municipal Code §22.3015, which allows the City to reject any and all bids when doing so is in the best interest of the City and to re-advertise at a later date.

For now, to ensure continuity of operations and protect this core utility function, staff will take the following actions:

1. Formal Bid Rejection

1. Notify Jacobs that all bids are being formally rejected as of January 9, 2026
2. Coordinate with Purchasing & Contracting to issue rejection letters to all bidders on January 9, 2026.

2. Critical Meter Reading Software Upgrade

1. Upon vendor notification, coordinate with Itron to proceed with required, time-sensitive upgrades to the City's meter reading software (Temetra).
2. This upgrade is essential, as components of the current system sunset at the end of 2026. Without the upgrade, meter reads—both manual and AMI—would not transfer to the City's billing system.
3. The upgrade is already funded and covered under the existing Itron contract, including CGI project management support.

3. Sustaining Meter Replacement Operations

1. Initiate OnBase routing to secure the additional option years included in the Badger meter contract, enabling continued purchase and replacement of broken and aging meters.
2. This action is critical to maintaining operations, supporting new service connections, and addressing the large cohort of meters beyond their 20-year service life.
3. Staff anticipates bringing this item to the Environment Committee in February or March.
4. Securing these option years will also provide stability as the Department prepares to begin the next meter procurement process.

Although the solicitation is being cancelled, it is important to acknowledge that the AMI program encompassed far more than automated meter reads and billing efficiency. The pause has implications across several operational, safety, compliance, and asset-management areas:

Public Safety and Liability Reduction

The AMI effort included systematic replacement of aging meter boxes and lids—many of which pose known safety hazards or risks to City assets. Currently:

1. Approximately **5,000 meter boxes** are backlogged for replacement.
2. Nearly **2,000 of these are known safety risks** in the field.
3. Even with increased productivity (now ~200 replacements per month, up from ~70 two years ago), it will take more than four years to address the existing backlog, which continues to grow.

Aging Meter Infrastructure and Revenue Protection

While the Department has successfully eliminated the known broken-meter backlog, more than one-third of all meters in the system are over 20 years old—beyond their recommended service life. Older meters tend to under-register water use, resulting in ongoing revenue loss. Staff has begun proactive replacements based on testing data, but at current funding levels, it will take over five years to address meters that are already beyond 20 years of age.

Regulatory Compliance – Lead Service Line Inventory

The City met its initial regulatory obligation by submitting the lead service line inventory in 2024. However, ongoing compliance and refinement work remains necessary. Staff continues to evaluate solutions to meet evolving regulatory requirements independent of the AMI program.

Water System Protection and Monitoring

AMI technology provides real-time flow data that can identify backflow events, meter tampering, and other anomalies that pose potential risks to water quality. It also offers the ability to monitor certain water quality indicators, enhancing system awareness and response time. While these benefits remain compelling, they are deferred under the current approach.

Cost-Benefit Considerations

Based on peer agency data, the AMI investment was expected to fully pay for itself within 9–12 years, with City-specific conditions suggesting the return would likely be closer to nine years given the age of the existing meter fleet. The long-term value proposition remains sound, but the near-term funding requirement is not feasible at this time.

Work Completed to Date

Since May 2023, the City has invested \$1.48 million in consultant support from Jacobs to advance the smart metering program. This investment has produced meaningful value beyond the procurement itself, including:

1. Comprehensive workflow and operational assessments;
2. Process improvements and organizational change management support; and
3. Development of implementation guides and draft standard operating procedures currently being used by staff.

These efforts will continue to inform future modernization initiatives, including any future re-launch of an AMI program.

Looking Ahead

Pausing the AMI program allows the Department to remain focused on affordability, safety, compliance, and system reliability while preserving the ability to revisit smart metering in the future when funding conditions improve. The work completed to date positions the City well for a future AMI implementation, should and when it becomes financially viable.

Issue Date: July 11, 2019

Original Target Date: January 2020

Current Target Date: January 2020 July 2021 January 2022 June 2022
July 2022 September 2023 June 2024 TBD July 2026 December 2026

Performance Audit of the Development Services Department's Code Enforcement Division

22-009
(GT)

The City of San Diego conducts code enforcement activities to ensure, improve, and maintain safe and desirable San Diego neighborhoods. In our [Performance Audit of the Development Services Department's Code Enforcement Division](#), we found that conducting code enforcement activities requires three key components: initial response, compliance activity, and monitoring and assessment. Specifically, we found:

Finding 1: Code Enforcement does not meet response time goals and thus does not assess the nature and severity of code enforcement complaints in a timely manner.

Finding 2: Staffing imbalances and Code Enforcement's underuse of case management tools contribute to inconsistent application of policies and a risk that violations persist.

Finding 3: Code Enforcement's Accela data and performance metric reporting does not accurately reflect case progress or results.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Development Services	Not Implemented – N/A			
2	Development Services	In Process – Past Due			
3	Development Services	In Process – Past Due			
4	Development Services	In Process – Past Due			
5	Development Services	In Process – Past Due			
6	Development Services	In Process – Past Due			
7	Development Services	In Process – Past Due			
8	Development Services	In Process – Past Due			
9	Development Services	In Process – Past Due			
10	Development Services	In Process – Past Due			

Note: Recommendations 2–10 are covered in Section B of this report.

The Development Services Department (DSD) has indicated it will not implement Recommendation #1, which proposed re-establishing a Voluntary Compliance Program for selected low-priority complaints. Although not implemented as originally proposed, closure of the recommendation is reasonable under current circumstances.

The recommendation was intended to reduce investigator workload by diverting low-priority complaints from formal case assignment, and instead address them via a Voluntary Compliance Program. However, due to Fiscal Year 2026 budget reductions and a Reduction in Force, Code Enforcement no longer enforces the complaint types intended for the program, including fences and walls, mobile food trucks, excessive garage storage, outdoor merchandise displays, outdoor storage, vehicle repair, and roosters.

As these complaints are no longer enforced, a Voluntary Compliance Program is no longer necessary.

Requested Action:

Given these changes, **we propose that Recommendation 1 be closed as Not Implemented – N/A.**

Recommendation 1

Development Services

To address the issue of new/active cases not receiving an initial inspection on time or any inspection at all, the Development Services Department should re-implement and update as needed its Voluntary Compliance Program, while also maintaining its current Alternative Compliance Program, to help reduce the total number of new cases that are assigned to investigators.

The Voluntary Compliance Program should allow for cases to go through the regular case progression if the complainant is not satisfied or if the violation persists. The Code Enforcement Division could use this procedure to respond to low-priority cases that involve the following case types:

- Fences/Walls
- Mobile Food Trucks
- Excessive Storage in Garage
- Outdoor Merchandise Displays
- Outdoor Storage
- Vehicle Repair
- Roosters (Priority 2)

Department Reported: Will Not Implement



OCA Request: Not Implemented – N/A

According to the Development Services Department, Building and Land Use Enforcement (BLUE) hired a provisional position to assist with implementing this recommendation in October 2024. Program guidelines, written procedures, and letters have been drafted. Drafts will be finalized for review by DSD Director after FY26 Budget cuts are implemented for BLUE. Cuts will affect which complaint types BLUE enforces. Complaint types not enforced will not be included in the Voluntary Compliance Program.

In December 2025, a Reduction in Force was completed in BLUE for the 12 positions eliminated in the FY2026 budget. This resulted in BLUE's zoning teams being reduced by a third. These positions were responsible for the violation types suggested for Voluntary Compliance: Fences/Walls, Mobile Food Trucks, Excessive Storage in Garage, Outdoor Merchandise Displays, Outdoor Storage, Vehicle Repair, and Roosters. As a result, BLUE is no longer enforcing these lower-priority complaints and will not move forward with implementing Voluntary Compliance.

According to the department, the following tasks are needed to achieve full implementation:

Task 1: Hire Program Manager.
Status: Will Not Implement

Task 2: Establish program guidelines and written procedures.
Status: Will Not Implement

Task 3: Update Accela to add Voluntary Compliance as a Status and create a report that tracks subsequent responses.
Status: Will Not Implement

Task 4: Draft letters and obtain approval from the DSD Director.
Status: Will Not Implement

Task 5: Train staff.
Status: Will Not Implement

Step 6: Outreach and implementation.
Status: Will Not Implement

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~July 2025~~ ~~June 2026~~

Fraud Hotline Report of Unsafe Driving by City Employees

23-08

(AH) (GR)

The City, its employees, and the public are placed at risk when employees drive unsafely. Our [Fraud Hotline Report of Unsafe Driving by City Employees](#) determined that the City of San Diego made a total of \$31.2 million in liability claim payments related to motor vehicle accidents from fiscal year 2017 to 2021. To minimize this significant liability, City Management should take additional steps to increase accountability when City staff are determined to be at fault in vehicle accidents, and more fully utilize existing technology and policies to prevent accidents. Specifically, our investigation concluded:

Conclusion 1: Required reviews of unsafe driving data appear to be rare.

Conclusion 2: Numerous recent City vehicle accident investigations were never completed.

Conclusion 3: New City employees who drive on City business are required to review some, but not all City driving policies.

Conclusion 4: Enhancements to the vehicle telematics system could streamline the review process.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Risk Management*	In Process – Past Due			
2	Risk Management*	Partially Implemented – No Further Action			
3	Risk Management*	Previously Implemented (June 2024)			
4	Risk Management*	In Process – Past Due			

*These recommendations were previously assigned to the Chief Compliance Officer and have been reassigned to the Risk Management Department Occupational Safety & Health Team due to the elimination of the Compliance Department.

The Risk Management Department has assumed responsibility for implementing the open recommendations related to this report after the Compliance Department was dissolved late in the reporting period. **We propose changing recommendations 1 and 4 from Disagree (Audit Committee Requested Action) to In Process – Past Due** because the new responsible department – Risk Management - has agreed to implement the recommendations, provided an implementation plan, and has taken action to improve driver safety in line with our recommendations. Also, due to the prior department's delay in addressing recommendation 2, records related to vehicle accident investigations that were never completed as required and are

no longer available. Risk Management sent a “Notice of Delay” memorandum to City departments in December of 2025 to reduce the likelihood of vehicle accident investigation process failures. Therefore, **we also propose changing recommendation 2 to be closed with a status of Partially Implemented – No Further Action.**

Requested Action:

We propose that the status of Recommendations 1 and 4 be changed from Disagree (Audit Committee Requested Action) to In Process – Past Due, and that Recommendation 2 be closed as Partially Implemented – No Further Action.

Recommendation 1

Risk Management

We recommend that the Chief Operating Officer establish procedures to ensure that supervisors routinely review vehicle telematics data in order provide proactive, timely, and efficient training and/or disciplinary action to unsafe City drivers. These review procedures should be documented, coordinated, and monitored for compliance. (Priority 1)



Prior Department Reported: Disagree (Audit Committee Requested Action)

OCA Request: In Process – Past Due

This recommendation is in process after being transferred to the Risk Management Department late during the reporting period, following the elimination of the Compliance Department. According to Risk Management, a pilot program involving over 1,000 City vehicles and several City departments is ongoing and will require a meet and confer process with the labor unions before being implemented Citywide. Final implementation is anticipated for the second quarter of Fiscal Year 2027. The proposed process, which involves customized and actionable reports to supervisors is well aligned with the intent of our recommendation to establish procedures to ensure that supervisors routinely review vehicle telematics data in order provide proactive, timely, and efficient training and disciplinary action to unsafe City drivers. In addition, Risk Management is implementing new software to include a safety module to provide the necessary internal controls and expected future investigation process to help reduce the likelihood of vehicle accident investigation process failures.

Issue Date: April 17, 2023

Original Target Date: Disagree December 2026

Current Target Date: Unknown December 2026

Recommendation 2*Risk Management*

We recommend that the Chief Operating Officer review the circumstances surrounding the 39 instances of vehicle and industrial incident review, reporting, and disciplinary process failures over the past five fiscal years to determine the root causes of the problems and ensure that the necessary corrective actions are taken, to include additional training, policy changes, or other necessary actions. (Priority 3)

Department Reported: Partially Implemented – No Further Action**OCA Request: Partially Implemented – No Further Action**

This recommendation has been partially implemented, with no further action possible. During the Audit Committee meeting of April 23, 2025, the previously-assigned Compliance Department noted that an initial draft of a memorandum was completed, detailing the recommended review of the circumstances that led to failures in the vehicle accident investigative process. However, since the Fraud Hotline report went back to Fiscal Year 2017, and there is a five-year records retention period, the department was unable to review those earlier vehicle accident investigations that were never completed as required. Although it has now been three years since the report was released, a final memorandum was never provided by Compliance. However, the new department, Risk Management, issued a "Notice of Delay" template to City departments in December of 2025 to reduce the likelihood of vehicle accident investigation process failures. The Notice of Delay template is a means for departments to notify Risk Management of a delay in completion of vehicle accident reviews due to extenuating circumstances. Examples of processing delays include another incident occurring before the first one is processed, or a driver out on approved leave. This formal notification process is designed to reduce the likelihood of vehicle accident investigation process failures because formal notice of the extenuating circumstances extends the timeframe for investigation and potential discipline (as described in Administrative Regulation 75.12).

Issue Date: April 17, 2023

Original Target Date: December 2023

Current Target Date: ~~December 2023~~ May 2024 September 2024 March 2025
Unknown

Recommendation 4*Risk Management*

We recommend that the Chief Operating Officer conduct a cost-benefit analysis regarding additional vehicle telematics technology, such as driver identification, automated training assignments, camera systems, and other solutions to proactively and efficiently increase driver safety, and implement the solutions indicated by the analysis. Priority should be placed on addressing City drivers who have demonstrated a pattern of high-risk driving behaviors in the past. (Priority 2)

Prior Department Reported: Disagree (Audit Committee Requested Action)**OCA Request: In Process – Past Due**

This recommendation is in process after being transferred to the Risk Management Department late during the reporting period, following the elimination of the Compliance Department. According to Risk Management, the need for additional vehicle telematics technology to increase safety is being incorporated into the discussions with departments as part of the ongoing pilot program. Final implementation is anticipated for the second quarter of Fiscal Year 2027.

Issue Date: April 17, 2023**Original Target Date:** Disagree December 2026**Current Target Date:** Unknown December 2026

Section B

Recommendation Implementation Status by Report

This section includes all newly implemented and in process recommendations as of June 30, 2025, organized by audit or investigative report.

Previously Implemented recommendations were deemed as implemented as of a prior reporting period (as indicated by the month and year of the reporting period).

Newly Implemented recommendations have been deemed as implemented as of this reporting period based on auditor review of sufficient and appropriate evidence provided by the departments.

In Process – Past Due recommendations are recommendations with past due original target dates as of this reporting period that are in process of implementation based on the status information provided by the departments or based on auditor review of evidence provided by the departments.

In Process – Not Due recommendations are recommendations with original target dates that are not due as of this reporting period that are in process of implementation based on the status information provided by the departments or based on auditor review of evidence provided by the departments.

In Process (Proposed Alternative) recommendations are recommendations for which Management disagreed with the original recommendation as written, but it reported it has a proposed alternative approach to mitigate the identified risk that was reported in the audit.

Not Implemented – N/A recommendations were closed because circumstances changed to make the recommendation not applicable as of a prior reporting period (as indicated by the month and year of the reporting period).

Disagree (Audit Committee Requested Action) recommendations are recommendations for which Management disagreed with the original recommendation as written, but the Audit Committee requested action to mitigate the risk.

Memorandum: The City Needs to Address the Lack of Contract Administration and Monitoring on Citywide Goods and Services Contracts

15-012
(KE)

In our Performance Audit of Citywide Contract Oversight, we found significant deficiencies in the manner in which the City oversees and monitors Citywide goods and services contracts. Specifically, we found that contract administrators have not been assigned to monitor all Citywide goods and services contracts and an ineffective critical control designed to prevent City staff from exceeding contract thresholds. In compliance with Government Auditing Standards Section 6.78, Early Communication of Deficiencies, we issued a [memorandum](#) prior to completing our performance audit due to the significant inherent risks these conditions posed to the City.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Purchasing & Contracting	Previously Implemented (December 2022)			
2	Purchasing & Contracting	In Process – Past Due			

Recommendation 2

Purchasing & Contracting

The Purchasing & Contracting Director should take immediate action to ensure the Target Value control is enforced on contractual purchases. Specifically, the Director should implement the following detective controls:

- Ensure that the report in development will clearly identify orders made without references to the appropriate contract and his staff is trained to utilize the report.
- Create a policy defining the intervals of review and actions taken to correct the control weakness.

Additionally, the Director should review the potential for preventative controls to minimize the circumvention of the Target Value control. (Priority 2)



In Process – Past Due

The Purchasing & Contracting Department originally reported this recommendation as partially implemented with no further action during the last reporting period. However, after OCA review, we determined it to be in process.

The Purchasing and Contracting Department developed a report and report instructions that identifies contract spend and alerts staff of contracts reaching spend thresholds. The department also created reports reviewing purchase orders not tied to contracts to ensure all relevant spending is being tied to the correct contracts. The instructions detail how to run the reports and the frequency at which the reports

should be run. However, although the instructions say to run the reports monthly, due to current staffing levels, the department could not commit to ensuring the monthly frequency was maintained.

OCA will continue to follow up on this recommendation until the department receives sufficient staffing to run the reports monthly and demonstrates that the monthly frequency is maintained. Given that the City spends hundreds of millions of dollars annually on contracted goods and services, monthly reporting is important to prevent exceeding contract thresholds.

According to the Purchasing & Contracting Department, there is no change in status for this recommendation during this reporting period and staffing is required to fully implement this recommendation.

Issue Date: January 16, 2015

Original Target Date: N/A

Current Target Date: January 2017 June 2017 June 2022 April 2019
 December 2020 December 2021 March 2022 May 2022 August 2022
 March 2023 August 2023 September 2024 March 2025 Unknown

Performance Audit of Citywide Contract Oversight

15-016

(KE)

In our [Performance Audit of Citywide Contract Oversight](#), we found that the City should strengthen and standardize the contract administration process to ensure contractual commitments are properly monitored and all payments meet contractual obligations. Specifically, we found:

Finding 1: The City does not have sufficient controls in place to ensure the quality and completeness of contract deliverables, or determine the City's total contractual commitments.

Finding 2: The City's contract modification and closeout processes require improvement.

Finding 3: The City has not implemented the vendor debarment process to mitigate potential future issues with known problem vendors.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Purchasing & Contracting	Previously Implemented (June 2025)			
2	Purchasing & Contracting	Previously Implemented (June 2025)			
3	Purchasing & Contracting	Newly Implemented			
4	Purchasing & Contracting	Previously Implemented (June 2019)			
5	Public Works	Previously Implemented (June 2018)			
6	Public Works	Previously Implemented (June 2018)			
7	Purchasing & Contracting	In Process – Past Due			
8	Purchasing & Contracting	In Process – Past Due			
9	Chief Operating Officer	Previously Implemented (June 2019)			

Recommendation 3*Purchasing & Contracting*

The Chief Operating Officer should design policies and procedures detailing a standardized citywide contract administration process to mitigate the City's contractual risks and ensure compliance with contractual terms and receipt of contracted construction, reconstruction, repairs, goods, and services. At a minimum the contract administration requirements should include:

- a. Preparation of a Quality Assurance Surveillance Plan for each contract awarded to be attached and maintained with supporting documentation to the SAP Outline Agreement;
- b. Mandatory training for contract administrators in contract monitoring and ethics; and
- c. An annual review of the City's contract administration oversight process to ensure it is working as intended and effective; additionally, the policies and procedures should be updated as necessary resulting from this review. (Priority 2)

Newly Implemented

This recommendation is implemented. The Purchasing & Contracting Department developed a Contract Administration Guide detailing a standardized Citywide contract administration process, which includes guidance on contract monitoring and contract ethics. The department is also actively offering trainings on the guide. The department also provided contract monitoring plans across various contracts and City departments, showing that it is implementing contract monitoring.

Issue Date: April 25, 2015

Original Target Date: November 2015

Recommendation 7*Purchasing & Contracting*

The Chief Operating Officer (COO) should require the completion of a standardized performance evaluation upon contract completion for both CIP and non-CIP contracts. Specifically, the COO should develop policies and procedures for vendor performance evaluations that:

- a. Are defined at a high enough level for both the Purchasing and Public Works departments to use and add more detailed information as appropriate;
- b. Define specified periods in a contract lifespan;
- c. Ensure that all evaluations are centrally attached to vendor record, such as the SAP Vendor Master files Attachment;
- d. Ensure that past Vendor Performance is taken into account prior to issuing or renewing contracts with that vendor;
- e. Design a formalized vendor dispute and arbitration process to ensure evaluations are performed equitably; and
- f. Ensure that the process is robust enough to pursue vendor debarment when appropriate.

Additionally, the COO should establish responsibility for training contracting staff in Purchasing & Contracting and Public Works Contracting Group to ensure that information is tracked in SAP in a uniform manner according to the developed policies and procedures. (Priority 2)

In Process – Past Due

This recommendation was originally reported as implemented by the Purchasing & Contracting Department. However, after OCA review, we have determined it to be in process.

The Purchasing & Contracting Department has developed a standard policy and form for contractor evaluation, included procedures in the contract administration guide, and is actively offering trainings to City staff on the guide. The contractor evaluation form is robust and provides an opportunity for recommendations for future contracting with the vendor. The evaluation policy also provides an opportunity for staff recommendation and contractor reply. However, according to the Purchasing & Contracting Department, completed contractor performance evaluation forms have not yet been submitted by departments to Purchasing & Contracting.

Issue Date: April 25, 2015

Original Target Date: N/A November 2016

Current Target Date: November 2016 June 2017 January 2019
December 2020 Unknown December 2021 February 2022 August 2022
March 2023 September 2023 July 2025 December 2025 June 2026

Recommendation 8

Purchasing & Contracting

The Chief Operating Officer should design policies and procedures detailing a vendor debarment process to mitigate the City's contractual risks. At a minimum the vendor debarment process should include:

- a. Defined submission steps and requirement.
- b. Assignment of accountability for the process.
- c. Establishment of a monitoring process.
- d. Designation of a location for and maintenance of the debarred vendor list.
- e. An annual review of the City's debarment process to ensure it is working as intended and effective; additionally, the policies and procedures should be updated as necessary resulting from this review.

Additionally, the Chief Operating Officer should establish responsibility for and provide debarment training for contract administrators and managers. At a minimum the training should identify how, when and to whom they should submit a vendor for consideration of debarment or suspension. (Priority 2)

In Process – Past Due

This recommendation is in process. The Purchasing & Contracting Department provided draft policies and procedures for vendor debarment. According to the Purchasing & Contracting Department, the policy is awaiting compliance and legal review for finalization.

Issue Date: April 25, 2015

Original Target Date: N/A January 2017

Current Target Date: ~~January 2017~~ ~~June 2017~~ ~~April 2018~~ ~~May 2018~~ ~~April 2019~~
~~January 2020~~ ~~February 2020~~ ~~November 2020~~ ~~December 2021~~ ~~February 2022~~
~~September 2022~~ ~~March 2023~~ ~~September 2023~~ ~~December 2024~~ ~~May 2025~~
~~October 2025~~ ~~March 2026~~

Citywide Contract Oversight II – Contract Review

16-016

(KE)

The Audit Committee asked us to review a selection of City contracts to identify potential impacts of contract oversight deficiencies or loss to the City due to the weaknesses identified in our 2015 audit of Citywide contract oversight. As a result, we conducted a [Performance Audit of Selected Contracts](#) and found:

Finding 1: Review of selected contracts demonstrates continued inconsistencies with contract administration, adherence to contract provisions, and City procurement requirements, which underscores the need for a strengthened internal control environment.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Purchasing & Contracting	In Process – Past Due			
2	Purchasing & Contracting	In Process – Past Due			
3	City Comptroller	Previously Implemented (June 2016)			
4	Parks & Recreation	Previously Implemented (June 2017)			
5	Parks & Recreation	Previously Implemented (December 2016)			
6	Parks & Recreation	Previously Implemented (December 2016)			
7	Parks & Recreation	Will Not Implement (June 2017)			
8	City Comptroller	Previously Implemented (December 2016)			
9	Parks & Recreation	Previously Implemented (June 2017)			
10	Chief Operating Officer	Previously Implemented (June 2016)			

Recommendation 1

Purchasing & Contracting

Purchasing & Contracting (P&C) should ensure that its new purchase requisition procedures and the forthcoming digital procurement manual include a requirement for review by senior procurement specialist to try to reduce errors in purchase requisitions and purchase orders. An emphasis on ensuring that existing contracts are identified when appropriate should be included in the procedures.

Additionally, P&C should develop a monitoring program that periodically reviews, or spot checks, new purchase orders that have been created and were not tied to contracts. This monitoring process should review all purchasing information and vendor assignment to ensure that there was not a contract available for the goods or services. If errors are identified during the monitoring, staff at the client department and P&C should be further trained to help eliminate such errors. (Priority 3)



In Process – Past Due

The Purchasing & Contracting Department originally reported this recommendation as partially implemented with no further action during the last reporting period. However, after OCA review, we determined it to be in process.

The Purchasing & Contracting Department developed a Contract Administration Guide, which explains the procedures for purchase requisitions and monitoring procedures for monthly review of contract target values. However, the department does not currently have the staff to effectively implement this policy. Given that the City spends hundreds of millions of dollars annually on contracted goods and services, monthly review of contract target values is important for oversight of these funds.

OCA will continue to follow up on this recommendation until the department receives sufficient staffing to implement the policy.

According to the Purchasing & Contracting Department, there is no change in status for this recommendation during this reporting period and staffing is required to fully implement this recommendation.

Issue Date: April 21, 2016

Original Target Date: November 2016

Current Target Date: November 2016 January 2017 June 2017 September 2020
December 2021 March 2022 September 2022 March 2023 September 2023
September 2024 March 2025 Unknown

Recommendation 2
Purchasing & Contracting

Purchasing & Contracting (P&C) should continue its efforts to obtain and expedite implementation of the catalog software to, among other things, address lapses in contract pricing review of when invoices are processed. P&C should develop a clearly defined and documented plan for training P&C and client department staff as part of the implementation process. (Priority 3)

In Process – Past Due

According to the Purchasing & Contracting Department, additional time is needed to finalize the policy and procedures for contracts that are to be entered as catalogs as a few different methods exist. The department states that it will provide the policy once it is completed.

Issue Date: April 21, 2016

Original Target Date: November 2016

Current Target Date: November-2016 January-2017 June-2017 June-2022
December-2020 Unknown December-2021 February-2022 November-
2022 March-2023 September-2023 January-2025 June-2025 September-
2025 March 2026

Performance Audit of the San Diego Convention Center

17-013
(JP)

In our [Performance Audit of the San Diego Convention Center](#), we found that improvement in performance measures and collaboration between stakeholders is needed to help ensure the continued success of the San Diego Convention Center as a premier tourist destination. Specifically, we found:

Finding 1: The San Diego Convention Center Corporation should improve oversight of its marketing services contract with the San Diego Tourism Authority by strengthening performance measures and corrective action protocols.

Finding 2: The San Diego Convention Center Corporation, City, and Unified Port of San Diego efforts are not sufficient to address future Convention Center capital improvement needs.

Finding 3: While capital projects were allowable, the San Diego Convention Center Corporation should update its internal payment authorization procedures and consult with the City regarding the use of available funding.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	San Diego Convention Center Corporation	Previously Implemented (June 2018)			
2	San Diego Convention Center Corporation	Previously Implemented (June 2018)			
3	San Diego Convention Center Corporation	Previously Implemented (June 2017)			
4	Chief Operating Officer	In Process – Past Due			
5	San Diego Convention Center Corporation	Previously Implemented (June 2017)			
6	San Diego Convention Center Corporation	Previously Implemented (December 2017)			

Recommendation 4*Chief Operating Officer*

The City of San Diego Chief Operating Officer or designee should continue discussions with the Unified Port of San Diego to develop a financing plan that addresses the capital projects funding gap and recognizes the shared responsibility and benefit to the region. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Resolve litigation related to Measure C, which would raise the City's hotel tax to provide funding to the Convention Center, among other uses.

Status: Completed. The City obtained a favorable appellate ruling on Measure C in October 2025. No litigant timely sought the California Supreme Court's review of the appellate ruling, which is now a final, non-appealable judgment. As a result, the City intends to start expending the additional tax revenues for Convention Center purposes and Homelessness Programs during Fiscal Year 2026.

Task 2: Develop a financing plan.

Status: In process. As noted in the Mayor's State of the City Address on January 15, 2026, the administration will ask the City Council to approve a five-year, one hundred eighteen-million-dollar modernization plan for the Convention Center—and to approve the first twenty-one million dollars to launch this work almost immediately. At the time this update was provided, the Administration anticipated bringing this item forward to the Active Transportation and Infrastructure Committee in January and the full City Council in February 2026.

Current Target Date: TBD based on Committee and Council review and approval of the modernization plan.

Issue Date: January 18, 2017

Original Target Date: December 2017

Current Target Date: ~~December 2017~~ ~~June 2018~~ ~~December 2018~~ Unknown

Performance Audit of the Storm Water Division

18-023

(MJ)

We conducted a [performance audit of the Storm Water Division](#) focusing on opportunities to improve storm water asset management, to increase storm water revenues, and to enhance the efficiency of storm water code enforcement case management, monitoring, and reporting. We found that the Storm Water Division can further improve the efficiency of its infrastructure maintenance and code enforcement efforts, but the City ultimately needs to address significant storm water funding shortages. Specifically, we found:

Finding 1: To more quickly and efficiently replace corrugated metal pipes, Storm Water Division should complete a detailed analysis to further support its plans to optimize the size of its in-house pipe repair crew.

Finding 2: Storm water funding is insufficient to fund current and future storm water needs and the City has not taken action to develop and pursue a long-term funding strategy.

Finding 3: A new tracking system and re-inspection fees will improve the efficiency and effectiveness of storm water enforcement efforts.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Stormwater	Previously Implemented (June 2021)			
2	Stormwater	Previously Implemented (June 2019)			
3	Stormwater	Previously Implemented (June 2019)			
4	Communications & Stormwater	Previously Implemented (June 2019)			
5	Stormwater	Previously Implemented (December 2020)			
6	Stormwater	Previously Implemented (June 2022)			
7	Stormwater	Previously Implemented (December 2018)			
8	Stormwater	Previously Implemented (December 2019)			
9	Stormwater	In Process – Past Due			

Recommendation 9*Stormwater*

The Transportation and Storm Water Department Storm Water Division should establish a re-inspection fee, and develop, document, and implement policies and procedures for when reinspection fees should be issued, consistent with the City of San Diego's Municipal Code. (Priority 2)

**In Process – Past Due**

This recommendation is in process. According to the Stormwater Department, it submitted budget requests from FY2020–FY2025 and corresponding Five-Year Financial Outlooks to secure the additional staffing resources needed to initiate and administer a stormwater inspection fee program, with full cost recovery not occurring for several years as a potential fee is phased in. However, the requests were prioritized against other budgetary needs and not selected for funding. Additional resources were not requested in the FY2026 budget given the significant structural deficit in the City's General Fund. In FY2027, the Stormwater Department intends to propose re-assigning existing staffing resources to initiate and administer a new stormwater inspection fee program with the goal of beginning to collect fees by January 1, 2027. The department proposes to phase the fee in gradually with full cost recovery occurring after three years of program initiation.

The department estimates this would generate approximately \$700,000 in revenue in FY2027, with that amount increasing as the fee amounts escalate to achieve full cost recovery in subsequent years. The department estimates that the total cost of the program is \$3.5 million to \$4 million per year, indicating that revenues from eventual full cost recovery fees would be in that range. OCA also notes that, as discussed in the 2018 audit, reinspection fees would also provide an incentive for properties with violations to come into compliance more quickly.

The Stormwater Department notes that re-assignment of staff will reduce the number of compliance inspections the department is able to perform as the program is developed. This proposal is still subject to review and approval by the Mayor's Office and will ultimately require additional actions, such as municipal code amendments and significant outreach to commercial and industrial business stakeholders, prior to initiation.

Issue Date: June 14, 2018

Original Target Date: January 2020

Current Target Date: ~~January 2020~~ ~~July 2021~~ ~~July 2022~~ ~~July 2023~~ ~~July 2024~~
July 2025 July 2026

Performance Audit of the Real Estate Asset Department's Portfolio Management Practices

19-002
(MJ)

In our performance audit of the [Real Estate Asset Department's Portfolio Management Practices](#), we found that opportunities exist to improve the City's real estate data tracking and communication of the property portfolio. Specifically, we found:

Finding 1: READ's centralized property portfolio's current use classification does not always match the use of City property as recommended by best practices.

Finding 2: Opportunities exist for the City to improve management oversight of City inventory by establishing processes or procedures to require land-managing departments to periodically review inventory.

Finding 3: READ is not presenting the Portfolio Management Plan to City Council at a public hearing as recommended by best practices, resulting in the City Council not having an opportunity to provide public input regarding the City's comprehensive portfolio management strategy.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Economic Development	Previously Implemented (June 2019)			
2	Economic Development	In Process – Past Due			
3	Economic Development	Previously Implemented (December 2018)			
4	Economic Development	Previously Implemented (December 2024)			

Note: The former Real Estate Assets Department is now part of the Economic Development Department. Thus, all recommendations originally assigned to the Real Estate Assets Department are now assigned to the Economic Development Department.

Recommendation 2*Economic Development*

READ should consult with the Mayor and City Council to determine whether to work with land-managing departments to conduct an analysis of City property that ensures a good match between the property and its function. This analysis should focus on key information such as whether the property is:

- A good match between the property and function, unlikely to change;
- To be considered for relocation of the function to anchor another property with a better match, good fit with upcoming events, or held for future use; and
- Surplus, or property unused by City functions.

These designations should then be included with property information in REPortfolio. To ensure a review of the most valuable properties, and not the entire real estate portfolio, READ should determine how to prioritize properties for analysis (e.g., minimum acreage threshold, high profile, etc.). (Priority 2)

**In Process – Past Due**

This recommendation is in process. The recently adopted Council Policy 700-10 outlines the procedures for leasing and disposing of City-owned property, including compliance with the Surplus Land Act. Since adoption, the department has brought forward various actions to Committee and Council in alignment with the policy and will continue to do so strategically. Additionally, the department will further address this recommendation through the development of the Real Property Management Plan, which is required every two years and involves coordination with land-managing departments and other stakeholders. The department will be initiating the development of a scope of work and framework for the Real Property Management Plan; however, due other departmental priorities and on-going budgetary constraints, it is unlikely that department will initiate hiring a consultant until budget is made available.

Issue Date: July 23, 2018

Original Target Date: June 2019

Current Target Date: June 2019 December 2019 March 2020 September 2020
 December 2021 December 2022 December 2023 December 2024 June 2025
 June 2026 December 2026

Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract

20-003

(AH)

The Office of the City Auditor [investigated a Fraud Hotline report that the City unfairly awarded a multi-million-dollar contract](#) to a vendor using a cooperative procurement process. During the course of our investigation, we conveyed our preliminary investigation results to City Management and the contract with the vendor was not renewed. Our investigation found sufficient and appropriate evidence to form the following opinions:

- City staff did not perform adequate due diligence in advance of the contract award.
- Department of Information Technology staff reviewed the vendor's services but no other vendors.
- Some contracting process steps and best practices were not followed.
- City staff mischaracterized the nature of the vendor's services to obtain approval from the Human Resources department.
- City staff made significant changes to the source contract's terms, conditions, and pricing.
- Using the source organization's consultant contract may have required City Council approval, but Council approval was not obtained.
- The vendor appears to have defined the scope of work for the contract they were awarded.
- Potential City Charter violations related to Sections 94, 97, 100, and 101.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Purchasing & Contracting	In Process – Past Due			
2	Chief Operating Officer	Previously Implemented (June 2021)			
3	Chief Operating Officer	Previously Implemented (December 2020)			
4	Chief Operating Officer	Previously Implemented (December 2019)			
5	Personnel	In Process – Past Due			
6	Purchasing & Contracting	In Process – Past Due			
7	Purchasing & Contracting	In Process – Past Due			
8	Chief Operating Officer	Not Implemented – N/A (December 2019)			
9	Audit Committee & City Council	Not Implemented – N/A (December 2019)			

Recommendation 1*Purchasing & Contracting*

We recommend that the Chief Operating Officer ensure that Administrative Regulation 35.11 regarding the Citywide Department Use of Cooperative Procurement Contracts be revised to require documentation of a business case analysis listing other vendors that provide the goods or services, an analysis of the costs and benefits of a competitive procurement process, an evaluation of other cooperative procurement contracts available from other vendors, a certification that the City's process was fair to other vendors, and a signature by the City employee submitting the Certification declaring that the facts and information presented are true and correct. (Priority 2)

In Process – Past Due

This recommendation is in process. According to management, revisions to Administrative Regulation 35.11 will be routed to the City Attorney's Office for review and input.

Issue Date: September 11, 2019

Original Target Date: February 2020

Current Target Date: ~~February 2020~~ ~~Unknown~~ ~~December 2021~~ ~~Unknown~~

~~October 2022~~ ~~March 2023~~ ~~September 2023~~ ~~May 2024~~ ~~Unknown~~ ~~July 2025~~

~~October 2025~~ ~~March 2026~~

Recommendation 5*Personnel*

We recommend that the Chief Operating Officer, in consultation with the City Attorney's Office, update SDMC §§ 22.3205 and 23.1801, requiring a review of all service contracts by the Civil Service Commission, to reflect the current practice. (Priority 3)

In Process – Past Due

This recommendation is in process. According to the department, as a result of AB 339, which significantly impacts the City's contracting-out process, the Personnel Department will now be formally integrated into the contracting-out process. Personnel is currently working with the City Administration to define the scope and implementation of these new responsibilities. While final procedures are still being developed, the City is moving toward near-term implementation, and a substantive update is anticipated in the next cycle. These new duties will significantly increase the workload of the Classification and Compensation Section in the Personnel Department and will result in a request to add a new FTE for the upcoming budget year.

Issue Date: September 11, 2019

Original Target Date: May 2020

Current Target Date: ~~May 2020~~ ~~March 2022~~ ~~August 2022~~ ~~June 2023~~

~~October 2023~~ ~~January 2025~~ ~~August 2025~~ ~~June 2026~~

Recommendation 6*Purchasing & Contracting*

We recommend that the Chief Operating Officer, in consultation with the City Attorney's Office, revise Administrative Regulation 35.11 and relevant SDMC sections to clarify whether or not a cooperative procurement process may be used for consultant contracts. (Priority 3)

In Process – Past Due

This recommendation is in process. According to management, revisions to Administrative Regulation 35.11 will be routed to the City Attorney's Office for review and input.

Issue Date: September 11, 2019

Original Target Date: February 2020

Current Target Date: February 2020 November 2020 Unknown
~~December 2021 Unknown October 2022 March 2023 September 2023~~
~~May 2024 Unknown July 2025 October 2025 March 2026~~

Recommendation 7*Purchasing & Contracting*

We recommend that the Chief Operating Officer ensure that Administrative Regulation 35.11 regarding the Citywide Department Use of Cooperative Procurement Contracts, and other relevant policies, be revised to prohibit the City from receiving free consultation, goods, or services from vendors if doing so may reasonably be perceived to lead to favorable treatment for a particular vendor, or potentially violate State law. (Priority 2)

In Process – Past Due

This recommendation is in process. According to management, revisions to Administrative Regulation 35.11 will be routed to the City Attorney's Office for review and input.

Issue Date: September 11, 2019

Original Target Date: February 2020

Current Target Date: February 2020 November 2020 Unknown
~~December 2021 Unknown October 2022 March 2023 September 2023~~
~~May 2024 Unknown July 2025 October 2025 March 2026~~

Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects

20-008

(MJ)

In our [Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects](#), we found that the Development Services Department is extending City credit to some customers and is at risk of losing a significant amount of money due to the ineffective administration of deposit accounts. Specifically, we found:

Finding 1: Deposit accounts' minimum required balances are insufficient to cover ongoing project expenses leading to deficit amounts that may not be paid to the City.

Finding 2: Deposit accounts with deficit balances are not reviewed, researched, and invoiced in a timely manner.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Development Services	In Process – Past Due			
2	Development Services	In Process – Past Due			
3	Development Services	Previously Implemented (June 2022)			
4	Development Services	Previously Implemented (December 2020)			
5	Development Services	In Process – Past Due			
6	Development Services	Previously Implemented (June 2021)			
7	Development Services	In Process – Past Due			
8	Development Services	Previously Implemented (December 2020)			
9	Development Services	Previously Implemented (June 2021)			
10	Development Services	In Process – Past Due			
11	Development Services	Previously Implemented (June 2023)			

Recommendation 1*Development Services*

We recommend Development Services Department establish formal written policies establishing the authority and approvals for setting and changing the minimum required balance in project tracking system or Accela. This policy should describe the project managers' roles, responsibilities, level of authority, required documentation and supervisory review and approval. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), it is moving away from using deposit accounts to a pay-as-you-go model, where actual hours are calculated against an hourly rate and then invoiced via SAP FI-CA through an interfacing process. DSD has requested an exception to §4.1 of Administrative Regulation 63.30 and §1.4.1 of Process Narrative 0358, which requires all City receivables to be invoiced within 3 business days of determining a receivable has been established. This exception request is pending City Treasurer approval.

Issue Date: February 7, 2020

Original Target Date: May 2020

Current Target Date: ~~May 2020~~ ~~June 2021~~ ~~April 2022~~ ~~March 2024~~
~~December 2024~~ ~~September 2025~~ ~~December 2025~~ Unknown

Recommendation 2*Development Services*

We recommend Development Services Department (DSD) automate minimum required balance (MRB) calculation in project tracking system or Accela. Specifically, the approval types should be tied to specific MRB amounts as set forth in DSD's information bulletins, 502 and 503. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), it is moving away from using deposit accounts to a pay-as-you-go model, where actual hours are calculated against an hourly rate and then invoiced via SAP FI-CA through an interfacing process. DSD has requested an exception to §4.1 of Administrative Regulation 63.30 and §1.4.1 of Process Narrative 0358, which requires all City receivables to be invoiced within 3 business days of determining a receivable has been established. This exception request is pending City Treasurer approval.

While DSD waits for approval from the City Treasurer, it has created a report in Power BI that allows staff to monitor account balances more easily. DSD's finance team is also actively monitoring account balances and locking any project that falls into deficit to prevent any further work from being performed. DSD's finance team issues invoices via SAP FI-CA to recoup the deficit amount (receivable). The project is unlocked once both the deficit invoice is paid and the customer remits payment for the minimum required balance. These steps are in place to ensure work is not performed on accounts that are in deficit.

Issue Date: February 7, 2020

Original Target Date: November 2020

Current Target Date: ~~November 2020~~ ~~June 2021~~ ~~December 2021~~ ~~April 2022~~
~~December 2023~~ ~~December 2024~~ ~~September 2025~~ ~~December 2025~~ June 2026

Recommendation 5

Development Services

We recommend Development Services Department work with the Public Works Department to develop procedures that clearly define roles and responsibilities for setting the MRB in applicable ministerial deposit accounts and stopping work on projects with deficit deposit account balances. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), it is moving away from using deposit accounts to a pay-as-you-go model, where actual hours are calculated against an hourly rate and then invoiced via SAP FI-CA through an interfacing process. DSD has requested an exception to §4.1 of Administrative Regulation 63.30 and §1.4.1 of Process Narrative 0358, which requires all City receivables to be invoiced within 3 business days of determining a receivable has been established. This exception request is pending City Treasurer approval.

While DSD waits for approval from the City Treasurer, it has created a report in Power BI that allows staff to monitor account balances more easily. DSD's finance team is also actively monitoring account balances and locking any project that falls into deficit to prevent any further work from being performed. DSD's finance team issues invoices via SAP FI-CA to recoup the deficit amount (receivable). The project is unlocked once both the deficit invoice is paid and the customer remits payment for the minimum required balance. These steps are in place to ensure work is not performed on accounts that are in deficit.

Issue Date: February 7, 2020

Original Target Date: October 2020

Current Target Date: ~~October 2020~~ ~~March 2021~~ ~~December 2021~~ ~~April 2022~~
~~December 2023~~ ~~December 2024~~ ~~September 2025~~ ~~December 2025~~ June 2026

Recommendation 7

Development Services

We recommend Development Services Department automate the following information technology controls in project tracking system (PTS) and/or Accela to:

- Fix the glitch in the PTS that causes the minimum required balance (MRB) to revert to \$0;
- Calculate the MRB automatically—e.g., tie approvals to the appropriate dollar amounts; and
- Notify staff to stop working on projects with deficit deposit account balances. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), it is moving away from using deposit accounts to a pay-as-you-go model, where actual hours are calculated against an hourly rate and then invoiced via SAP FI-CA through an interfacing process. DSD has requested an exception to §4.1 of Administrative Regulation 63.30 and §1.4.1 of Process Narrative 0358, which requires all City receivables to be invoiced within 3 business days of determining a receivable has been established. This exception request is pending City Treasurer approval.

While DSD waits for approval from the City Treasurer, it has created a report in Power BI that allows staff to monitor account balances more easily. DSD's finance team is also actively monitoring account balances and locking any project that falls into deficit to prevent any further work from being performed. DSD's finance team issues invoices via SAP FI-CA to recoup the deficit amount (receivable). The project is unlocked once both the deficit invoice is paid and the customer remits payment for the minimum required balance. These steps are in place to ensure work is not performed on accounts that are in deficit.

Issue Date: February 7, 2020

Original Target Date: November 2020

Current Target Date: ~~November 2020~~ ~~June 2021~~ ~~Unknown~~ ~~December 2023~~
~~December 2024~~ ~~September 2025~~ ~~December 2025~~ June 2026

Recommendation 10

Development Services

We recommend Development Service Department work with the Office of the City Treasurer, Department of Finance, and Department of Information Technology to implement direct invoicing of all deposit accounts through SAP to establish receivables for customers with outstanding balances. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), it is moving away from using deposit accounts to a pay-as-you-go model, where actual hours are calculated against an hourly rate and then invoiced via SAP FI-CA through an interfacing process. DSD has requested an exception to §4.1 of Administrative Regulation 63.30 and §1.4.1 of Process Narrative 0358, which requires all City receivables to be invoiced within 3 business days of determining a receivable has been established. This exception request is pending City Treasurer approval.

While DSD waits for approval from the City Treasurer, it has created a report in Power BI that allows staff to monitor account balances more easily. DSD's finance team is also actively monitoring account balances and locking any project that falls into deficit to prevent any further work from being performed. DSD's finance team issues invoices via SAP FI-CA to recoup the deficit amount (receivable). The project is unlocked once both the deficit invoice is paid and the customer remits payment

for the minimum required balance. These steps are in place to ensure work is not performed on accounts that are in deficit.

Issue Date: February 7, 2020

Original Target Date: September 2020

Current Target Date: ~~September 2020~~ ~~June 2021~~ ~~Unknown~~ ~~December 2023~~
~~December 2024~~ ~~September 2025~~ ~~December 2025~~ June 2026

Performance Audit of the City's Efforts to Address Homelessness

20-009

(DN)

In our [Performance Audit of the City's Efforts to Address Homelessness](#), we found that the City has made strategic improvements but needs additional planning, coordination, oversight, and improved outreach—including at encampments—to better address homelessness. Specifically, we found:

Finding 1: The City has significantly increased its efforts to address homelessness and recently adopted a Strategic Plan on Homelessness, but several additional steps are needed to successfully implement the plan.

Finding 2: Homeless outreach efforts can be improved using a comprehensive strategy that includes additional outreach workers, improved coordination, and data utilization.

Finding 3: The City is not maximizing the effectiveness of its outreach practices to connect individuals with shelter and services during homeless encampment abatements.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Homelessness Strategies & Solutions	Previously Implemented (June 2022)			
2	Homelessness Strategies & Solutions	In Process – Past Due			
3	Homelessness Strategies & Solutions	Previously Implemented (June 2020)			
4	Homelessness Strategies & Solutions	Previously Implemented (June 2021)			
5	Homelessness Strategies & Solutions	Previously Implemented (December 2020)			
6	Homelessness Strategies & Solutions	Previously Implemented (December 2020)			
7	Homelessness Strategies & Solutions	Previously Implemented (June 2021)			
8	Homelessness Strategies & Solutions	Previously Implemented (December 2020)			
9	Homelessness Strategies & Solutions	Previously Implemented (December 2022)			
10	Homelessness Strategies & Solutions	Previously Implemented (June 2021)			
11	Homelessness Strategies & Solutions	Previously Implemented (December 2020)			
12	Homelessness Strategies & Solutions	Will Not Implement (December 2022)			

Recommendation 2*Homelessness Strategies & Solutions*

To ensure that the City has the funding necessary to implement the new City of San Diego Community Action Plan on Homelessness (Strategic Plan on Homelessness), the Homelessness Strategies Division (HSD) should develop long-term funding options, such as: continued or increased reliance on the General Fund, State or Federal funding, bonds, tax measures, and any other options that may significantly contribute to closing a funding gap.

Once outcomes of the 2020 ballot measures have been determined, HSD should immediately initiate the development of a long-term funding strategy to meet its present and future homelessness needs identified in the Strategic Plan on Homelessness. The funding strategy should identify permanent and sustainable funding sources and should be finalized, publicly documented, and presented to the City Council upon completion.

When developing its funding strategy, HSD should solicit public input. Specific strategies HSD should consider include, but are not limited to:

- Focus groups;
- Interviews;
- Comment (or point-of-service) cards;
- Public meetings, such as hearings, “town hall” meetings, and community vision sessions;
- Interactive priority setting tools;
- Creating public or neighborhood advisory groups, committees, or task forces; or
- Hire a consultant to conduct surveys.

The funding strategy should include a plan to pursue the desired funding mechanism(s) based on consideration of information obtained from stakeholders, expert knowledge, and objective data. (Priority 1)

In Process – Past Due

This recommendation is in process. The Homelessness Strategies and Solutions Department (HSSD) reported that a long-term funding strategy remains challenging to develop. Due to continual and rapid changes at the federal and State levels on both the policy and funding fronts related to homelessness, it has not been possible to craft a long-term funding strategy that would be reasonable and meaningful. HSSD’s Five-Year Financial Outlook was completed in Fall 2025 and provides an outline of what needs and funding opportunities exist in that time period. Additionally, since the last update, the City’s Measure C litigation has been resolved. Measure C requires development of a Five-Year Implementation Plan for the new Homelessness Revenue Account generated with the increased Transient Occupancy Tax. HSSD is developing that plan in FY2026 to cover FY2027 through FY2031. The initial year to consider amending or updating that plan will be FY2028. HSSD plans to connect the Measure C Homelessness Revenue Account Five-Year Implementation Plan to its Five-Year Financial Outlook for consistency and to use as a tool to define what funding is required beyond those sources to address all identified needs. Finally, since the last audit update period, the City applied for the sixth round of Homeless Housing, Assistance, and Prevention funding from the State and is working on amendments to

ensure all Encampment Resolution Fund grants from the State continue to be used impactfully, demonstrating commitment to seek and expend dollars available from outside the City.

Issue Date: February 12, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ Unknown

Hotline Investigation of Gifts Received by a City Employee

20-010

(AH)

We conducted a [Hotline Investigation of Gifts Received by a City Employee](#) and determined that a City employee:

- Received over \$3,000 in gifts from vendors;
- Managed employees who supervised the vendors;
- Covertly advised the vendors to increase revenues on City contracts;
- Awarded option contracts worth millions to the vendors;
- Acknowledged receiving the gifts only after questioning by law enforcement; and
- Failed to disclose the gifts and under-reported the amounts on disclosure forms by over \$1,600.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Ethics Commission	In Process – Past Due			
2	Chief Operating Officer	Previously Implemented (June 2020)			
3	Chief Operating Officer	Previously Implemented (June 2020)			
4	Chief Operating Officer	Previously Implemented (June 2021)			

Recommendation 1

Ethics Commission

We recommend that the Chief Operating Officer present a revision of SDMC §26.0413(a)(4) to the City Council to include Classified employees who file SEIs be under the jurisdiction of the Ethics Commission for both education and enforcement purposes. (Priority 2)



In Process – Past Due

This recommendation is in process. The Ethics Commission is taking the lead on implementation with assistance from other departments as needed. According to the Ethics Commission, the following tasks are necessary to achieve full implementation:

Task 1: Commission staff drafts proposed amendments to the Municipal Code, a Council Policy, and other City laws to expand the Commission's jurisdiction to add Classified employees who file Form 700 Statements of Economic Interests.

Target Date: February 28, 2025

Status: Completed. Staff drafted amendments to SDMC 26.0413 that expand the

Commission's jurisdiction to Classified employees. If a Council Policy or other legal documents require drafting or amendment, this will be accomplished later in the implementation process, in collaboration with the City Attorney's Office.

Task 2: Commission staff conduct research and benchmarking of other jurisdictions to see how they handle the enforcement of represented employees and determine what changes need to be made to the Commission's enforcement procedures.

Target date: TBD

Update: Staff has started preliminary research on these issues and intends to undertake further research once a draft resolution is presented to the Rules Committee.

Task 3: The Commission considers the proposed amendments at its monthly meeting and whether to direct staff to provide the draft to the City Attorney's Office to prepare documents for Council action.

Target date: April 30, 2025

Update: Completed. The Commission reviewed the proposed amendments that expand the Commission's jurisdiction to include Classified employees and approved the language at its meeting on March 13, 2025. The Commission directed staff to provide the draft to the City Attorney's Office.

Task 4: Commission staff works with the City Attorney's Office to bring the amendment package to Council.

Update: Staff provided the draft language to the City Attorney's Office on May 9, 2025. The City Attorney's Office commenced its legal review process. On January 12, 2026, staff provided a staff report to accompany a draft resolution that the City Attorney will present to the Rules Committee and City Council.

Task 5: Once the staff report and draft resolution are finalized, this item will be presented to the Rules Committee and City Council for authorization to initiate the "meet and confer process" with the impacted Recognized Employee Organizations. The City Attorney's Office handles this step with support from the Ethics Commission.

Target date: June 2026

Task 6: City Management oversees the "meet and confer process." City Management handles this step with support from the City Attorney's Office and the Ethics Commission.

Target date: TBD

Task 7: Once the meet-and-confer process is complete and any necessary amendments have been made, the Council is asked to approve the legislative package.

Target date: TBD

Task 8: City Management collaborates with the Ethics Commission to determine the appropriate timeline for funding and phasing in new employees to support the

management of the new program.

Target date: TBD

Task 9: The Executive Director hires and onboards staff. The Commission changes internal policies as needed.

Target date: TBD

Task 10: Staff begins training and regulating all Classified employees. The Commission begins enforcement of cases involving classified employees.

Target date: TBD

This recommendation is in process. Since the last update, Ethics Commission staff drafted the staff report that will accompany the draft resolution for the Rules Committee and City Council to consider. On January 12, 2026, staff submitted the staff report to the City Attorney's Office.

The Ethics Commission possesses the technical knowledge and expertise to add Classified employees who file Form 700, Statement of Economic Interests, to its jurisdiction for education and enforcement purposes. Although legislative work is proceeding, a meet-and-confer process will be necessary to implement the recommendation.

Full implementation requires adequate funding to expand the Ethics Commission staff and a contracts budget. The recommendation was initially estimated to add more than 700 employees to the Commission's jurisdiction. A more recent estimate is 1,000 employees. Existing programs would be impacted without additional resources to implement the recommendation. New Charter section 41.3 states that the Ethics Commission must receive "sufficient" funding to operate the programs within its jurisdiction. Therefore, the City's General Fund must fully fund any new program. SDMC section 26.0413 is part of the Ethics Commission's procedural and enforcement laws, which were affected by Charter section 41.3. Thus, amendments to the entire Division are needed. The amendments to section 26.0413 are part of that larger year-long project that the Ethics Commission is undertaking in partnership with the City Attorney's Office. It is not clear whether this project will be delayed by the other amendments to the same Division.

Revised target dates of "TBD" recognize that the City's FY2027 budget will not have adequate funding to expand the Commission's programs and staff in the immediate future. The target dates also indicate that implementation tasks require work from other departments, whose workloads and requirements are unrelated to the Ethics Commission.

Issue Date: April 13, 2020

Original Target Date: December 2020

Current Target Date: ~~December 2020~~ ~~January 2023~~ ~~Unknown~~ December 2026

Performance Audit of the City's Strategic Human Capital Management

20-011
(NO) (GT)

Taking a data-driven, strategic approach to human capital management is critical given the City's limited resources and the wide range of services that employees provide to City residents. In our [Performance Audit of the City's Strategic Human Capital Management](#), we found that the City should substantially strengthen its human capital management by adopting a more data-driven approach to monitoring and communicating core metrics of its workforce and responding strategically to workforce needs. Specifically, we found:

Finding 1: Despite years of steady revenue and expenditure growth, San Diego lags far behind other cities in compensation competitiveness and should develop a strategy to mitigate growing risks to its workforce and the various public services it provides.

Finding 2: The City can strengthen its efforts to monitor and communicate core metrics of its workforce, in order to achieve its broad strategic objectives and provide wide-ranging public services.

Finding 3: The special salary adjustment process is a control for addressing compensation competitiveness, recruitment, and retention issues; however, its methodology leads to undercounting of turnover, and the process for identifying positions at risk is inefficient and strategically erratic.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Human Resources	Previously Implemented (December 2021)			
2	Finance	Previously Implemented (December 2022)			
3	Human Resources & Personnel	Previously Implemented (December 2020)			
4	Human Resources	Previously Implemented (June 2022)			
5	Human Resources	Previously Implemented (December 2022)			
6	Human Resources	Previously Implemented (December 2021)			
7	Human Resources	In Process – Past Due			
8	Human Resources	Previously Implemented (December 2022)			
9	Human Resources & Personnel	Previously Implemented (December 2023)			
10	Human Resources	Previously Implemented (June 2022)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
11	Personnel	Previously Implemented (June 2022)			
12	Personnel	Previously Implemented (June 2021)			
13	Personnel	Previously Implemented (June 2021)			
14	Personnel	Previously Implemented (December 2023)			

Recommendation 7

Human Resources

HR and Personnel should jointly present an annual, publicly available Workforce Report to the City Council and Mayoral administration, updating City leadership by identifying key City positions facing challenges related to recruitment, retention, employee satisfaction and other metrics.

- a. The Workforce Report should include fundamental Human Capital Management (HCM) metrics on turnover rates, quits rates, vacancy rates, employee satisfaction, and others and should include benchmarking/comparative information, such as data from the U.S. Bureau of Labor Statistics, other large cities, the Society for Human Resource Management, etc.
- b. Among other content, the Workforce Report should identify:
 - i. A reasonable number—e.g., 10—of the job types for full-time employees, regardless of classification status, with:
 - The highest rates of turnover and/or voluntary separations;
 - The highest rates of vacancies; and
 - A metric assessing employee recruitment—for example, the number of “qualified” vs. “highly qualified” applicants.
 - If they are not included among the job types above, the Workforce Report should also include the results for Police Officers and Firefighters as well.
 - ii. An assessment of the differences, if any, between employees with Defined Contribution retirement plans and the rest of the City workforce, with respect to recruitment and retention patterns and/or other metrics (e.g., satisfaction or engagement).
- c. The Workforce Report should identify key elements of concern within the workforce, such as recruitment, development, satisfaction/engagement, and retention problems, an action plan to address these issues, and a timeline for completion.
- d. The Workforce Report should be required by a strong mechanism, such as a Council Policy or Municipal Code amendment. (Priority 1)

In Process – Past Due

At the October 8, 2025 Audit Committee meeting, there was a Motion (which passed unanimously) by Chair Moreno to accept the report and leave Recommendation 7 of the Performance Audit of the City’s Strategic Human Capital Management ‘open’ and request the Human Resources Department provide to the Audit Committee in the next Recommendation Follow-up Report a proposal to implement the

recommendation with an alternative timeframe for producing workforce reports that is acceptable to the department, as well as a recommendation on where a requirement to produce the report should be reflected within the City’s regulations.

Per the action from the October Audit Committee, HR has identified a Department Instruction (DI) as the best method to implement the requirement/guidance for the annual workforce report. As of March 2026, HR had shared a draft version of the DI with OCA, which generally appeared to meet the spirit of the recommendation. According to HR, the DI was routing for final approval, and “should be finalized shortly.”

Issue Date: April 23, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~September 2022~~ ~~October 2023~~ ~~April 2025~~ April 2026

Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program

21-001

(JP)

In 2013, we issued a [Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program](#) (IWCP). At that time, we found that outdated fees, billing lapses, and inadequate controls limited program cost recovery from IWCP permittees. Most program costs were passed on to other wastewater customers who were not IWCP permittees. In addition, we issued a confidential memorandum raising the possibility that these cost recovery practices were not in compliance with Proposition 218. We conducted a [Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program](#) to review the status of the recommendations we made in 2013. We found that the Public Utilities Department's cost recovery practices remain out of compliance with City regulations and policies and possibly State Law. Specifically, we found:

Finding 1: The Public Utilities Department has not adjusted many IWCP permit fees since 1984, and its cost recovery practices remain out of compliance with City policies and potentially State Law.

Finding 2: Billing lapses have reoccurred due to overly complex and inefficient processes and a breakdown in oversight.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Public Utilities	Previously Implemented (December 2022)			
2	Public Utilities	Previously Implemented (December 2021)			
3	Public Utilities	Previously Implemented (December 2020)			
4	Public Utilities	In Process – Past Due			
5	Public Utilities	Previously Implemented (June 2021)			
6	Public Utilities	In Process – Past Due			
7	Public Utilities	Previously Implemented (June 2021)			
8	Public Utilities	Previously Implemented (June 2021)			
9	Public Utilities	Previously Implemented (December 2023)			



Recommendation 4*Public Utilities*

Upon completion of the fee study, the Public Utilities Department should work with the Office of the City Attorney and the Participating Agencies to review and revise, as appropriate, Interjurisdictional Agreements to include fees for service that achieve appropriate cost recovery under the guidelines of Council Policy 100-05 and Administrative Regulation 95.25, as well as Proposition 218. The revised agreements should include mechanisms to adjust fees in response to changes in the cost of service. (Priority 1)

**In Process – Past Due**

This recommendation is in process. According to Public Utilities, the following tasks are necessary to achieve full implementation:

After fee study, revise interjurisdictional agreements.

Task 1: Conduct negotiations with Participating Agencies.

Status: Completed

The Second Amended and Restated Agreement and the pretreatment agreement was approved by Metro Joint Powers Authority Technical Advisory Committee in July and was released to the individual Participating Agencies' governing bodies for consideration.

Task 2: Implement revised interjurisdictional agreements.

Status: In progress. Final agreement needs Joint Powers Authority approval followed by the 12 Participating Agencies receiving approval from their respective governing bodies.

Target Date: July 2026

Agreement needs to be approved by the Participating Agencies' governing bodies, which is dependent on their docketing process. Below is a tentative timeline for the docketing for each agency:

- i. Coordination on La Mesa – Unanimous 11/12/2025
- ii. Coordination on Coronado – Unanimous 11/18/2025
- iii. Coordination on Poway – Unanimous 12/2/2025
- iv. Coordination on Lemon Grove – Unanimous 12/16/2025
- v. Coordination on Chula Vista – 1/20/26
- vi. Coordination on Del Mar – 1/20/26
- vii. Imperial Beach – 1/21/26
- viii. National City – 2/3/26 6PM
- ix. Otay – 2/4/26
- x. El Cajon- 2/24/2025

- xi. County of San Diego – 3/25/26
- xii. City of San Diego March/April 2026
- xiii. Padre Dam TBD

Issue Date: July 15, 2020

Original Target Date: November 2020

Current Target Date: ~~November 2020~~ ~~July 2021~~ ~~August 2022~~ ~~July 2023~~
~~July 2024~~ ~~December 2024~~ July 2026

Recommendation 6

Public Utilities

The Public Utilities Department should move the Industrial Wastewater Control Program's budget from the Municipal Wastewater Fund to the Metropolitan Wastewater Fund. (Priority 1)

In Process – Past Due

This recommendation is in process. According to Public Utilities, the following tasks are necessary to achieve full implementation:

Task 1: Conduct negotiations with Participating Agencies.
 Status: Completed.

Task 2: Move IWCP budget from Muni to Sewer Fund.
 Status: In Progress. Moving the budget to the Metro fund is dependent on Participating Agencies approving revised agreements in Recommendation #4.
 Target date: July 1, 2026.

Issue Date: July 15, 2020

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~July 2023~~ ~~July 2024~~ ~~July 2025~~ July 2026

Agreed-Upon Procedures Related to the Central Stores Physical Inventory – Fiscal Year 2020

21-002

(DN)

The San Diego Municipal Code requires an annual inventory count of the Purchasing & Contracting Department's Central Stores physical inventory. The [Agreed-Upon Procedures Related to the Central Stores Physical Inventory report for fiscal year 2020](#), conducted by Macias Gini & O'Connell (MGO), resulted in two recommendations. The [Agreed-Upon Procedures Related to the Central Stores Physical Inventory report for Fiscal Year 2023](#) resulted in one recommendation that was a repeat of Recommendation #1 from the FY2020 report.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Purchasing & Contracting	In Process – Past Due			
2	Purchasing & Contracting	Newly Implemented			

Note: A repeat of Recommendation 1 was issued for the Agreed-Upon Procedures Related to the Central Stores Physical Inventory Fiscal Year 2023 report.

Recommendation 1

Purchasing & Contracting

Macias Gini & O'Connell recommends that the Purchasing and Contracting Department consider procuring handheld devices that are compatible with the SAP inventory record module. These devices can be used to scan the barcodes that already exist on each stock item tag and will allow storekeepers to update inventory records in real-time for their inventory cycle counts and will provide more accurate and timely information regarding inventory record maintenance. (Priority 2)

In Process – Past Due

This recommendation is in process. The Purchasing & Contracting Department (P&C) consulted with the San Diego Municipal Employees Association (MEA) to determine if there were any concerns with the Pilot Program for the handheld scanner for Central Stores. MEA did not identify any concerns and gave the department the okay to move forward with implementing the new process. P&C is now able to move forward with the procurement of a contract for implementation of software for the purchased handheld scanners.

Issue Date: September 14, 2020

Original Target Date: April 2021

Current Target Date: April-2021 March-2022 September-2022 June-2023
September-2023 December-2024 June-2025 December-2025 August 2026

Recommendation 2*Purchasing & Contracting*

Macias Gini & O'Connell recommends that the Purchasing and Contracting Department develop policies and procedures for obtaining and documenting explanations and related support for any adjustments made to the inventory stock records. (Priority 2)

Newly Implemented

This recommendation is implemented. The Purchasing & Contracting Department provided documentation to show that it has developed policies and procedures for obtaining and documenting explanations and adjustments made to the inventory stock records. These include a Material Management Inventory Adjustment Request Form, a Material Management Inventory Write-Off Form, and a Material Management Inventory Adjustment Policy.

Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program

21-005

(CN)

In our [Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program](#), we found that the program's design and insufficient oversight limit efforts to increase diversity and small business development in City contracting. At the time, we found that the program cost—mostly consisting of increased contracting costs—totaled \$2.2 million per year, while not providing the intended benefits. Specifically, we found:

Finding 1: The SLBE program has not effectively achieved the economic benefits of its program objectives.

Finding 2: Changes to the program's implementation may expand its economic benefits.

Finding 3: City leadership is not given sufficient quality information on the performance of the program to make informed management and oversight decisions.

In August 2025, the Office of the Independent Budget Analyst estimated increased contracting costs resulting from the program totaled \$13.1 million for FY2024 construction contracts alone.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Purchasing & Contracting	Previously Implemented (June 2021)			
2	Purchasing & Contracting	Previously Implemented (December 2021)			
3	Purchasing & Contracting	Partially Implemented – No Further Action (December 2024)			
4	Purchasing & Contracting	In Process – Past Due			
5	Purchasing & Contracting	In Process – Past Due			
6	Purchasing & Contracting	Previously Implemented (June 2022)			
7	Purchasing & Contracting	Previously Implemented (December 2024)			
8	Purchasing & Contracting	Previously Implemented (December 2021)			
9	Purchasing & Contracting	In Process – Past Due			
10	Purchasing & Contracting	Previously Implemented (December 2022)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
11	Purchasing & Contracting	Previously Implemented (June 2022)			
12	Purchasing & Contracting	In Process – Past Due			

Recommendation 4

Purchasing & Contracting

We recommend the Mayor's Office reposition oversight of the Small Local Business Enterprise (SLBE) program outside the management of the program. Oversight should include necessary expertise on decreasing barriers for businesses owned by women and people of color and should not solely rely upon City contracting expertise or fall to an advisory commission that cannot compel management to action. Oversight should, at minimum, include:

- Reviewing and approving the SLBE program's performance measures, including the goods and services participation rate in Recommendation #7.
- Ensuring the performance measures and goals of the program align with the program's objectives.
- Reviewing the program's progress at meeting performance measures and goals, and increasing the goals at a steady rate to ensure program progress.
- Reviewing and approving the goal setting methodology for construction contracts.
- Reviewing and approving the template for the annual report to City Council, as referenced in Recommendation #11, to ensure the information is presented in a manner that is clear and details the program's performance.
- Reviewing, approving, and seeking regular updates on the progress of the outreach plan in Recommendation #5. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, staff will coordinate with OCA to address and close the recommendation.

The department has positioned oversight with the Race and Equity Team, which is a step towards implementation, but has not provided evidence that the team is providing oversight of the elements in the recommendation, such as the outreach plan and the program's goal setting methodology for construction contracts.

Issue Date: November 24, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ June 2022 ~~December 2022~~ June 2023
~~June 2024~~ Unknown June 2026

Recommendation 5*Purchasing & Contracting*

We recommend that Equal Opportunity Contracting develop a written, evidence-based plan consistent with the results of the disparity study for increasing outreach and participation in the Small Local Business Enterprise (SLBE) program for small, local businesses and those owned by women and people of color to the extent allowable under the law.

- The plan should include outcome-based performance measures for each program objective. Measures to be considered should include:
 - Registration by businesses owned by women and people of color;
 - The number of businesses that grow out of the emerging local business enterprise category each year;
 - The number of businesses that grow out of the small, local business enterprise category each year; and
 - The number of employees the organization has when applying initially, when renewing their application, and when growing out of the program.
- The plan should be presented to the Citizens Equal Opportunity Commission for input and should include a public hearing with invited speakers from the pool of current registered SLBEs, SLBEs that successfully grew out of the program, and affiliated stakeholder groups, including industry associations and chambers of commerce.
- The plan should create goals and performance measures related to other tools designed to reduce barriers and increase competition in contracting included in the program, such as the mentor-protégé program and the bonds/insurance assistance program.

This recommendation does not recommend any preference in contracting based on race or gender, nor does create or imply a required goal or quota of race or gender in contracts with the City. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, Equal Opportunity Contracting continues to work with the Race and Equity team to draft a comprehensive written plan and needs additional time to finalize the plan.

Issue Date: November 24, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~June 2023~~ ~~June 2024~~

~~June 2025~~ ~~December 2025~~ December 2026

Recommendation 9*Purchasing & Contracting*

We recommend Small Local Business Enterprise (SLBE) program management, in consultation with the appropriate oversight bodies, evaluate the caps on SLBE subcontracting requirements for construction projects annually. Program management should then include the caps in the annual report, with a detailed description of the methodology used to justify the cap, and should include the previous cap amounts over time. This recommendation, however, should not conflict with City policies that require the prime contractor to perform at least 50 percent of the contract.

(Priority 2)

In Process – Past Due

This recommendation is in process. The department reported that staff needs additional time to implement the recommendation.

Issue Date: November 24, 2020

Original Target Date: January 2022

Current Target Date: ~~January 2022~~ ~~June 2023~~ ~~June 2024~~ ~~June 2025~~ June 2026

Recommendation 12*Purchasing & Contracting*

We recommend Equal Opportunity Contracting draft written policies for data tracking. Methodologies should be consistent year over year, with any changes documented, and the report should have a written quality control reviewing process to minimize errors and ensure the methodologies for the data used in the report do not distort the conclusions drawn from the data. (Priority 2)

In Process – Past Due

This recommendation is in process. The department reported that staff requires additional time to fully implement the audit recommendation. Equal Opportunity Contracting is finalizing the development of a new centralized data tracking system designed to capture all contract awards. Once the system is complete, staff will begin drafting formal written policies to support consistent and accurate data tracking practices.

Issue Date: November 24, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~June 2023~~ ~~June 2024~~
~~June 2025~~ ~~December 2025~~ December 2026

Performance Audit of Strategic Human Capital Management II: Employee Performance Management

21-006
(NO) (GT)

To address risks identified in our performance audit of the City's strategic human capital management, we initiated the [Performance Audit of Strategic Human Capital Management II: Employee Performance Management](#) to evaluate the extent of and several internal controls around efforts to monitor and address employee performance issues. We found that the City should ensure all employees receive performance reviews, and should enhance controls to ensure consistent and appropriate utilization of employee incentive and accountability tools. Specifically, we found:

Finding 1: The City should ensure all employees receive required performance evaluations to recognize and reward high performers as well as to identify and address poor performance.

Finding 2: The City utilizes multiple ways to recognize and reward commendable performance among employees, but utilization of the Rewards & Recognition Program varies widely among departments and its effect on employee satisfaction and retention is unclear.

Finding 3: The Human Resources Department should strengthen its abilities to more strategically monitor aggregated discipline trends and issues within the City's workforce.

Finding 4: Opportunities exist for the City to reform some elements of its disciplinary processes and discipline-related training for City supervisors.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Personnel	In Process – Past Due			
2	Personnel & Human Resources	Previously Implemented (June 2022)			
3	Human Resources	Previously Implemented (June 2022)			
4	Human Resources	Previously Implemented (December 2023)			
5	Human Resources	Previously Implemented (June 2024)			
6	Human Resources	Previously Implemented (June 2024)			
7	Human Resources	Previously Implemented (June 2024)			
8	Human Resources	Previously Implemented (June 2024)			
9	Human Resources	Previously Implemented (December 2022)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
10	Personnel	Previously Implemented (December 2024)			
11	Human Resources	Previously Implemented (December 2022)			

Recommendation 1

Personnel

The Personnel Department (Personnel) and Human Resources Department (HR) should work collaboratively to report Employee Performance Review (EPR) completion rates for all eligible employees Citywide in the City's Annual Workforce Report.

- The report should include some sort of breakout capability, such as results by department, type of EPR (e.g., annual, quarterly, etc.), and classified or unclassified status.
- Personnel and HR should encourage the lowest-utilizing departments in particular—for example, via additional reminders or targeted trainings of supervisors and managers in those departments. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Personnel Department, it has implemented data validation checks within SAP to prevent inaccuracies, and final checks are being conducted before data is provided for the next City Annual Workforce Report.

Issue Date: November 25, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~December 2022~~ ~~June 2023~~
~~December 2023~~ ~~March 2024~~ ~~August 2024~~ ~~April 2025~~ ~~September 2025~~
 Unknown

Performance Audit of the City's Major Building Acquisition Process

22-002

(CN) (MJ)

In 2015, the City began a series of building acquisitions totaling more than \$230 million. Many questions have been raised about whether these acquisitions were in the best interest of the City. We conducted our [Performance Audit of the City's Major Building Acquisition Process](#) to determine (1) if the City followed policies and best practices when acquiring major buildings, and (2) if the City has sufficient governance mechanisms for oversight of major building acquisitions.

We found that a serious lack of policies and oversight caused the City to miss or skip key steps in the acquisition process, and allowed the prior City Administration to leave out or misrepresent key information about building acquisitions when presenting them to the City Council and the public. Specifically, we found:

Finding 1: The prior City Administration did not follow best practices when acquiring more than \$230 million of major real estate assets due to unclear roles and responsibilities, resulting in significantly increased costs and underutilized facilities.

Finding 2: The prior City Administration failed to conduct sufficient due diligence, limiting the City's understanding of the properties acquired and hindering its ability to negotiate.

Finding 3: The prior City Administration diminished City Council's oversight capabilities on major real estate acquisitions by failing to provide complete and accurate information.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Economic Development	Previously Implemented (December 2024)			
2	Economic Development	Previously Implemented (December 2024)			
3	Economic Development	In Process – Past Due			
4	Economic Development	Previously Implemented (December 2024)			
5	Economic Development	Previously Implemented (December 2024)			
6	Economic Development	Previously Implemented (December 2024)			
7	Human Resources & Personnel*	In Process – Not Due			
8	Economic Development	Previously Implemented (December 2024)			
9	Independent Budget Analyst	Previously Implemented (June 2022)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
10	Economic Development	Previously Implemented (December 2024)			

Note: The former Real Estate Assets Department is now part of the Economic Development Department. Thus, all recommendations originally assigned to the Real Estate Assets Department are now assigned to the Economic Development Department.

*This recommendation was previously assigned to the Compliance Department and has been reassigned to the Human Resources Department and Personnel Department due to the elimination of the Compliance Department.

Recommendation 3

Economic Development

We recommend that the Real Estate Assets Department (READ), in consultation with the City Administration, develop and use a strategic real estate and office space plan. The plan should include the current space usage and a plan for future office space usage for City properties. The Council Policy described in Finding 1 should require READ to present the plan to the designated City Council committee and the City Council for input, changes, and approval every two years. (Priority 2)



In Process – Past Due

This recommendation is in process. In February 2025, City Council approved an update to Council Policy 700-10 which outlines what should be included in the Economic Development Department's (EDD) Real Property Management Plan. The updated policy states that EDD should review, update, and present its Real Property Management Plan to the City Council for approval every two years, contingent upon available budget resources. The plan's purpose is to enable City leadership, policy makers, and the public to have a better understanding of the City's real estate portfolio needs and how City properties can be best utilized to benefit the long-term City operations and the residents and businesses in San Diego. The updated policy outlines major elements that should be included in the plan, such as an inventory of all City properties and properties occupied by the City; a disposition plan for any surplus properties; and strategies for the management of all City properties, including properties occupied but not owned by the City. The updating of the plan will include feedback from asset-owning departments. The most current, City Council-approved version of the Real Property Management Plan should be available on the EDD's website. As the plan itself has not yet been published, approved by City Council, and posted to EDD's website, OCA will keep this recommendation open to ensure that the forthcoming Real Property Management Plan includes an office space plan and the elements identified in the updated Council Policy 700-10, and that the plan is presented to City Council.

Issue Date: July 22, 2021

Original Target Date: February 2023

Current Target Date: ~~February 2023~~ ~~December 2023~~ ~~March 2024~~ ~~February 2025~~ December 2026

Recommendation 7*Human Resources & Personnel*

We recommend that the Independent Budget Analyst, in consultation with the City Attorney's Office, create and bring forward to City Council for approval a section to be added to the San Diego Municipal Code to provide an enforcement mechanism for Charter Section 32.1, to ensure that City staff accurately represent and inform City Council of all material facts or significant developments relating to real estate acquisitions under the jurisdiction of City Council. (Priority 1)

In Process – Not Due

The Personnel Department has added Charter Section 32.1's text to the beginning of the Personnel Manual, which discusses the relevant sections of the Charter for staff. The Human Resources Department says that it has completed the updates to the Employee Code of Conduct and is working on updating AR 95.60. Once the AR has been updated and the opportunity to meet and confer has been extended, the AR can be finalized. Once it is finalized, HR says it will create a training and assign it to employees as applicable.

Issue Date: June 22, 2021

Original Target Date: IBA Agreed, but City Attorney's Office Disagreed

Current Target Date: March 2025 Unknown

Performance Audit of Equity in Recreation Programming

22-005
(MS)

Recreation is a core public service that provides numerous health and social benefits to individuals and communities. In our [Performance Audit of Equity in Recreation Programming](#), we found that providing equitable recreation programming requires a comprehensive, strategic approach. Specifically, we found:

Finding 1: Although the Parks and Recreation Department solicits participant feedback, it is likely not aware of broader community recreational needs and lacks a strategic plan and adequate resources to provide recreation programs more equitably.

Finding 2: The Parks and Recreation Department's approach to resource allocation and program quality is incomplete and limits its ability to provide equitable recreation programming.

Finding 3: The Parks and Recreation Department's approach to community engagement and marketing is decentralized and inconsistent, which results in diminished access to programming.

Finding 4: The Parks and Recreation Department has made efforts to ensure certain communities can participate in recreation programs, but significant barriers remain that may preclude other groups from participating.

Finding 5: Although the Parks and Recreation Department tracks certain program information, current practices diminish its ability to implement a data-driven approach for resource allocation, monitoring, evaluation, and reporting.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Parks & Recreation	In Process – Past Due			
2	Parks & Recreation	In Process – Past Due			
3	Parks & Recreation	In Process – Past Due			
4	Parks & Recreation	In Process – Past Due			
5	Parks & Recreation	In Process – Past Due			
6	Parks & Recreation	Previously Implemented (December 2024)			
7	Parks & Recreation	In Process – Past Due			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
8	Parks & Recreation	In Process – Past Due			
9	Parks & Recreation	In Process – Past Due			
10	Parks & Recreation	In Process – Past Due			
11	Parks & Recreation	In Process – Past Due			
12	Parks & Recreation	In Process – Past Due			
13	Parks & Recreation	Previously Implemented (June 2024)			
14	Parks & Recreation	Previously Implemented (June 2023)			
15	Parks & Recreation	In Process – Past Due			
16	Parks & Recreation	Previously Implemented (June 2023)			

Recommendation 1

Parks & Recreation

To ensure a formalized approach for obtaining recreation programming feedback from the community at-large, the Parks and Recreation Department should:

- Develop, document, and implement a process for conducting a community needs assessment that includes identifying the types of programs communities need, satisfaction levels, effectiveness, and recreation priorities, and demographic information such as race, income, education level, age, etc.; and
- Conduct this assessment at least every five years to reevaluate the data and update strategic plan efforts. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Request budget for consultants and positions to develop and implement community survey. Parks and Recreation requested budget in FY2024 and FY2025 to cover the costs of hiring consultants to conduct a Community Needs Assessment. In FY2024, FY2025, FY2026, only \$50,000 was appropriated for recreation program equity audit expenses. The Community Needs Assessment consultant costs are \$150,000.

Status: Complete, although no additional funding has been received to support this contract.

Task 2: Acquire a consultant to develop, implement, and summarize the Community Needs Assessment. The department developed an RFP with the Purchasing & Contracting Department in 2023. The RFP was advertised in Planet Bids for one

month beginning February 12, 2024. A consultant was awarded the contract and is working with department managers to develop the assessment, outreach, and communication plan. Due to budgetary restraints in the third and fourth quarters of FY2025, the department was unable to maintain the projected timeline with the contractor. The department is projecting completion date of May 2026.

Status: Complete. A contract was issued in December 2024 for a Community Needs Assessment consultant. The assessment will launch in February 2025 with projected completion in May 2026.

Task 3: Analyze community needs data and implement programming to meet community needs. Upon receipt of the final Community Needs Assessment report, the department will request on-going budget to implement program and communication recommendations.

Status: Not started. The Community Needs Assessment is projected to be completed May 2026. Once complete, the department will start analyzing the comprehensive report and data early in FY2027. As recommended, the department has submitted a preliminary request for budget for FY2027 budget to begin implementing programmatic and communication recommendations to support these efforts.

Task 4: Conduct follow up Community Needs Assessment in 2031 to allow for a five-year span between assessments as recommended.

Status: Not started.

In summary, the department awarded the CRNA contract in December 2024 and onboarded a consultant in January 2025. The assessment is nearing completion of the information-gathering phase, including stakeholder engagement, survey development, and data collection. The next phase in the assessment includes benchmarking comparable cities and a full analysis of data collected to produce a comprehensive report that outlines clearly defined goals, objectives, action steps, resources, timeline and performance measures to achieve strategic priorities to address inequities and better serve our residents from community to community. Tentative completion of the full assessment is scheduled for Summer 2026.

Parks and Recreation requested NPE in budget years 2023, 2024, and 2025 to support efforts related to the Audit of Equity in Recreation Programming. The department did not request additional PE or NPE for the FY2026 budget due to the projected budget deficit identified in the Five-Year Budget Outlook. The department has a reoccurring budget of \$50,000 in NPE but lacks additional fund allocations to meet the full needs of responding to this audit and recommendation. The department submitted a preliminary request for FY2027 budget to begin implementing programmatic and communication recommendations.

Issue Date: November 10, 2021

Original Target Date: September 2022

Current Target Date: ~~September 2022~~ ~~December 2024~~ ~~December 2025~~
~~March 2026~~ May 2026

Recommendation 2*Parks & Recreation*

Once the Parks and Recreation Department (Parks & Rec) completes a community needs assessment, it should develop a strategic plan for addressing recreational equity that:

- Defines Parks & Rec's vision for equitable recreational programming;
- Includes objectives and goals with performance measures to gauge progress;
- Identifies resource needs to implement:
- The goals and objectives of the strategic plan;
- The recommendations in this audit report; and
- Any other strategies Parks & Rec plans to pursue to improve recreation programming equity;
- Requires Parks & Rec to annually update progress on its performance measures; and
- Requires Parks & Rec to update its objectives, goals, and performance measures every five years and incorporate findings from the community needs assessment. Parks & Rec should present the strategic plan to the City Council for approval. (Priority 1)

In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: In January 2022, Mayor Todd Gloria released the new Citywide Strategic Plan which outlines the City's vision, mission, operating principals, priority areas of focus, and the commitment to equity. As part of the commitment to equity, each department, including the Parks and Recreation Department, developed a Tactical Equity Plan outlining goals, objectives, and performance metrics.

Status: Complete.

Task 2: The Parks and Recreation Department Tactical Equity Plan was presented to the Community and Neighborhood Services Committee followed by City Council in May and June of 2023, respectively, in the annual report of 2023 Recreation Equity Report.

Status: Complete.

Task 3: Conduct a Citywide Community Recreation Needs Assessment, which will inform whether the performance metrics outlined in the Tactical Equity Plan are in alignment to reduce inequities and assure continuity of high-quality recreation programs across all communities of the City.

Status: In progress. The assessment is nearing completion of the information-gathering phase, including stakeholder engagement, survey development, and data collection. The next phase in the assessment includes benchmarking comparable cities and a full analysis of data collected to produce a comprehensive report that outlines clearly defined goals, objectives, action steps, resources, timeline, and performance measures to achieve strategic priorities to address inequities and better serve our residents from community to community. Tentative completion of the full assessment is scheduled for Summer 2026.

Task 4: Update the department's Tactical Equity Plan to address equity in recreation using the results of the Community Recreation Needs Assessment.

Status: Not started, contingent on completion of Task 3. In the interim, the department has initiated coordination meetings with the Office of Race and Equity and the Office of Performance and Analytics to review the department's Tactical Equity Plan goals and objectives, as well as its key performance indicators and measurable outcomes. This review is intended to ensure alignment with the Park Master Plan, the Cities' Strategic Plan, and to update metrics to appropriately incorporate equity considerations related to access, assets, neighborhoods, and internal processes.

Task 5: Present the updated Tactical Equity Plan to Community Recreation Groups, the Parks and Recreation Board, and the City Council for review, input and approval.

Status: Not started, contingent on completion of Tasks 3 and 4.

In summary, Parks and Recreation requested NPE in budget years 2023, 2024, and 2025 to support efforts related to the Audit of Equity in Recreation Programming. The department did not request additional PE or NPE for the FY2026 budget due to the projected budget deficit identified in the Five-Year Budget Outlook. As recommended, the department has submitted a preliminary request for additional PE or NPE for the FY2027 budget to identify the need for funding to continue these audit recommendations and equity efforts.

The department awarded the contract for the Community Recreation Needs Assessment in December 2024. The assessment is nearing completion of the information-gathering phase, including stakeholder engagement, survey development, and data collection. The next phase in the assessment includes benchmarking comparable cities and a full analysis of data collected to produce a comprehensive report that outlines clearly defined goals, objectives, action steps, resources, timeline, and performance measures to achieve strategic priorities to address inequities and better serve our residents from community to community. Projected completion of the Community Needs Assessment is summer of 2026. Upon completion of the Community Recreation Needs Assessment, the department will further update the Tactical Equity Plan goals and objectives to address equity in recreation and incorporate recommendations as outlined in the full comprehensive report.

Issue Date: November 10, 2021

Original Target Date: September 2022

Current Target Date: ~~September 2022~~ ~~December 2023~~ ~~March 2025~~ ~~May 2026~~
December 2026

Recommendation 3*Parks & Recreation*

To fully recover taxpayer money spent on contracted recreation programs, the Parks and Recreation Department should include contracted recreation programs in its next User Fee Study and increase the program surcharge, if necessary, in order to reach 100 percent cost recovery on these programs. (Priority 1)

In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Acquire a consultant for a cost-of-service study. In alignment with Council Policy 100-05, User Fee Policy, the department is required to conduct a cost-of-service study every five years to update the department's Fee Schedule to ensure adequate cost recovery of services provided to the public. The department last updated the Fee Schedule in April 2025 and will conduct the next cost-of-service study in Fiscal Year 2026.

Status: In progress. The department is coordinating with the Purchasing & Contracting Department to finalize a Request for Proposals (RFP) for the study. In the interim, and pursuant to Resolution No. 316066 approved March 13, 2025, the department will implement an annual Consumer Price Index (CPI–Urban) adjustment to all user fees to account for increased service delivery costs. These user fee adjustments will take effect July 1, 2026.

Task 2: Upon completion of the cost-of-service study, the department will update the Department Fee Schedule to capture recommendations resulting from the study, including the analysis of contractual program fees and the program surcharge fee identified in this recommendation.

Status: Not started yet, contingent on completion of Task 1.

Task 3: The department will present the updated Department Fee Schedule to Community Recreation Groups, the Parks and Recreation Board, and City Council for review, input and approval.

Status: Not started yet, contingent on completion of Tasks 1 and 2.

Anticipate fee schedule updates to take effect in FY2027.

Task 4: Upon approval of the updated Department Fee Schedule, the online registration and permitting software will need to be updated, along with the automatic fee calculator that accompanies this software. This will be conducted with assistance from the Department of IT's consultant, CGI.

Status: Not started yet, contingent on completion of Tasks 1–3.

Anticipate fee schedule updates to take effect in FY2027.

Task 5: Provide training to department staff on updated Fee Schedule and begin implementation.

Status: Not started yet, contingent on completion of Tasks 1–4.

In summary, in accordance with Council Policy 100-05 (User Fee Policy), the department will conduct a cost-of-service study to ensure its Fee Schedule reflects the full cost of services provided to the public. The department last updated its Fee Schedule in April 2025 and is working with the Purchasing & Contracting Department to procure a consultant to begin the next cost-of-service study in Fiscal Year 2027. In the interim, and pursuant to Resolution No. 316066 approved March 13, 2025, the department will implement an annual Consumer Price Index (CPI–Urban) adjustment to user fees, effective July 1, 2026, to address rising service delivery costs.

Upon completion of the cost-of-service study, the department will propose an update to its Fee Schedule based on the study's recommendations, including an evaluation of contractual program fees and applicable surcharge fees. Following approval, the department will update its online registration and permitting systems and provide staff training prior to implementation of the revised fees.

Issue Date: November 10, 2021

Original Target Date: June 2025

Current Target Date: June 2025 Unknown July 2027

Recommendation 4

Parks & Recreation

To identify disparities in equitable funding, the Parks and Recreation Department should develop, document, and implement a resource allocation model that will evaluate resource equity between recreation facilities. The model should be based on:

- Community-specific criteria (e.g., health indicators, poverty, transportation access, etc.); and
- Site-specific criteria (e.g., size, frequency of visitors, amenities, etc.). (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Request budget for consultants and positions to develop and implement community survey. Parks and Recreation requested budget in FY2024 and FY2025 to cover the costs of hiring consultants to conduct a Community Needs Assessment. In FY2024, FY2025, and FY2026, only \$50,000 was appropriated for recreation program equity audit expenses. The Community Needs Assessment consultant costs are \$150,000.

Status: Complete, although no additional funding has been received to support this contract.

Task 2: Acquire a consultant to develop, implement, and summarize community needs assessment.

Status: Complete.

The department awarded the Community Recreation Needs Assessment contract in December 2024 and onboarded a consultant in January 2025. The assessment is nearing completion of the information-gathering phase, including stakeholder engagement, survey development, and data collection. The next phase in the assessment includes benchmarking comparable cities and a full analysis of data collected to produce a comprehensive report that outlines clearly defined goals, objectives, action steps, resources, timeline and performance measures to achieve strategic priorities to address inequities and better serve our residents from community to community. Tentative completion of the full assessment is scheduled for Summer 2026.

Task 3: Analyze community needs data and implement programming to meet community needs. Upon receipt of the final Community Needs Assessment report, the department will request budget for FY2027 to implement programmatic and marketing recommendations.

Status: Not started yet. The Community Needs Assessment is projected to be completed in May 2026. Upon completion, the department will begin reviewing and analyzing the comprehensive report and associated data in early Fiscal Year 2027. Consistent with the committee's recommendation, the department submitted a preliminary Fiscal Year 2027 budget request to support the initial implementation of programmatic and communication/marketing strategies.

Task 4: Analyze findings of Community Needs Assessment, compare recreation centers across the City, and develop a resource allocation model based on the comparison, benchmarking, and public input.

Status: Not started yet. Contingent on completion of Tasks 1–3.

Task 5: Incorporate resource allocation model into the annual Recreation Equity Report and present to Community Recreation Groups, the Parks and Recreation Board and City Council via the annual budget request process.

Status: Not started yet. Contingent on completion of Tasks 1–4.

In summary, Parks and Recreation requested non-personnel expenditures (NPE) in Fiscal Years 2023 through 2025 to support the Audit of Equity in Recreation Programming. No additional personnel or non-personnel funding was requested in FY2026 due to the projected budget deficit identified in the Five-Year Budget Outlook. For FY2027, the department has submitted a preliminary budget request that includes 6.0 FTE—comprising a Marketing Program Manager, Supervising Management Analyst, Associate Management Analyst, Administrative Aide, and two Recreation Specialists—along with NPE to support implementation of the Community Recreation Needs Assessment (CRNA) findings and Equity Audit recommendations.

The CRNA contract was awarded in December 2024, and a consultant was onboarded in January 2025. The assessment is anticipated to be completed in Summer 2026, after which the department will develop a resource allocation model for City Council review and approval as part of the Fiscal Year 2028 budget development process.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ ~~November 2025~~ ~~June 2026~~ December 2026

Recommendation 5

Parks & Recreation

To monitor the quality of staff-run and contractual programs, the Parks and Recreation Department should develop, document, and implement a comprehensive method for measuring the quality of all recreation programs. This should include training staff to conduct these program quality assessments in a way that is standardized and incorporates notes, observations, and interview data. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Requested staff positions in budget years 2023, 2024, and 2025 to support efforts to complete this recommendation. The department did not request additional PE or NPE for the FY2026 budget due to the projected budget deficit identified in the Five-Year Budget Outlook. Additional analytical staff is crucial to measure the quality of all recreation programs. Five positions were added in the budget for Fiscal Years 2023 and 2024, while five others remain unfunded.

Status: In progress.

Task 2: Develop, recruit, and hire new positions to support this recommendation. Status: In progress. The department hired five positions and requested non-personnel expenditures (NPE) in Fiscal Years 2023 through 2025 to support the audit. No additional personnel or non-personnel funding was requested in FY2026 due to the projected budget deficit identified in the Five-Year Budget Outlook. For FY2027, the department has submitted a preliminary budget request that includes 6.0 FTE—comprising a Marketing Program Manager, Supervising Management Analyst, Associate Management Analyst, Administrative Aide, and two Recreation Specialists—along with NPE to support implementation of the Community Recreation Needs Assessment (CRNA) findings and Equity Audit recommendations.

Task 3: Develop procedures to create, distribute, and analyze surveys for recreation programs in a Department Instruction.

Status: Complete.

Task 4: Train department staff on new recreation program survey and evaluation system.

Status: Not started. The Department Instruction remains under review. Upon completion of the review processes, this task will be implemented.

Task 5: Conduct surveys and evaluations for recreation programs. Analyze results to determine the success of programs.

Status: Not started. Upon implementation resulting from Task 4, this step will be implemented and remain an on-going process in the department.

In summary, Parks and Recreation requested non-personnel expenditures (NPE) in Fiscal Years 2023 through 2025 to support the Audit of Equity in Recreation Programming and hired five analytical positions during this period. No additional personnel or non-personnel funding was requested in FY2026 due to the projected budget deficit identified in the Five-Year Budget Outlook. For FY2027, the department has submitted a preliminary budget request for 6.0 FTE and associated NPE to support implementation of the Community Recreation Needs Assessment (CRNA) findings and Equity Audit recommendations.

In partnership with the Performance and Analytics Department, Parks and Recreation developed an online recreation program survey and a Department Instruction (DI) establishing standardized procedures for program evaluation. The DI is currently under review and subject to required City and labor processes. Upon completion, the department will train staff and begin ongoing program surveys and evaluations to assess program effectiveness and equity outcomes.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: June 2023 ~~November 2024~~ ~~April 2025~~ June 2026

Recommendation 7

Parks & Recreation

In order to increase and standardize marketing efforts, the Parks and Recreation Department (Parks & Rec) should hire a marketing professional to: Manage online (e.g., social media, websites) and physical (e.g., flyers, banners) content; coordinate marketing efforts across Parks & Rec; and lead strategic marketing initiatives for Parks & Rec (e.g., public relations, educational campaigns, etc.). (Priority 3)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Request budget for a consultant and positions to develop and implement a robust marketing plan. Parks and Recreation requested budget in FY2024 and FY2025 to cover the costs of hiring a consultant and a marketing Program Manager to develop the department's first-ever marketing plan. Budget was not allocated for this service or position in either fiscal year to support this recommendation. The department did not request additional PE or NPE for the FY2026 budget due to the projected budget deficit identified in the Five-Year Budget Outlook.

Status: In progress. As recommended by the committee the department has submitted a preliminary FY2027 budget request that includes 6.0 FTE—comprising a Marketing Program Manager, Supervising Management Analyst, Associate

Management Analyst, Administrative Aide, and two Recreation Specialists—along with NPE to support implementation of the Community Recreation Needs Assessment (CRNA) findings and Equity Audit recommendations.

Task 2: As recommended by the committee, the department has partnered with the Communications Department to pursue the development of a marketing plan, in lieu of hiring a consultant.

Status: In progress. The department is meeting with the Communication Department to begin discussions of building a marketing plan. The Communications Department is confident that a plan can be developed using recommendations from the Community Recreation Needs Assessment.

Task 3: Finalize and implement marketing plan via staff training.

Status: Not started. Contingent on completion of Tasks 1 and 2.

In summary, Parks and Recreation requested personnel and non-personnel funding in Fiscal Years 2023 through 2025 to support implementation of the Audit of Equity in Recreation Programming; however, funding for a marketing consultant and a Marketing Program Manager was not approved. No additional funding was requested in FY2026 due to the projected budget deficit identified in the Five-Year Budget Outlook. While the department received an Information Systems Analyst position to support social media and digital outreach, existing resources are insufficient to develop, implement, and sustain a comprehensive, department-wide marketing plan.

As an interim measure, Parks and Recreation has partnered with the Communications Department to begin development of a marketing plan using recommendations from the Community Recreation Needs Assessment (CRNA). While this collaboration supports plan development, additional dedicated staffing and non-personnel resources will be required to manage and execute an ongoing marketing strategy. Accordingly, the department has submitted a preliminary FY2027 budget request for 6.0 FTE and associated non-personnel.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: June 2023 March 2025 June 2026 June 2027

Recommendation 8

Parks & Recreation

In order to effectively market recreation programs to all residents, the Parks and Recreation Department should:

- Direct individual recreation centers to collect demographic information on participants and the surrounding community, including age, gender, race, and other demographics;
- Use collected information to create a strategic marketing plan that:
- Sets goals and objectives for marketing efforts;
- Creates steps for Citywide marketing plans; and

- Develops policies for individual recreation center marketing plans; and
- Use demographic information to tailor marketing efforts towards specific segments of the population, with the goal of promoting engagement through awareness, access, and participation. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Request budget and hire a consultant and staff positions to develop, implement, and support a robust marketing plan as outlined in Recommendation 7. Status: In progress. Parks and Recreation requested personnel and non-personnel funding in Fiscal Years 2023 through 2025 to support implementation of the Audit of Equity in Recreation Programming; however, funding for a marketing consultant and a Marketing Program Manager was not approved. No additional funding was requested in FY2026 due to the projected budget deficit identified in the Five-Year Budget Outlook. As an interim measure, Parks and Recreation has partnered with the Communications Department to begin development of a marketing plan using recommendations from the Community Recreation Needs Assessment (CRNA). While this collaboration supports plan development, additional dedicated staffing and non-personnel resources will be required to manage and execute an ongoing marketing strategy. Accordingly, the department has submitted a preliminary FY2027 budget request for 6.0 FTE and associated non-personnel.

Task 2: Acquire a new online registration and permitting software that can support collection of the data in this recommendation. The current system does not offer the ability to collect or report on this data.

Status: In progress. The department is actively drafting a Request for Proposal for a new online registration and permitting system capable of collecting and reporting demographic data, with bid posting anticipated this fiscal year and full implementation targeted for Fall 2027.

Task 3: Conduct surveys and analyze results to determine success of programs as outlined in Recommendation 5.

Status: Complete. On an ongoing basis, the department partners with the Performance and Analytics Department to send out program surveys which incorporates the voluntary collection of demographic data. Results of these surveys are presented in an annual Come Play Outside report. The department plans to expand survey/evaluation/analytic efforts upon completion of Recommendation 5.

Task 4: Utilize data to tailor marketing efforts in accordance with the marketing plan. Status: Not started. Pending completion of Tasks 2–3. Once new online registration is obtained and data can be collected; staff will start utilizing data for marketing plan and efforts.

In summary, Parks and Recreation requested personnel and non-personnel funding in Fiscal Years 2023 through 2025 to support implementation of the Audit of Equity in Recreation Programming; however, funding to develop and implement a comprehensive marketing plan was not approved. No additional funding was requested in FY2026 due to the projected budget deficit identified in the Five-Year Budget Outlook. To address this gap, the department has submitted a preliminary FY2027 budget request for 6.0 FTE and associated non-personnel expenditures to support development and implementation of a data-driven marketing plan and the Community Recreation Needs Assessment (CRNA) and Equity Audit recommendations.

The department is actively drafting a Request for Proposals for a new online registration and permitting system capable of collecting and reporting demographic data, with bid posting anticipated this fiscal year and full implementation targeted for Fall 2027. In the interim, Parks and Recreation continues to partner with the Performance and Analytics Department to administer program surveys that include voluntary demographic data, with results reported annually through the Come Play Outside report. Additional demographic insights will also be provided through the CRNA, which is projected for completion in June 2026 and will inform future marketing and outreach strategies.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ ~~June 2025~~ ~~June 2026~~ ~~June 2027~~ September 2027

Recommendation 9

Parks & Recreation

To ensure that eligible program participants can receive the fee waiver, the Parks and Recreation Department should develop, document, and implement procedures that allow residents to:

- Apply fee waivers to all eligible programs on an annual basis; and
- Register for classes online while using the fee waiver. (Priority 3)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Update fee waiver process to allow applicants to apply once annually for entire family.

Status: Complete. In December 2022, Parks and Recreation established a revised Fee Waiver Application process that included and application in both English and Spanish (alternative languages available upon request), including instructions for submitting the fee waiver application. Under the new process, an applicant need only apply once every calendar year for their entire household and the approved fee waiver is good for all eligible programs in that calendar year at any location.

Task 2: Ability for fee waiver approved families to enroll for programs online.

Status: In progress. The current online registration software does not allow for this process. The department is actively drafting a Request for Proposal for a new online registration and permitting system, with bid posting anticipated this fiscal year and full implementation targeted for Fall 2027. The new software will have an online fee waiver process that has the capability to allow for secure, electronic, online fee waiver application process and enrollment.

In summary, in December 2022, Parks and Recreation trained staff and implemented a new Fee Waiver Program that included an application with instructions in both English and Spanish. Staff are trained on the Fee Waiver program annually, with several refreshers throughout each year. The new fee waiver meets all recommendations of this item. The department has continued this program since 2022. The department is actively drafting a Request for Proposal for a new online registration and permitting system, with bid posting anticipated this fiscal year and full implementation targeted for Fall 2027. The new software will have an online fee waiver process that has the capability to allow for secure, electronic, online fee waiver application process and enrollment.

Issue Date: November 10, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~June 2023~~ ~~March 2024~~ ~~June 2026~~ ~~March 2026~~
~~September 2026~~ September 2027

Recommendation 10

Parks & Recreation

To ensure recreation programs are accessible to people at all income levels, the Parks and Recreation Department (Parks & Rec) should reevaluate its current practice of only allowing the fee waiver for Civic Dance and Aquatics programs and expand eligibility to other recreation programs. As part of this, Parks & Rec should:

- Analyze alternative agency fee waiver models—including higher income limits, tiered systems, and membership passes—and recommend adoption of a decided-upon model; and
- Develop, document, and implement guidelines that specify which programs and costs fee waivers can be applied to and the rationale for leaving other programs and costs ineligible for fee waivers and include them in Park & Rec's fee schedule. (Priority 3)

In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Conduct a comprehensive review of the department's Fee Waiver Program and corresponding fees in the Department Fee Schedule.

Status: Not started. The timeline to complete this recommendation will correspond with the timing for Recommendations 3, 4 and 6.

Task 2: Develop a report outlining findings and recommendations for a new fee waiver program.

Status: Not started. The timeline to complete this recommendation will correspond with the timing for Recommendations 3, 4 and 6.

In summary, the department did not request additional PE or NPE for the FY2026 budget due to the projected budget deficit identified in the Five-Year Budget Outlook. As recommended, the department has submitted a preliminary request for budget for FY2027 including 6.0 FTE, including a Marketing Program Manager, Supervising Management Analyst, Associate Management Analyst, Administrative Aide, and Recreation Specialists, along with NPE to support the implementation of the Community Recreation Needs Assessment results and Equity Audit recommendations.

In December 2022, Parks and Recreation trained staff and launched a bilingual Fee Waiver Program, expanding eligibility to all staff-led programs. The program remains in effect and will be reviewed alongside Recommendations 4 and 6, and later with Recommendation 3 during the cost-of-service study and fee schedule update. This study will assess options to broaden fee waiver access and address challenges in subsidizing waived fees for contract service classes, which cannot be passed on to other participants under Proposition 26.

Issue Date: November 10, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~November 2023~~ ~~November 2025~~ ~~July 2026~~
July 2027

Recommendation 11

Parks & Recreation

To gain insight into the languages spoken in each community, the Parks and Recreation Department (Parks & Rec) should develop, document, and implement a plan to identify recreation center service areas and the languages spoken by individuals or households in those areas. Parks & Rec should update and review the results of this analysis at least biannually to determine which translation and interpretation languages are necessary in the service areas. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Request budget and acquire a consultant to conduct an analysis to identify languages spoken in service areas and develop a communication plan to determine which translation and interpretation languages are necessary in each service area. Status: In progress. The department hired a consultant in December 2024 to conduct a Community Needs Assessment which includes identifying communication needs of each service area. Results from the assessment will inform the development of a communication plan.

Task 2: Train department staff on Communication Plan and implement plan
 Status: Not started. This item is contingent upon completion of audit
 Recommendation 1 and Task 1 of this recommendation.

In summary, in December 2024, the department acquired a consultant to conduct a Community Recreation Needs Assessment which includes identifying communication needs of each service area, even though funds remain short for the effort. While the department encountered budgetary delays in the second half of FY2025, the assessment is currently underway with projected completion in May 2026. With the results from this assessment, a communication plan will be developed and implemented. Currently, through a translation service contract, the department is translating marketing materials for events and programs into various languages spoken in each respective service area and offering telephone and in-person interpretation services as requested by the public.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ ~~June 2025~~ June 2026

Recommendation 12

Parks & Recreation

To ensure that the Parks and Recreation Department (Parks & Rec) meets community language needs, Parks & Rec should:

- Develop, document, and implement, a department-wide language access plan that includes at least the following elements:
 - Establishment of a threshold at which languages must be spoken in the service area to be considered a substantial number of customers;
 - Policies for recreation center staff that specify which written materials need to be translated into the languages identified in Recommendation #11; and
 - Procedures for getting documents translated and approved by qualified bilingual staff or professional translators. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Acquire contracts for translation and interpretation services.

Status: Complete. In 2022, the Communication Department underwent efforts to hire consultants to provide document translations services as well as in-person and phone interpretation services. These services were rolled out to the Parks and Recreation Department to utilize in February 2023.

Task 2: Establish a threshold of which languages should be included in a communication plan for each service area.

Status: In progress. The Community Recreation Needs Assessment (CRNA) is

in progress and is anticipated to be completed in March 2026. It will inform the department on languages spoken across the City.

Task 3: Develop and implement a department-wide language access plan. Upon completion of the CRNA, the department will finalize and implement a language access plan.

Status: In progress. The department is working alongside the Compliance Department to develop a Language Access Plan. The department is currently benchmarking for the Language Access Plan and will utilize recommendations from the Compliance Department and the CRNA to complete the Language Access Plan.

In summary, the department has taken steps to educate staff on new translation and interpretation services available Citywide and has hired a consultant to conduct a Community Recreation Needs Assessment that will inform a Communication and Language Access Plan. The department remains unbudgeted for staffing to manage marketing and communication efforts. Budget for staffing and a consultant were requested in FY2023, FY2024, FY2025, although not in FY2026 budget due to the projected budget deficit identified in the Five-Year Budget Outlook. Once the budget allows, the department will request an additional 6.0 FTE, including 1.0 Marketing Program Manager, 1.0 Supervising Management Analyst, 1.0 Associate Management Analyst, 1.0 Administrative Aide, and 2.0 Recreation Specialist, along with NPE to support the implementation of the Community Recreation Needs Assessment results and Equity Audit recommendations.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ ~~June 2025~~ ~~June 2026~~ December 2026

Recommendation 15

Parks & Recreation

To ensure the accuracy of key data fields in the Parks and Recreation Department's (Parks & Rec) recreation program management software, Parks & Rec should:

- Develop automated controls, where possible, to ensure that recreation staff enter program information in the recreation program management software consistently and accurately; and
- Develop policies and procedures that require Area Managers to regularly review program information captured in Parks & Rec's recreation program management software—such as dates, season, and class status, among others—for consistency and accuracy. These policies and procedures should specify how Area Managers should select data entries for review, require this review to be documented, and identify corrective actions where necessary. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Request budget for positions to monitor, maintain, develop policies and procedures, and train staff on online registration software. In FY2023 and FY2024, the department received five new positions out of ten to support on-going efforts to improve recreational program offerings.

Status: Complete.

Task 2: Develop, recruit, hire new positions to support this action. Over the past year, the department has filled five positions to support this action, with the Information Systems Analyst II being the last to on-board in December 2023.

Status: Complete.

Task 3: Evaluate online registration software that best meets the department's goals, objectives and operational needs.

Status: In progress. An RFP for a new online registration and permitting software is currently being developed with the anticipation of the bid being awarded in December 2025.

Task 4: Formalize online registration and permitting software training into Department Instructions.

Status: In progress. In October 2022, the department updated the ActiveNet Online Registration and Permitting training, making it mandatory for every employee to take the training prior to using the system. In addition, the department has developed an annual refresher training that is also mandatory for all supervisors using the system. The training on ActiveNet for supervisors identifies roles and responsibilities for entering, reviewing, and approving content entered. The department is in the process of formalizing the roles and responsibilities for use of ActiveNet in a Department Instruction. The Department Instruction remains under policy review. Through this process, the staff has received feedback and recommendations in which they are actively working on updating in the documents.

In summary, Parks and Recreation hired five positions by December 2023 to support improved access to recreation programs, staff training, marketing, and oversight of the online registration and permitting system. Mandatory annual training for all supervisors and staff using the system has been in place since October 2022 and clearly defines roles, responsibilities, data entry standards, and oversight procedures. In addition, the department has developed a Department Instruction to formalize use of the online recreation software, which is currently under policy review.

To further strengthen data accuracy and system oversight, the department recently reclassified positions to create two Account Clerk roles to support Area Managers with weekly report reviews and data entry validation, reducing errors and improving consistency. Concurrently, the department continues to evaluate alternative online recreation software solutions and is developing a Request for Proposals, with the selection and transition process anticipated to occur over the next two years.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ ~~October 2023~~ ~~February 2026~~ ~~April 2024~~
~~February 2026~~ June 2026

Performance Audit of the City's Lease Management and Renewal Process

22-007
(NO) (NK)

Effectively managing the leasing out of City-owned property is essential to maximize the City's revenues and ensure the best use of the City's assets. In our [Performance Audit of the City's Lease Management and Renewal Process](#), we found:

Finding 1: The City allows a much higher share of leases to remain in holdover than other jurisdictions, which may be leading to foregone revenue for the City and potential or perceived favoritism. As of FY2025, 24 percent of leases remain in holdover, which could be costing millions of dollars in foregone revenue.

Finding 2: The Department of Real Estate and Airport Management (DREAM) should improve its lease management practices, particularly to protect the City from liability, verify that lessees are utilizing leased property appropriately, and ensure that rent levels align with market conditions.

Finding 3: DREAM should work with the City Attorney's Office to develop a lease template to streamline the lease renewal process and ensure that the appropriate provisions and clauses are included in leases.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Economic Development	In Process – Past Due			
2	Economic Development	Previously Implemented (June 2023)			
3	Economic Development	Previously Implemented (December 2024)			
4	Economic Development	Previously Implemented (June 2024)			
5	Economic Development	Previously Implemented (December 2022)			
6	Economic Development	In Process – Past Due			
7	Economic Development	Previously Implemented (December 2022)			
8	Economic Development	In Process – Past Due			
9	Economic Development	In Process – Past Due			
10	Economic Development	Previously Implemented (December 2023)			
11	Economic Development	Previously Implemented (December 2022)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
12	Economic Development	Previously Implemented (December 2024)			
13	Economic Development	Previously Implemented (December 2024)			
14	Economic Development	Previously Implemented (December 2024)			

Note: The former Department of Real Estate and Airport Management is now part of the Economic Development Department. Thus, all recommendations originally assigned to the Department of Real Estate and Airport Management are now assigned to the Economic Development Department.

Recommendation 1

Economic Development

The Department of Real Estate and Airport Management (DREAM) should document and execute a strategy for addressing the number of lease holdovers in the City's portfolio, as appropriate.

Elements of the strategy that should be considered include:

- Re-evaluating or removing the 25 percent Lease Holdover key performance indicator and replacing or supplementing it with an alternative goal relating to on-time lease renewals (such as number of lessees approaching holdover that were emailed a lease expiration reminder);
- Setting a target for completing the renewal of a certain percentage or number of leases which are currently in holdover;
- Determining a mechanism for selecting which leases will be prioritized for renewal, to include the leases with high potential foregone revenue and leases that have been in holdover the longest; and
- Completing or updating a policies and procedures manual for DREAM staff that provides guidance on the issues discussed in this finding, such as determining when property agents and DREAM staff should exercise financial disincentives, prioritizing leases for renewal, improving documentation and alerts within REPortfolio, etc. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, it has developed a strategy that prioritizes revenue-generating leases in holdover status, assigned internal resources, and is actively working toward implementation. As a first step, the department compiled a comprehensive list of all leases and agreements in holdover for more than five years, categorizing them by duration, revenue generation, and other relevant factors. Recognizing the volume and complexity of the holdovers and the need to balance other departmental priorities, the department is also exploring options for supplemental support through its recently approved bench of real estate consulting firms to expand capacity and maintain momentum. According to the department, implementation of the strategy began in 2025 and staff have already initiated work on renewing several long-standing holdover leases, with an initial focus on those that generate revenue.

Additionally, as part of the FY2027 KPI submittals, the Economic Development Department is evaluating the elimination of the 25 percent Holdover KPI and replacing or supplementing with an alternative.

The Real Estate Division Procedures are being finalized in conjunction with the upgrade to the real estate management software. This manual includes processes for staff specific to lease renewals, amongst others.

The department anticipates that this portion of the recommendation will be implemented by June 30, 2026.

Issue Date: February 9, 2022

Original Target Date: February 2023

Current Target Date: ~~February 2023~~ ~~December 2023~~ ~~February 2024~~ ~~Unknown~~
~~June 2025~~ June 2026

Recommendation 6

Economic Development

To improve productivity, oversight, and accountability, the Department of Real Estate and Airport Management (DREAM) should establish and enforce productivity standards, goals, or similar performance targets and procedures based on reasonable expectations for conducting property inspections, ensuring up-to-date insurance and/or indemnification of the City, adjusting rent timely, and documenting appraisals. Finalized performance targets should be communicated to all appropriate employees within DREAM so that all are aware of these expectations and monitored via routine reporting by DREAM management/supervisors. Deviations from agreement terms should be documented and maintained within REPortfolio, EDRS, or another information management system. (Priority 1)

In Process – Past Due

This recommendation is in process. According to the department, it has taken key initial steps, including the adoption of three updated Council Policies related to the Real Estate Division in February 2025. In addition, a draft of the new Real Estate Division Procedures has been completed to replace the outdated “Real Estate Assets Department Manual” last updated in 1995. It was anticipated this would be final by the end of 2025; however, with the upgrade to the portfolio software, the Division needs to make further refinements and ensure cohesion between the two.

According to the department, it has also enhanced its real estate administration software, allowing for more efficient tracking, monitoring, and reporting of data, with further improvements expected through upcoming upgrades and future implementation of a new system in 2026.

Issue Date: February 9, 2022

Original Target Date: February 2024

Current Target Date: ~~February 2024~~ ~~March 2024~~ ~~February 2025~~ ~~June 2025~~
~~December 2025~~ June 2026

Recommendation 8*Economic Development*

The Department of Real Estate and Airport Management should perform and document a property inspection for all properties that have not had a documented inspection within the last 3 years. (Priority 1)

In Process – Past Due

This recommendation is in process. According to the department, as part of its standard procedures, agents conduct inspections of lessee operations that normally occur on an annual basis to determine whether the terms and conditions of each agreement are being carried out. These inspections evaluate compliance with operational, use, and maintenance requirements and are documented in accordance with departmental practices. Despite limited staff resources, the department has prioritized inspections and informal site visits to systematically bring properties into compliance. From January 1, 2022 through December 31, 2025, the department has completed 352 property inspections. Notably, inspection activity increased significantly over time, with Lease Administration more than doubling its output from 2024 to 2025, representing a 146 percent year-over-year increase in inspection volume.

With respect to the period from July 2018 through July 2021, the department stated that complete inspection records may not be available for all properties due to historical documentation practices, system transitions, and staffing limitations during that timeframe. The department will compile and provide the best available inspection documentation for that period, including any existing inspection forms, site visit records, or tracking logs. The department does not have the resources to retroactively recreate missing historical records and has therefore focused its efforts on establishing improved controls and documentation practices to ensure inspections are completed and recorded on a go-forward basis.

In addition, according to the department, the REPortfolio system has been configured to automatically notify assigned agents when inspections are coming due within 120 days. Inspections will continue to be conducted on an ongoing basis as they become due.

Issue Date: February 9, 2022

Original Target Date: January 2023

Current Target Date: ~~January 2023~~ ~~November 2023~~ ~~December 2025~~ June 2026

Recommendation 9

Economic Development

To improve oversight of potentially foregone revenue from non-competitively priced leases, the publicly-presented Portfolio Management Plan or similar publicly-presented plan should include a listing of all City lease-outs. The list should include leases' most recent market rental value, the date of said value, and the actual annual rent paid to the City. The results should be presented both by lease as well as grand totals, and leases with the largest differences between market value and actual rent paid should be highlighted for public transparency. The Department of Real Estate and Airport Management should work with City leadership to include a control, such as a requirement within updated Council Policy, to ensure that this reporting continues periodically. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, the Revised Council Policy 700-10, adopted in February 2025, requires the department to review, update, and present the Real Property Management Plan to Council every two years. This Plan will include, among other elements, a listing of City lease-outs along with relevant property information. The department will begin developing the scope of work and framework for the Plan; however, due to current budgetary constraints and competing priorities, it is unlikely a consultant will be hired and the effort formally launched until budget is made available.

Issue Date: February 9, 2022

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~July 2024~~ ~~December 2024~~ ~~February 2025~~
December 2026

Performance Audit of Workplace Safety and Workers' Compensation

22-008

(JP)

City employees expect and deserve a safe workplace, and work-related injuries and illnesses harm employees and their families. We conducted a [Performance Audit of Workplace Safety and Workers' Compensation](#) and industrial leave and found that improving workplace safety and minimizing workers' compensation costs requires a multi-pronged approach. We found that the City's costs related to workplace injuries could total more than \$200 million per year, and could be reduced through an improved workplace safety program. Specifically, we found:

Finding 1: Some departments do not meet the Citywide Injury and Illness Prevention Program requirements, which likely contributes to higher injury rates and workers' compensation costs.

Finding 2: The City should proactively prevent workplace incidents by conducting incident investigations with a focus on root cause analyses; collecting and analyzing injury, illness, and near-miss data; and using safety performance indicators to continuously improve safety program effectiveness.

Finding 3: Workers' Compensation has a process in place for reviewing potential fraud, but it can improve controls over this process by centrally tracking all fraud red flags or tips and investigations.

No.	Department*	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Risk Management	In Process – Past Due			
2	Chief Compliance Officer	Previously Implemented (June 2023)			
3	Chief Compliance Officer	Previously Implemented (June 2025)			
4	Risk Management	Previously Implemented (December 2023)			
5	Risk Management	In Process – Past Due			
6	Risk Management	Previously Implemented (December 2023)			
7	Risk Management	In Process – Past Due			
8	Risk Management	In Process – Past Due			

No.	Department*	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
9	Risk Management	In Process – Past Due			
10	Risk Management	Previously Implemented (December 2023)			

*These recommendation were previously assigned to the Compliance Department and have been reassigned to the Risk Management Department due to the elimination of the Compliance Department.

Recommendation 1

Risk Management

To specify roles and responsibilities in the process of implementing, maintaining, and monitoring department-specific Injury and Illness Prevention Programs (IIPPs), the Compliance Department's Occupational Safety and Health program (OSH) should establish and implement an Administrative Regulation or process narrative that includes the following elements.

For operating departments, the Administrative Regulation or process narrative should establish roles and responsibilities that include:

- Developing and implementing a department-specific IIPP that meets State requirements and department-specific needs;
- Providing the department-specific IIPP to OSH for review;
- Collecting information on activities supporting the IIPP and reporting it to OSH; and
- Conducting an annual review of the department-specific IIPP and reporting the results to OSH with an attestation from the department director.

For OSH, the Administrative Regulation or process narrative should establish responsibilities that include:

- Educating departments on requirements for department-specific IIPPs;
- Reviewing department-specific IIPPs for compliance with State requirements and conformance with Citywide workplace safety goals;
- Notifying appropriate Deputy Chief Operating Officers and the Chief Operating Officer of departments lacking an IIPP;
- Requesting departments review their IIPP annually, report to OSH the results of their review with an attestation by each department director on the accuracy of the update, and report any changes to the department-specific IIPP; and
- Summarizing annual updates from departments in an annual Citywide safety report to Department Directors, Deputy Chief Operating Officers, the Chief Operating Officer, and the Safety and Risk Oversight Committee. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, in November 2025, the Occupational Safety and Health (OSH) team was restructured under the Risk Management Department. Implementation of this recommendation remains on hold, due to the budget cuts, as staff continue to prioritize meeting regulatory-required programmatic deadlines.

As part of the FY2027 budget development process, Risk Management has requested the restoration of the 4.00 FTE positions that were reduced in the FY2026 Adopted

Budget. If the request is approved and positions are filled, staff anticipates resuming work on this recommendation in the subsequent fiscal year. If the request is not approved, staff will continue to seek opportunities to balance regulatory-required programmatic obligations with incremental progress toward establishing an Administrative Regulation (A.R.) or Policy Notice (PN) related to Injury and Illness Prevention Programs (IIPPs), including roles and expectations.

Issue Date: May 9, 2022

Original Target Date: December 2023

Current Target Date: ~~December 2023~~ ~~October 2023~~ ~~May 2024~~ ~~December 2024~~
Unknown

Recommendation 5

Risk Management

To ensure the City takes a data-driven approach to proactively identifying safety issues and preventing injuries from happening, Occupational Safety and Health program (OSH) should work with City departments to set department safety goals and establish department safety performance indicators that include:

- Leading safety indicators, such as the percentage of employees attending safety refresher trainings, average time to address safety issues, and percentage of monthly/weekly safety inspections completed; and
- Lagging safety indicators, such as Incident Rate, Days Away, Restricted, or Transferred (DART) Rate, and injury frequency and severity.

The selection of department safety indicators should involve employees at all levels within the department/division. Safety performance results should be shared with all levels of the department/division.

OSH should periodically review departments' performance in achieving their safety goals, report this information in the annual Citywide safety report identified in Recommendation 1, and work with departments to update their IIPPs on a regular basis based on departments' safety performance. (Priority 1)



In Process – Past Due

This recommendation is in process. The department reported that the project to implement a new Risk Management Information System (RMIS) has progressed since the last update and has received Council approval. The contract is subject to a required 30-day waiting period. A formal project kickoff is anticipated in March 2026. Implementation will occur in phases, with the safety module currently planned as the final module to be implemented, anticipated around January 2027. The implementation schedule remains flexible and may be adjusted to align with organizational priorities. Risk Management plans to engage department safety representatives throughout the project to provide consultation and input. As system capabilities are identified, Risk Management will provide updates on the steps to address this recommendation.

Issue Date: May 9, 2022

Original Target Date: TBD based on FY2024 budgeted resource allocations

Current Target Date: ~~TBD based on system selected~~ ~~August 2026~~ January 2027

Recommendation 7

Risk Management

To ensure management and the Occupational Safety and Health program (OSH) have timely access to injury and illness information to evaluate and drive positive changes to the City's safety programs, OSH should implement a safety data collection process outlining the roles and responsibilities of OSH and operational departments. OSH should:

- Implement a data solution, such as a safety software system, that will enable the capture of recordable injuries and Supervisor's Injury/Illness Investigation Reports at the department level.
- Provide guidance and training to department safety personnel on how to analyze their department's data and how to report to department management as well as to OSH the number and type of incidents, common incident causes, corrective actions taken, trends in Incident Rates and Days Away, Restricted, or Transferred (DART) Rate, etc. OSH should perform such analysis for departments without safety personnel.
- Analyze records submitted by departments to identify and monitor Citywide trends and benchmark against comparable organizations or occupations to identify areas for improvement.
- Report the results of their analysis and coordinate with department directors to report department-specific analysis to the Safety and Risk Oversight Committee at least annually. (Priority 1)



In Process – Past Due

This recommendation is in process. The department reported that the project to implement a new Risk Management Information System (RMIS) has progressed since the last update and has received Council approval. The contract is subject to a required 30-day waiting period. A formal project kickoff is anticipated in March 2026. Implementation will occur in phases, with the safety module currently planned as the final module to be implemented, anticipated around January 2027. The implementation schedule remains flexible and may be adjusted to align with organizational priorities. Risk Management plans to engage department safety representatives throughout the project to provide consultation and input. As system capabilities are identified, Risk Management will provide updates on the steps to address this recommendation.

Issue Date: May 9, 2022

Original Target Date: TBD based on FY2024 budgeted resource allocations

Current Target Date: ~~TBD based on system selected~~ ~~August 2026~~ January 2027

Recommendation 8

Risk Management

To ensure departments can effectively conduct incident investigations and take corrective action measures timely, the Compliance Department's Occupational Safety and Health program (OSH) should develop, document, and implement a Citywide incident investigation program. The program should provide for OSH and any designated department safety staff to train department supervisors and other relevant personnel on incident investigation procedures, specify when and how often trainings will be provided, focus on identifying root cause(s) of the injury, emphasize correcting root cause(s), and provide for an annual program review to identify areas of improvement to the program. Trainings should guide personnel who conduct investigations to effectively conduct, document, and perform injury root cause analysis as well as identify and implement corrective action measures. To ensure program effectiveness, OSH should coordinate with department safety staff to provide department supervisors with relevant accident examples, realistic corrective actions, and guidance on using a systems approach for incident investigation, including root cause analysis. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, in November 2025, the Occupational Safety and Health (OSH) team was restructured under the Risk Management Department. Implementation of this recommendation remains on hold, due to the budget cuts, as staff continue to prioritize meeting regulatory-required programmatic deadlines.

As part of the FY2027 budget development process, Risk Management has requested the restoration of the 4.00 FTE positions that were reduced in the FY2026 Adopted Budget. If the request is approved and positions are filled, staff anticipates resuming work on this recommendation in the subsequent fiscal year. If the request is not approved, staff will continue to seek opportunities to balance regulatory-required programmatic obligations with incremental progress toward developing a Citywide incident investigation program.

Issue Date: May 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ January 2024 May 2024 October 2024
Unknown

Recommendation 9*Risk Management*

To ensure supervisor incident investigations are properly documented, the Compliance Department's Occupational Safety and Health program (OSH) should:

- Update the Citywide Supervisor Injury/Illness Investigation form to include a description of the incident from eyewitnesses and employees with knowledge of the incident, identification of root cause(s), and corrective action(s) taken.
- Require all departments use the standard Citywide Supervisor Injury/Illness Investigation form. However, in cases where departments need to customize the form, OSH should work with departments as needed to tailor their form to meet department-specific needs while also meeting the minimum requirements of the Citywide form. (Priority 2)

**In Process – Past Due**

This recommendation is in process. According to the department, in November 2025, the Occupational Safety and Health (OSH) team was restructured under the Risk Management Department. Implementation of this recommendation remains on hold, due to the budget cuts, as staff continue to prioritize meeting regulatory-required programmatic deadlines.

As part of the FY2027 budget development process, Risk Management has requested the restoration of the 4.00 FTE positions that were reduced in the FY2026 Adopted Budget. If the request is approved and positions are filled, staff anticipates resuming work on this recommendation in the subsequent fiscal year. If the request is not approved, staff will continue to seek opportunities to balance regulatory-required programmatic obligations with incremental progress toward updating incident form and work with departments to make sure investigations happen.

Issue Date: May 9, 2022

Original Target Date: TBD based on FY2024 budgeted resource allocations

Current Target Date: ~~TBD based on FY2025 budgeted resource allocations~~
October 2024 Unknown

Performance Audit of the Development Services Department's Code Enforcement Division

22-009
(GT)

The City of San Diego conducts code enforcement activities to ensure, improve, and maintain safe and desirable San Diego neighborhoods. In our [Performance Audit of the Development Services Department's Code Enforcement Division](#), we found that conducting code enforcement activities requires three key components: initial response, compliance activity, and monitoring and assessment. Specifically, we found:

Finding 1: Code Enforcement does not meet response time goals and thus does not assess the nature and severity of code enforcement complaints in a timely manner.

Finding 2: Staffing imbalances and Code Enforcement's underuse of case management tools contribute to inconsistent application of policies and a risk that violations persist.

Finding 3: Code Enforcement's Accela data and performance metric reporting does not accurately reflect case progress or results.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Development Services	Not Implemented – N/A*			
2	Development Services	In Process – Past Due			
3	Development Services	In Process – Past Due			
4	Development Services	In Process – Past Due			
5	Development Services	In Process – Past Due			
6	Development Services	In Process – Past Due			
7	Development Services	In Process – Past Due			
8	Development Services	In Process – Past Due			
9	Development Services	In Process – Past Due			
10	Development Services	In Process – Past Due			

*Recommendation 1 is covered in Section A of this report.

Recommendation 2*Development Services*

To ascertain staffing needs discussed in both Finding 1 and Finding 2, and to better articulate resource needs and budget requests with evidentiary support, the Development Services Department (DSD) should:

Establish a Key Performance Indicator (KPI) for the optimal average caseload for the Code Enforcement Division's building and zoning investigators. DSD should report this KPI in its annual budget document. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), all DSD Divisions developed new KPIs following the new City of San Diego parameters. The KPIs in the FY2025 budget implemented the audit's recommendation to use a larger data set to show Building and Land Use Enforcement's (BLUE's) responsiveness to priority complaints.

In December 2025, a Reduction in Force was completed in BLUE for the 12 positions eliminated in the FY2026 budget. In Calendar Year 2026, BLUE will create an example of KPIs and a report on the methodology DSD used to generate the figures.

According to the department, the following tasks are needed to achieve full implementation:

Task 1: Establish caseload targets for Zoning Investigators and Combination Building Inspectors.

Status: In progress.

Task 2: Create a report with an explanation of the methodology.

Status: Not completed.

Task 3: Train Seniors and BOSS on tracking and reporting caseloads.

Status: Not completed.

Task 4: Provide new KPI data.

Status: Not completed.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~July 2025~~ June 2026

Recommendation 3*Development Services*

To help investigators and management better organize and analyze case data, the Development Services Department should create or expand fields for the following case information in Accela:

- Indication of a special project that does not follow the regular complaint procedure;
- Notice and Fine Detail; and
- Status (both Active and Closed). Add at least the following choices:
 - Status for Admin Hearing;
 - Awaiting Permit; and
 - Referred to City Attorney's Office (Priority 2)

**In Process – Past Due**

This recommendation is in process. According to the Development Services Department (DSD), Building and Land Use Enforcement (BLUE) is using current staff to review Accela fields to identify methods to track special projects. BLUE has implemented new fields in the Accela test environment and is evaluating their efficacy. A Program Manager and other SMEs are reviewing them. Once complete, BLUE will request DSD IT implement the current fields.

According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Hire Program Manager.

Status: This will not be completed at this time due to budget restrictions.

Task 2: Update Accela to add fields to track special projects and add additional Status fields.

Status: In progress.

Task 3: Create a written procedure with instructions on case entry to include using existing notice fields and new fields for special projects and expanded statuses.

Status: Not complete.

Task 4: Train staff to use new fields.

Status: Not complete.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ July 2025 June 2026

Recommendation 4*Development Services*

After expanding Accela field options, to consistently analyze data on an aggregate level, the Development Services Department should create a data dictionary for Accela that clearly defines choices for at least the following fields:

- Types of Inspections (specify which ones contribute towards Re-Inspection Fees);
- Active Case Status; and
- Closed Case Result. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the Development Services Department, Building and Land Use Enforcement (BLUE) is using current staff to identify needed definitions and begin drafting a dictionary. A Program Manager and other SMEs are testing the added Accela fields and will develop a dictionary once finalized.

According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Hire Program Manager.

Status: This will not be completed at this time due to budget restrictions.

Task 2: Create a Data Dictionary.

Status: In progress.

Step 3: Train Staff and Implement.

Status: Not complete.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~July 2025~~ June 2026

Recommendation 5

Development Services

In order to maintain ongoing involvement in long-term cases, the Development Services Department should update Code Enforcement's Procedures Manual and Accela training materials to require all new or active cases to have a workflow task scheduled with target due date for next step in the case management process, and to require investigators to check the "My Tasks" dashboard in Accela daily. Examples of possible workflow tasks include:

- Estimated inspection date of initial inspection;
- Compliance inspection after issuance of a notice; and
- Estimated permit completion date. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), the department hired a provisional position in October 2024 to assist with implementing this recommendation. The Procedures Manual has been updated and is currently in draft form. It will be finalized for review by the DSD Director after FY2026 budget cuts are implemented for the department. Once reviewed and finalized, the department will train staff to make these entries into Accela.

According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Hire Program Manager.

Status: This will not be completed at this time due to budget restrictions.

Task 2: Establish a written procedure detailing accurate entry requirements in Accela.

Status: In progress.

Task 3: Establish a policy requiring daily monitoring of Accela Tasks by CED investigative staff.

Status: In progress.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ July 2025 June 2026

Recommendation 6

Development Services

In order for the Development Services Department (DSD) Code Enforcement Division's management to better track aggregate case data, DSD should update Code Enforcement's Procedures Manual and Accela training materials to include the following:

- Investigators should list all zoning/building violations in "Violation Table" in Accela; and
- Investigators should enter pertinent case information, such as Civil Penalty Notice and Order and Administrative Citation/Warning issuance date, compliance date, and fine/penalty amounts, into the Civil Penalty Notice and Order and Administrative Citation Warning fields in Accela. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the Development Service Department (DSD), Building and Land Use Enforcement (BLUE) hired a provisional position to assist with implementing this recommendation in October 2024. The Procedures Manual has been updated and is in draft form. In December 2025, a Reduction in Force (RIF) was completed in BLUE for the 12 positions eliminated in the FY2026 budget. This resulted in BLUE's zoning teams being reduced by a third. As a result, BLUE is no longer enforcing lower-priority complaints. In Calendar Year 2026, BLUE will update the draft Procedures Manual with current enforcement priorities and finalize it for review by the DSD Director. Once reviewed and finalized, BLUE will train staff to make these entries into Accela.

According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Hire Program Manager.

Status: This will not be completed at this time due to budget restrictions.

Task 2: Establish a written procedure requiring entry in Accela of all observed violations and remedy details.

Status: In progress.

Task 3: Train staff and implement.
Status: Not complete.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ July 2025 June 2026

Recommendation 7

Development Services

To address Finding 1 and to give more information to supervisors and managers, the Development Services Department should develop and use tools such as Accela reports or online dashboards that include the following:

- New or active cases that do not have an initial inspection and the number of days from case open date;
- All cases with number of inspections and whether they have a re-inspection fee issued;
- All active cases open longer than 90 days without a notice issued;
- All active cases without an update in the last 90 days; and
- All active cases with most recent workflow task. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), Building and Land Use Enforcement (BLUE) will use existing staff to work with DSD IT to create reports that provide all recommended information. This is scheduled to begin after completing work on Recommendations 3 and 4.

According to the department, the following tasks are needed to achieve full implementation:

Task 1: Hire Program Manager.

Status: This will not be completed at this time due to budget restrictions.

Task 2: Update Accela to create reports that provide all recommended information.

Status: Not complete.

Task 3: Perform UAT Testing.

Status: Not complete.

Task 4: Establish a written procedure detailing how to run accurate reports.

Status: Not complete.

Task 5: Train CED Seniors and implement.

Status: Not complete.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ July 2025 June 2026

Recommendation 8*Development Services*

To help Development Services Department (DSD) Code Enforcement Division's supervisors hold investigators accountable, DSD should update Code Enforcement's Procedures Manual to require Code Enforcement senior investigators to regularly review individual investigators' caseloads to identify and follow-up on cases that have had no updates in the past three months. DSD should consider the following:

- Supervisors should filter out cases that they do not expect investigators to actively work when reviewing individual investigators' caseloads to identify cases that have no updates for at least three months.
- During their review of individual investigators' caseloads, management should require supervisors to ensure that investigators provided a written notice to the property owner for all active cases with violations, as well as ensure cases with three or more follow-up inspections have had a re-inspection fee issued. (Priority 2)

**In Process – Past Due**

This recommendation is in process. According to the Development Services Department (DSD), Building and Land Use Enforcement (BLUE) hired a provisional position to assist with implementing this recommendation in October 2024. The Procedures Manual has been updated and is in draft form. In December 2025, a Reduction in Force (RIF) was completed in BLUE for the 12 positions eliminated in the FY2026 budget. This resulted in BLUE's zoning teams being reduced by a third. As a result, BLUE is no longer enforcing lower-priority complaints. In Calendar Year 2026, BLUE will update the draft Procedures Manual with current enforcement priorities and finalize it for review by the DSD Director. Once reviewed and finalized, BLUE will train staff to make these entries into Accela.

According to the department, the following tasks are needed to achieve full implementation:

Task 1: Hire Program Manager.

Status: This will not be completed at this time due to budget restrictions.

Task 2: Add Senior positions to reduce team size.

Status: This will not be completed at this time due to budget restrictions.

Task 3: Establish a written policy requiring CED Seniors to run Accela reports regularly to review staff performance.

Status: In progress.

Task 4: Train CED Seniors and implement new policy.

Status: Not complete.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~July 2025~~ June 2026

Recommendation 9*Development Services*

To address the misreporting of Key Performance Indicators (KPIs) and inaccurate tracking of response time, the Development Services Department (DSD) should create and use a report from Accela that accurately measures Code Enforcement's initial response time. This report should include cases opened in the current fiscal year that:

- Have received an inspection; or that
- Have no inspection but are beyond the goal response time.

Additionally, the basis of DSD's annual KPI reporting should be this report pulled on a date at least eight months after the start of the reported fiscal year. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), Building and Land Use Enforcement (BLUE) needs to implement other audit recommendations for this recommendation to be effective. All DSD Divisions utilize KPIs created in accordance with City parameters. The KPIs in the FY2025 budget implemented the audit's recommendation to use a larger data set to report BLUE's overall responsiveness better. In December 2025, a Reduction in Force was completed in BLUE for the 12 positions eliminated in the FY2026 budget. In Calendar Year 2026, BLUE will create an example of KPIs and a report on the methodology DSD used to generate the figures.

According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Update Accela to create reports accurately reflecting inspection activity, including cases without initial inspections.

Status: In progress.

Task 2: Run reports for KPIs based on periods of at least 8 months.

Status: Completed.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023 July 2025 June 2026

Recommendation 10*Development Services*

To address data reliability issues, the Development Services Department (DSD) should create a checklist for online case files, and Code Enforcement's Procedures Manual should require Code Enforcement management to conduct periodic audits of cases using this checklist. The checklist should require Code Enforcement to check for both accuracy and completeness of the Accela case file and should include at least:

- Date of First Inspection;
- Number and Type of Inspections;

- Number and Type of Violations;
- Number and Amount of Fines/Fees;
- Complaint Details;
- Completed Workflow and Activities; and
- Closed Status.

Based on the results of these audits, Code Enforcement's Procedures Manual should outline appropriate management response when issues with investigator performance are identified. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the Development Services Department (DSD), Building and Land Use Enforcement (BLUE) hired a provisional position to assist with implementing this recommendation in October 2024. The Case Closure Checklist has been drafted and added to the Procedures Manual, which has been updated and is also in draft form. In December 2025, a Reduction in Force (RIF) was completed in BLUE for the 12 positions eliminated in the FY2026 budget. This resulted in BLUE's zoning teams being reduced by a third. As a result, BLUE is no longer enforcing lower-priority complaints. In Calendar Year 2026, BLUE will update the draft Procedures Manual with current enforcement priorities and finalize it for review by the DSD Director. Once reviewed and finalized, BLUE will train staff to make these entries into Accela. Once reviewed and finalized, BLUE will train Seniors to use the checklist to ensure cases are closed correctly and increase data reliability.

According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Hire Program Manager.

Status: This will not be completed at this time due to budget restrictions.

Task 2: Create a Case Closure Checklist.

Status: In progress.

Task 3: Train CED staff on the Checklist and Implement it.

Status: Not complete.

Task 4: Establish a written policy requiring the CED Management Team to conduct periodic random audits of closed cases and detail appropriate responses to findings.

Status: Not complete.

Step 5: Train the BLUE Management Team on the Audit Procedure and Implement it.

Status: Not complete.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~July 2025~~ June 2026

Performance Audit of SDPD's Use and Management of Body Cameras

23-001
(CN) (DK)

Body cameras are used to improve San Diego Police Department (SDPD) officer and public safety, providing additional documentation of police encounters with the public and functioning as important evidence collection and accountability tools. In our [Performance Audit of SDPD's Use and Management of Body Cameras](#), we found:

Finding 1: Officers likely did not record many enforcement encounters, as required.

Finding 2: In many cases, officers did not appear to record the entire incident, as required.

Finding 3: Officers generally categorized videos correctly, but some changes would minimize the risk of deleting videos too soon.

Finding 4: SDPD does not have a detailed policy on when it releases body camera video, creating confusion among the public and City Council.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	SDPD	In Process – Past Due			
2	SDPD	In Process – Past Due			
3	SDPD	In Process – Past Due			
4	SDPD	In Process – Past Due			
5	SDPD	In Process – Past Due			
6	SDPD	Previously Implemented (December 2022)			
7	SDPD	In Process – Past Due			

Recommendation 1

SDPD

The San Diego Police Department (SDPD) should amend its body camera procedure to require officers to turn on event mode to record body camera videos for all dispatched events and calls for service, including all incidents directed or self-initiated. SDPD should train all body camera users and supervisors on the new requirement. This recommendation would not impact SDPD's current procedure that requires officers to begin recording while driving to a call and prior to actual contact with a member of the public. Additionally, this recommendation should only impact calls for service and dispatched calls. Therefore, SDPD could keep its current procedure that allows officers to not record suspect interviews if the suspect declines to make a statement due to the body camera being activated and the SDPD procedure that prohibits recordings during contact with confidential informants. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, Department Procedure 1.49 Axon Body Worn Cameras is still in the meet and confer process. As the meet and confer process is ongoing, SDPD does not have a target date for completion.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~December 2023~~ ~~June 2024~~ ~~October 2024~~
~~March 2025~~ ~~December 2025~~ Unknown

Recommendation 2

SDPD

The San Diego Police Department (SDPD) should update the section in Procedure 1.49 related to supervisor reviews of officer videos to ensure supervisors confirm there is a body camera video for all dispatched events for each officer for days selected in the monthly review. SDPD should train all supervisors on the new requirement. This recommendation would not require supervisors to watch additional videos. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, Department Procedure 1.49 Axon Body Worn Cameras is still in the meet and confer process. As the meet and confer process is ongoing, SDPD does not have a target date for completion.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~December 2023~~ ~~June 2024~~ ~~October 2024~~
~~March 2025~~ ~~December 2025~~ Unknown

Recommendation 3

SDPD

The San Diego Police Department (SDPD) should clarify in Procedure 1.49 specifically when officers can stop recording an incident with their body camera. The procedure should clarify the definition of the conclusion of an incident and include examples. SDPD should communicate this procedural update in a department-wide training. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, Department Procedure 1.49 Axon Body Worn Cameras is still in the meet and confer process. As the meet and confer process is ongoing, SDPD does not have a target date for completion.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~December 2023~~ ~~June 2024~~ ~~October 2024~~
~~March 2025~~ ~~December 2025~~ Unknown

Recommendation 4

SDPD

The San Diego Police Department (SDPD) should add to the sergeant reviews section of Procedure 1.49 to require that supervisor reviews include reviewing the end of body camera videos to confirm compliance with procedure. This recommendation would not require supervisors to review additional videos beyond the monthly review process already in place. SDPD should communicate this procedural update in a department-wide training. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, Department Procedure 1.49 Axon Body Worn Cameras is still in the meet and confer process. As the meet and confer process is ongoing, SDPD does not have a target date for completion.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~December 2023~~ ~~June 2024~~ ~~October 2024~~
~~March 2025~~ ~~December 2025~~ Unknown

Recommendation 5

SDPD

The San Diego Police Department (SDPD) should require in Procedure 1.49 that supervisor reviews of body camera videos include watching all videos categorized as BWC Training/Accidental to help ensure they are categorized and retained correctly. SDPD should include this procedural update in a department-wide training. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, Department Procedure 1.49 Axon Body Worn Cameras is still in the meet and confer process. As the meet and confer process is ongoing, SDPD does not have a target date for completion.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~December 2023~~ ~~June 2024~~ ~~October 2024~~
~~March 2025~~ ~~December 2025~~ Unknown

Recommendation 7

SDPD

The San Diego Police Department (SDPD) should write and implement a policy or procedure detailing what body camera videos it releases and when, including critical incident videos.

- a. The policy should, at minimum, ensure compliance with state law and be easily understood by the public. The policy should list the types of incidents it is required to release body camera video for and list the reasons there may be exceptions to releasing a video. Exhibit 5 in the Background section of this report provides an example. To clarify that this policy is meant to mirror state law and not contradict state law, SDPD could state that this list is a summary of state law and that state law and subsequent court proceedings supersede the City policy.
- b. The policy should include SDPD's goal of releasing critical incident videos within 10 days of an officer involved shooting.
- c. The policy should require SDPD to disclose when it is only providing the requester a selection of body camera videos related to the incident that it has determined are most relevant, if the requester has asked for all videos related to the incident.
- d. The policy should detail the factors that go into weighing the interest in delaying disclosure against the public interest in disclosure of body camera videos required to be released under California Penal Code Section 832.
- e. SDPD should present the policy to the relevant City Council committee to educate the public on what body camera videos are available for public inspection, what body camera videos are left to the discretion of the Chief of Police, reasons for delay of disclosure of body camera videos, and the process for requesting body camera videos. The presentation should also explain the timeline for critical incident videos compared to the release of all body camera videos and records requested under California Penal Code Section 832.
- f. SDPD should post the policy on its public website. (Priority 3)

In Process – Past Due

This recommendation is in process. According to the department, Department Procedure 1.49 Axon Body Worn Cameras is still in the meet and confer process. As the meet and confer process is ongoing, SDPD does not have a target date for completion.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~June 2024~~ ~~October 2024~~ ~~March 2025~~
~~December 2025~~ Unknown

Performance Audit of the City's Get It Done Application and Service Requests Management

23-004
(NO) (MS)

The development of Get It Done is one of the City's efforts to improve customer service and has streamlined intake for a variety of service requests. In addition to Get It Done, the City has many other decentralized customer service portals and intake channels for residents to report problems or request information about City services. In our [Performance Audit of the City's Get It Done Application and Service Requests Management](#), we found:

Finding 1: While Get It Done has greatly expanded customers' access to request services, many customers receive limited, confusing, or inaccurate information about their service requests.

Finding 2: A centralized, 3-1-1 phone-based intake option could improve the customer service experience, increase equity and access to City services, and decrease SDPD's call volume and wait times.

Other Pertinent Information: The City is not meeting current demand for many types of service requests; continued process improvements and additional resources are likely needed to address service requests submitted through Get It Done and a future 3-1-1 contact option.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Performance & Analytics	Previously Implemented (June 2025)			
2	Performance & Analytics	Previously Implemented (June 2025)			
3	Performance & Analytics	Previously Implemented (June 2023)			
4	Performance & Analytics	Previously Implemented (December 2024)			
5	Performance & Analytics	Previously Implemented (June 2024)			
6	Performance & Analytics	Disagree (Audit Committee Requested Action)			

Recommendation 6*Performance & Analytics*

To build on past efforts at increasing the City of San Diego's commitment to customer service, the City Administration should establish a centralized 3-1-1 contact option for residents. These efforts should include:

- a. Forming a standing City working group among the most affected departments and working groups (e.g., the Performance and Analytics Department, Station 38, Police Dispatch, City Clerk, Public Utilities Department, Department of IT, Environmental Services Department, and others, as necessary);
- b. Assessing the feasibility, strategy, and potential timeline for migrating existing customer service functions into the 3-1-1 customer service center; and
- c. Developing a timeline for developing a marketing strategy, including branding, media outreach, and social media utilization, for City services included in the 3-1-1 customer service center. (Priority 1)

**Disagree (Audit Committee Requested Action)**

This recommendation is in process. According to the department, it does not have additional updates to provide on the Customer Experience (CX) strategy at this time. Based on the current budget situation and position reductions, the department has had to shift resources and priorities. The department also noted that where possible, it is incorporating the CX principles into its projects.

As of the last reporting period, this recommendation was in process pending presentation of the Customer Experience Strategy to the City Council as requested by the Audit Committee and subsequent Audit Committee disposition. When the audit report was issued, the Administration disagreed with the recommendation. On October 12, 2022, the audit report was presented to the Audit Committee. At that meeting, the Audit Committee approved a motion by Chair Whitburn to accept the report and forward it to City Council. The motion also included a request that the Performance and Analytics Department (Panda) "prepare and present to the City Council, during the first half of CY2023, a customer service strategy and roadmap to expand digital services, including the resources necessary, with the intent to create a 3-1-1 call center system." In June 2023, the department provided to the Audit Committee a draft of the Digital Customer Experience Report, which lays the foundation for actions, methods, and plans needed to usher in a future state envisioned by the City's Strategic Plan. Additionally, the department noted that it planned to revise the report based on feedback it would obtain in Summer 2023, and would share a revised draft with the Audit Committee later in the year. At the Audit Committee meeting in November 2023, the Compliance Department noted that Panda had presented the Digital Customer Experience Strategy to at least one community group from each Council District and was still in the process of obtaining feedback on the Digital Customer Experience Strategy. At that time, the intent was that once the plan was finalized, OCA would recommend a disposition of this item to the Audit Committee.

In June 2024, PandA issued a memo to the Audit Committee on this recommendation and also presented the revised Customer Experience Strategy to the Audit Committee. The revised Strategy lays out a vision for customer service; for example, recommendations on publishing a searchable directory of City services and collecting feedback, as well as required resources to implement the Strategy. However, the Strategy does not include mention of a plan or intent to create a 3-1-1 contact option. Notably, in the companion memo included in the docket materials of the June 2024 Audit Committee meeting, PandA included three different options on how the City could implement a 3-1-1 dial code, but these options and content are not included in the Customer Experience Strategy itself.

The accompanying memo noted pros and cons of the different options, and stated that the formal recommendation disagreement was “primarily because we recognize the reality that a substantial investment will be necessary to design and develop a system that provides solutions to callers’ needs.” Further, the department mentioned its intent to present the Strategy to City Council for adoption, as this would provide PandA with a plan to manage its work with Get It Done and a potential call center. The Customer Experience Strategy was presented as an informational item only and no motion was made. During the prior recommendation follow-up period, the department indicated that, “based on the current budget situation, department work priority is centered around process improvements, revenue generation, and cost-saving customer/user experience projects. Active work on the Customer Experience Strategy is being postponed until more resources become available and no further updates are available.”

As of March 2026, PandA’s presentation of the customer experience strategy was still waiting to go to Council.

Issue Date: October 6, 2022

Original Target Date: TBD

Current Target Date: ~~TBD~~ June 2024 Unknown

Performance Audit of the City's Towing Program

23-005

(NO) (MJ) (NK)

Vehicle towing provides public benefits, such as ensuring streets are clear for street sweeping, parking is available for all, parking rules and laws are followed, and vehicles are registered. However, towing can also have disproportionate impacts on vulnerable populations, such as people who are low-income or are experiencing homelessness. For some people, a vehicle tow may result in the permanent loss of their vehicle, loss of employment, loss of access to education and medical care, and other consequences. In our [Performance Audit of the City's Towing Program](#), we found:

Finding 1: The City should strengthen the public oversight and transparency of the vehicle towing program by publicly reporting on the program's outcomes, impacts to residents, and potential revisions to tow policies and practices.

Finding 2: Internal oversight of the towing program is strong and SDPD should continue to conduct performance evaluations in compliance with the City's contract guide.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	SDPD	In Process – Past Due			
2	SDPD	In Process – Past Due			
3	SDPD	In Process – Past Due*			
4	SDPD	Newly Implemented			

*SDPD disagreed with Recommendation 3 to propose various alternative towing policy options, but Councilmember Whitburn's office has taken the lead on this recommendation, as described below.

Recommendation 1

SDPD

The San Diego Police Department (SDPD) should present a report to the Public Safety and Livable Neighborhoods Committee and/or City Council periodically on the towing program's operations. The frequency of the report should be prior to each of the City's comprehensive user fee studies (currently conducted every 3 years), as well as prior to issuing or renewing a request for proposal for relevant towing and/or impound contracts. Based on City leadership's input and City Council's approval of the revised Council Policy in Recommendation 2, SDPD's periodic report should include all the following reporting elements and any others that SDPD deems as essential:

- a. Program overview to include Tow Administration Unit activities, such as training, inspections conducted, and operational changes or upgrades.
- b. Reporting of key program status and statistics:
 - i. Total number of tows and vehicles sold via lien sales, broken out by tow reason;
 - ii. Response times for licensed tow providers;
 - iii. Number of vehicles towed/impounded by location per year;

- iv. Number of Get It Done requests for 72-hour parking violations;
- v. Time between vehicle impound and disposition;
- vi. Number of waivers given, including reasons; and
- vii. Number of post-storage hearing reversals (i.e., bad tows).
- c. Financial overview and impact to the City and residents:
 - iv. Total line-item costs for City labor, towing costs (fees paid to towing providers), dispatch costs, and any other pertinent costs;
 - v. Total line-item revenues of the program; if revenues are less than costs, include the reason(s) why—e.g., low fees and lien sale losses;
 - vi. Cost recovery percentage and General Fund subsidy due to unrecovered fees and waivers;
 - vii. Average fees accrued;
 - viii. Average lien sale price; and
 - ix. Benchmarked user fees and tow rates.

The San Diego Police Department should also present the results of this audit report to the Public Safety and Livable Neighborhoods Committee prior to FY2024 RFP issuance. (Priority 2)

In Process – Past Due

This recommendation is in process. SDPD did not provide an update for this recommendation during this reporting period or the prior reporting period. In the December 2024 follow-up cycle, SDPD originally reported this recommendation as implemented; however, after OCA review, we determined it to be in process.

As of the December 2024 follow-up cycle, according to SDPD, the following steps were necessary to achieve full implementation:

Step 1 is to clarify what information needs to be included in the presentation.

Step 2 is to identify the sources where the information can be obtained.

Step 3 is to obtain the information from the sources.

Step 4 is to organize the information into a format that can be easily communicated by the presenter and understandable to the receiver.

Step 5 is to review the information and anticipate any questions that may be raised.

Step 6 is to prepare responses to the anticipated questions.

Step 7 is to have the information reviewed by the Traffic Division's Commanding Officer.

Step 8 is to make any modifications requested by the Commanding Officer.

Step 9 is to present the information.

Status: As of the last follow-up cycle, SDPD stated that it had completed Steps 1 and 2. It planned to complete the remaining steps closer to the target date of May 2025 to ensure that the information presented is as accurate as possible. The target date was chosen to meet the requirement of presenting the information prior to FY2026.

In November 2024, SDPD presented its report on the Towing Program's activities to the Public Safety Committee in advance of the City's user fee presentation, consistent with our recommendation. And while the report meets many of the provisions outlined in the recommendation, including an overview of the Towing Program, key program statistics, and a financial overview, the report contained some errors in the statistics. Additionally, the periods for which the towing data is reported, by calendar year, does not align with the period in which the Towing Program's costs and revenues are reported, by fiscal year. Therefore, the financial data is not fully representative of all the towing activity presented in the report. Lastly, SDPD reported that the Towing Program is cost neutral; however, this differs from OCA's estimated \$1.5 million General Fund subsidy for FY2023 that was presented in the FY2022 audit report. SDPD's reported General Fund subsidy due to waivers and unrecovered fees totaling approximately \$207,000 from CY2022 through CY2024 does not appear to account for the total amount of fees owed (accrued), the program's administrative costs, losses on lien sales, and losses due to below-cost fees. Given that the proposed Tow Impound Cost Recovery and Franchise Fee increases for FY2023 were not approved, the City's General Fund subsidy is likely higher than given in SDPD's staff report. This recommendation will be implemented once a corrected report is presented.

Issue Date: November 14, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~May 2025~~ Unknown

Recommendation 2

SDPD

Prior to presentation of the next towing program update, the San Diego Police Department (SDPD) should work with City leadership to present a new or updated Council Policy 500-03 for City Council's approval. The revised Council Policy should codify the frequency of presenting the report, and provide specific guidance regarding information that should be contained in the report. The Council Policy should require that all of the information listed in Recommendation 1 be included in the periodic report, in addition to any other information that SDPD believes is essential. If SDPD determines any of the information listed in Recommendation 1 should not be required by the Council Policy, the staff report and presentation for the proposed Council Policy should include an explanation of why SDPD has determined the information is unnecessary or infeasible to provide. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, SDPD has examined the information requested in Recommendation 1 and

the Deputy Director of Community Engagement will use the information provided from Recommendation 1 to update Council Policy 500-03 as necessary. However, SDPD also stated that SDPD does not review or update Council Policy.

Issue Date: November 14, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ ~~May 2024~~ ~~October 2024~~ ~~May 2025~~ Unknown

Recommendation 3

SDPD

As the primary department administering the City's towing program, the San Diego Police Department (SDPD) should solicit, compile, and report information to City Council on potential policy options for the towing program. SDPD should solicit, compile, and report information from stakeholder departments, which may include, for example, information on:

- a. Alternative fee models, fee forgiveness options, and/or income-based payment plan options (City Treasurer's Office);
- b. Policy options to mitigate potential impacts on residents or segments of resident populations (Homelessness Strategies and Solutions; Office of Race and Equity);
- c. Legal considerations associated with policy options (Office of the City Attorney);
- d. Potential changes to towing and impound provider contracts (Purchasing and Contracting); and
- e. Enforcement considerations associated with policy options including options for increasing enforcement based on complaint trends, safety considerations, or other factors, as well as enforcement alternatives to towing (SDPD).

SDPD should incorporate the input from stakeholder departments in future towing program updates to City Council, consistent with the reporting frequency set forth in Recommendation 1. (Priority 2)

In Process – Past Due

This recommendation is in process. Councilmember Whitburn's office presented amendments to Council Policy 500-03 to the Public Safety Committee on November 11, 2025. The amendments are intended to reduce disproportionate economic harm to low-income residents which was brought to light during OCA's 2022 Performance Audit of the City's Towing Program. The Public Safety Committee unanimously approved and forwarded to the City Council the following amendments to Council Policy 500-03:

1. It is the policy position of the City Council that the City issue citations for vehicles with registrations that have been expired for more than six months instead of towing those vehicles.
2. SDPD shall report on the performance of the Towing Program to the Public Safety Committee or successor Committee at least once every three years, and the report shall include, at minimum, the total number of tows and vehicles sold via lien sales, broken out by tow reason. In addition, SDPD should consider providing an update to the Public Safety Committee or successor Committee during the initial year of a new towing contract.

3. Before the end of FY2027, the Public Safety Committee or successor Committee will receive a report from the IBA on the impacts of amendments to Council Policy 500-03 during the calendar year beginning on January 1, 2026, through December 31, 2026.

This item is expected to be presented to City Council for full approval in the near future.

Issue Date: November 14, 2022

Original Target Date: Disagree

Current Target Date: Unknown

Recommendation 4

SDPD

The San Diego Police Department should continue to conduct quarterly performance evaluations for its licensed towing and impound contractors and submit these forms to the Purchasing and Contracting Department for monitoring. (Priority 2)

Newly Implemented

This recommendation is implemented. At the time of the audit, the Contract Administration Guide required quarterly contractor performance evaluations. However, the new Contract Administration Guide, published by Purchasing & Contracting in January 2025, states that contractor performance evaluations should now be conducted "at minimum annually." SDPD provided OCA and Purchasing & Contracting with contractor evaluations for Licensed Impound Providers (LIP) and Licensed Towing Providers (LTP) for the end of FY2024 and the beginning of FY2026. During the evaluations, SDPD also identified a contractor who was not meeting standards and has suspended the contractor. Given the new guidelines, SDPD has met the intent of this recommendation and should continue to evaluate LIPs and LTPs at minimum annually.

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

24-01

(NO) (MS) (KE)

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. We found the City needs more comprehensive and coordinated brush management efforts to reduce the risk of wildfires that have caused billions of dollars in property damage and cost lives in San Diego in the past. In our [Performance Audit of the City's Brush Management on City-Owned Land](#), we found:

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

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.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Chief Operating Officer	In Process – Past Due			
1.2	Fire-Rescue	Previously Implemented (June 2025)			
2.1	Chief Operating Officer	In Process – Past Due			
2.2	Chief Operating Officer	In Process – Past Due			
2.3	Parks & Recreation	Previously Implemented (December 2024)			
2.4	Parks & Recreation	Previously Implemented (December 2024)			
2.5	Parks & Recreation	In Process – Past Due			

Recommendation 1.1*Chief Operating Officer*

To improve accountability for brush management on City-owned land, the Chief Operating Officer should adopt and implement an Administrative Regulation that:

- a. Requires the Fire-Rescue Department (Fire-Rescue) to identify and maintain information on the location of lands managed by City departments subject to brush management regulations, and to distribute this information to the relevant City departments; and
- b. Establishes policies and procedures (e.g., requiring the development of periodic workplans with relevant brush management goals, and submittal of these workplans to Fire-Rescue) for Fire-Rescue to proactively monitor City-owned land for compliance with brush management regulations, evaluate the work performed, and provide a publicly-available report of the outcomes to City Council and the Chief Operating Officer. (Priority 1)

**In Process – Past Due**

This recommendation is in process. According to the department, Fire-Rescue is actively reviewing Open Space datasets and all available City mapping products to understand the logic, assumptions, and methodologies used to create existing brush-management-related maps. The primary objective at this stage is to establish a standardized, defensible process for map creation and verification before final acreage determinations are published.

Acreage subject to brush management has not yet been confirmed. Critical screening steps—including identifying and removing parcels associated with development constructed after 1989—require a manual, parcel-by-parcel review that cannot be reliably automated through GIS alone. This work is labor-intensive and dependent on additional workforce capacity. As a result, confirmed acreage remains pending.

Once the Information Systems Analyst II (ISA II) is hired and onboarded, Fire-Rescue will formalize standardized mapping criteria, validation workflows, and documentation protocols. The confirmed brush-management-applicable acreage will be the outcome of this standardized verification effort, and will be maintained within the 3Di Inspection Software environment to support accuracy, consistency, and interdepartmental coordination.

Fire-Rescue continues quarterly coordination with Parks and Recreation/Open Space Division, Planning, and other City land-managing departments to align data sources, confirm parcel responsibility, and establish consistent expectations for future reporting.

Community outreach and coordination efforts:

During this reporting period, the Wildfire Program Manager completed 11 community outreach events focused on Fire Safe Councils, defensible space education, and

MHPA/Right-of-Entry permit processes. Fire-Rescue is also finalizing development of a Community Chipping Program in collaboration with Environmental Services, with an anticipated launch in February 2026. The program will prioritize canyon-rim communities and integrate home hardening education, home risk assessments, Fire-Department-led chipping, and evacuation preparedness.

Fire-Rescue staff participated in the Parks and Recreation/Open Space Division annual Brush Management Overview Training on June 11, 2025. This training strengthened coordination with biologists, rangers, and Open Space staff and informed opportunities for improved collaboration and alignment across City departments.

Fire-Rescue has also continued working with Parks and Recreation and Planning Department staff to facilitate brush management by private homeowners and HOAs on City-owned land where the City is not actively performing brush management. These efforts support existing homes seeking to conduct brush management within or beyond 100 feet, subject to appropriate Right-of-Entry permits, development permits, biological review, and erosion control requirements.

Policies, procedures, monitoring, and reporting:

Fire-Rescue is developing the foundational inspection, monitoring, and reporting workflows that will support a future Administrative Regulation. Current efforts are focused on defining inspection logic, reporting structures, verification pathways, and record-keeping requirements that are operationally feasible and scalable.

The Assistant Fire Marshal – Wildfire Program Manager position was filled in October 2025 and is actively supporting program development, interdepartmental coordination, and governance structure for City-owned land brush management. With this position filled, Fire-Rescue has begun advancing inspection concepts, reporting frameworks, and verification protocols in preparation for formal policy development.

Fire-Rescue has not implemented a self-certification or self-assessment reporting process for City departments. While the department has the capability to develop such a mechanism, creation of a self-certification workflow is dependent on onboarding the Information Systems Analyst II (ISA II) and coordinating development with the 3Di Inspection Software platform. Once the ISA II is onboarded, Fire-Rescue will begin designing standardized workflows for department reporting, data validation, integration with inspections, and audit-ready record retention.

Field verification inspections and any future self-certification process will commence only after the ISA II position is funded, hired, and onboarded. These functions are intended to be developed concurrently to ensure that inspection data, departmental reporting, and verification outcomes are aligned, auditable, and maintained within a single standardized system.

Issue Date: July 17, 2023

Original Target Date: June 2025

Current Target Date: ~~June 2025~~ July 2026

Recommendation 2.1

Chief Operating Officer

The Chief Operating Officer should direct the Parks and Recreation Department Open Space Division to incorporate paper streets which require brush management, and that are within or adjacent to land managed by the Open Space Division, into its brush management schedule and program. A Service Level Agreement, Internal Order, or similar re-imbursement mechanism should be established if/as appropriate. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, the Parks and Recreation Department has requested, as part of the FY2027 budget process, funding for additional staffing needed to implement the audit recommendation and estimated budget required to include a total of 166 acres for Transportation's brush management responsibility. Implementation of brush management consolidation will occur when budget is received during the regular budget process. A draft Service Level Agreement (SLA) with Transportation has been prepared, reviewed, and approved by both departments. Implementation of the SLA will occur when budget is received during the regular budget process.

Issue Date: July 17, 2023

Original Target Date: June 2025

Current Target Date: ~~June 2025~~ Unknown December 2027

Recommendation 2.2

Chief Operating Officer

To ensure consistent and effective brush management across all City-owned land, the Chief Operating Officer should consider consolidating brush management responsibilities to the extent operationally and fiscally possible. OCA believes that the Parks and Recreation Department's Open Space Division is best positioned to expand its operations to achieve mandated brush management objectives. However, our assessment does not preclude other approaches that achieve the same objectives. A Service Level Agreement, Internal Order, or similar reimbursement mechanism should be established if/as appropriate. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the department, all departments have identified their brush management acreage and method to achieve this recommendation. Identification of all acreage was completed July 2025 and provided to OCA.

The Parks and Recreation FY2027 budget request includes additional budget to conduct Brush Management for:

- 97 acres annually (50% of 195 total acres) for all other Parks and Recreation Divisions
- 83 acres annually (50% of 166 total acres) for Transportation Department
- 33 acres annually (50% of 66 total acres) for Economic Development Department
- 1.2 acres annually (100% of acreage) for San Diego Police Department
- 1.3 acres annually (100% of acreage) for Fire-Rescue Department
- 1.6 acres annually (100% of acreage) for Library Department

Until Parks and Recreation receives full funding via the budget process, the remaining Parks and Recreation Divisions, Transportation, Economic Development, Police, Fire-Rescue, and Library departments, will continue with their current level of service, which is on an as-needed or complaint-driven basis. Implementation of consolidating brush management responsibility will occur when budget is received during the regular budget process. Implementation of the SLA will occur when budget is received during the regular budget process. This process will be replicated for those departments that choose to consolidate in the Parks and Recreation Department's program.

Public Utilities Department: PUD further refined its calculation of brush management acres from 210 acres to 181 acres. Costs for brush management within PUD are covered by the department's operational budget.

Stormwater Department: Stormwater will continue to use the established Municipal Waterways Maintenance Plan (MWMP) to perform 21 acres of brush management.

Issue Date: July 17, 2023

Original Target Date: May 2024

Current Target Date: May-2024 June-2025 Unknown

Recommendation 2.5

Parks & Recreation

The Parks and Recreation Department (Parks and Rec) should conduct a resource analysis to determine whether it needs additional resources to perform brush management activities on paper streets and potentially other lands managed by other departments. Once the resource analysis is completed, Parks and Rec should present it to the appropriate Council bodies, such as the Public Safety Committee, and make a commensurate request for additional resources during the City's budget process. (Priority 2)



In Process – Past Due

This Item remains in progress. According to the Parks and Recreation Department, it included a FY2027 budget request increase of \$2,810,307 during the FY2027 December Budget call. This cost includes two additional Biologist III positions to complete the mandated environmental surveys and reporting, a Geographical Information Systems Analyst II to create the appropriate mapping locations, tracking of work assigned, and completed, and a Grounds Maintenance Manager to manage the increase in contractual staffing and capacity. The request also includes additional funds to incorporate the 217 acres of brush management for Transportation, San Diego Police, Fire-Rescue, Economic Development, and Library departments, and the remainder of Parks and Recreation's divisions into the Open Space Division's Brush Management Program on a bi-annual basis.

Issue Date: July 17, 2023

Original Target Date: June 2024

Current Target Date: June 2024 ~~March 2025~~ June 2026

Performance Audit of the City's Classified Employee Hiring Process

24-02
(CN) (NT)

The City has operated with an elevated employee vacancy rate perpetuated by the length of time it takes to hire. We conducted a [Performance Audit of the City's Classified Employee Hiring Process](#) to 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. We found:

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

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

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Chief Operating Officer	Previously Implemented (June 2024)			
1.2	Human Resources	In Process – Past Due			
1.3	Personnel	Previously Implemented (December 2024)			
1.4	Human Resources	In Process – Past Due			
1.5	Personnel	Previously Implemented (December 2023)			
1.6	Human Resources	In Process – Past Due			
1.7	Personnel	In Process – Past Due			
1.8	Personnel	Previously Implemented (June 2024)			
2.1	Personnel	Previously Implemented (December 2023)			
2.2	Personnel	Previously Implemented (June 2025)			
2.3	Personnel	Previously Implemented (June 2024)			
2.4	Personnel	In Process – Past Due			

Recommendation 1.2*Human Resources*

The City Administration's central point of oversight and coordination should collect data on the key phases in the hiring process by department (for all City departments) and report that data to a City Council committee and the Civil Service Commission on a regular basis, at least annually. The City Administration should share this information, as well as where each position is in the hiring process, with City departments through a dashboard or other accessible means so department directors may conduct regular monitoring. The key phases in the hiring process timeline reported on could include, but not be limited to, the following:

- a. Vacancy date to date requisition submitted to the Personnel Department;
- b. Date requisition submitted to the Personnel Department to date list of eligible candidates is provided to the department;
- c. Date list of eligible candidates is provided to the department to date the department began interviewing candidates;
- d. Date the department began interviewing candidates to date the department made the conditional offer for the position; and
- e. Date the department made the conditional offer to candidate's first day in the position. The City Administration should also set goals for each timeframe in the hiring process, similar to the federal government's Office of Personnel Management. Development of this dashboard or other tracking system and timeframe should involve input from the Personnel Department. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Personnel Department, the data points listed in the recommendation cannot be extracted Citywide without further enhancements/modules in its applicant tracking system (NeoGov) and an expansion of the current outstation pilot to all City departments. Both of these efforts are currently in progress and moving through the City's respective procurement, labor negotiations, and Personnel Manual update protocols. Once complete, reports can be created and data analyzed in order for Human Resources to endeavor to report out to committees and the Civil Service Commission.

Issue Date: July 18, 2023

Original Target Date: Unknown

Current Target Date: ~~December 2025~~ Unknown

Recommendation 1.4*Human Resources*

The City Administration should establish a policy to determine, at least annually, if there are administrative requirements or other barriers contributing to the length of time phases of the hiring process take, such as the time to submit a requisition or the complex nature of the applicant tracking system, and propose changes to City practices, Personnel Regulations, or Civil Service Rules to make the process more efficient and effective. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Human Resources Department (HR), Partners in Public Innovation (PPI) completed their work scope, including a review of City practices, Personnel Regulations, Civil Service Rules, technology, and organizational structure. HR notes that the City does not have the financial resources to conduct this level of review on an annual basis. As such, HR is contemplating what level of review would be feasible on an annual cycle to inform the policy.

Issue Date: July 18, 2023

Original Target Date: Unknown

Current Target Date: ~~December 2025~~ December 2026

Recommendation 1.6

Human Resources

The City Administration should facilitate sharing information across departments to allow hiring departments to expedite the hiring process, including but not limited to the following:

- a. Provide information to the Personnel Department so it can create a centralized bank of job analyses, job factors, and interview questions for all departments to access;
- b. Require departments to begin assembling the interview packet and interview panel once they submit the requisition to the Personnel Department, while they wait for the list of applicants;
- c. Require departments to record the results of their interviews and candidate ratings electronically in a centralized location;
- d. Report on the overall percent of candidates interviewed from applicant lists and the percent that fell into each category rating (highly qualified, qualified, and minimally qualified). As needed, break this percentage out by position or recruitment to demonstrate necessary changes to recruitments or identify recruitments that went well.
- e. Allow departments, if they wish, to see and consider other departments' candidate ratings (highly qualified, qualified, minimally qualified) when selecting who to interview for their vacant position;
- f. Require departments to close certifications in NEOGOV once the position has been filled. If the position is not filled within 2 years, the maximum amount of time an eligible list is viable, the Personnel Department should systematically close the requisition in NEOGOV;
- g. Coordinate joint interviews for positions shared by multiple departments, if the departments wish; and
- h. Train departments on existing processes that may expedite the hiring process, including joint interviews, sharing interview results across departments, and transfer process options. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Personnel Department, the following tasks are necessary to achieve full implementation:

Task 1: Provide information to the Personnel Department so it can create a centralized bank of job analyses, job factors, and interview questions for all departments to access.

Status: The Personnel Department is not staffed to do anything with this information, so this item is on hold.

Task 2: Require departments to begin assembling the interview packet and interview panel once they submit the requisition to the Personnel Department, while they wait for the list of applicants.

Status: Departments with Personnel Outstation support are currently doing this; the remaining departments either need Outstation support or internal department staff to fully implement Citywide.

Task 3: Require departments to record the results of their interviews and candidate ratings electronically in a centralized location.

Status: Departments with Personnel Outstation support are currently doing this; the remaining departments will endeavor to do this once the outstation pilot is rolled out Citywide.

Task 4: Report on the overall percent of candidates interviewed from applicant lists and the percent that fell into each category rating (highly qualified, qualified, and minimally qualified). As needed, break this percentage out by position or recruitment to demonstrate necessary changes to recruitments or identify recruitments that went well.

Status: Personnel Department is currently assessing how they can accomplish this using their current applicant tracking system, NeoGov.

Task 5: Allow departments, if they wish, to see and consider other departments' candidate ratings (highly qualified, qualified, minimally qualified) when selecting who to interview for their vacant position.

Status: Personnel is already doing this when needed (e.g., joint interviews and hiring halls).

Task 6: Require departments to close certifications in NEOGOV once the position has been filled. If the position is not filled within 2 years, the maximum amount of time an eligible list is viable, the Personnel Department should systematically close the requisition in NEOGOV.

Status: Departments with Personnel Outstation support are currently doing this; the remaining departments will endeavor to do this once the outstation pilot is rolled out Citywide. Over 1,000 dated certifications have been closed out in NeoGov.

Task 7: Coordinate joint interviews for positions shared by multiple departments, if the departments wish.

Status: Personnel is already doing this.

Task 8: Train departments on existing processes that may expedite the hiring process, including joint interviews, sharing interview results across departments, and transfer process options.

Status: Departments with Personnel Outstation support are currently doing this; the remaining departments will endeavor to do this once the outstation pilot is rolled out Citywide via Hiring Manager Toolkit Guide.

Issue Date: July 18, 2023

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ Unknown

Recommendation 1.7

Personnel

The Personnel Department should create a centralized bank of job analyses, job factors, and interview questions for all departments to access. The Personnel Department should obtain input from the City Administration on how to develop and maintain this bank so that it is useful to hiring departments. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the Personnel Department, the following tasks are necessary to achieve full implementation:

Task 1: Evaluate need for additional positions to create and maintain a centralized item bank.

Status: Dependent on appropriate budget allocation.

Task 2: Procure software license to create online item bank.

Status: Dependent on appropriate budget allocation.

Task 3: Create procedures on how to populate the centralized item bank along with policies related to access by hiring departments.

Status: Dependent on appropriate budget allocation.

Issue Date: July 18, 2023

Original Target Date: December 2024

Current Target Date: ~~December 2024~~ ~~October 2025~~ Unknown

Recommendation 2.4*Personnel*

For classified not-sworn positions, the Personnel Department should create a background check, medical check, and drug and alcohol screening process that requires fewer steps and paperwork to be completed by the candidate for hire. For classified not-sworn positions, the Personnel Department should, at minimum:

- a. Review current medical check requirements and confirm with the City Administration that existing requirements for each classification or position still align with City needs. The Personnel Department and the City Administration should consider if provisional hiring, contingent upon the applicant attesting they can perform the necessary job functions and demonstrating as such during the probationary period on the job, would sufficiently mitigate risk for most job classifications and eliminate the need for most medical checks required by the City but not required by stipulations set by outside funding or grants.
- b. Review current drug and alcohol screening requirements and confirm with the City Administration that existing requirements for each classification or position still align with City needs and conform with California Assembly Bill 2188.
- c. Review the forms candidates need to fill out related to criminal history and drug use history and confirm with the City Administration the forms and the content on the forms still align with City needs.
- d. Review the fingerprinting process for background checks and determine if there is a streamlined method for candidates outside of the San Diego area to be fingerprinted for background checks without having to travel to the Personnel Department's fingerprinting machine.

The Personnel Department should present its findings and conclusions from these reviews to the Civil Service Commission and provide the City Administration the opportunity to present comments on those findings and conclusions as well.

If changes to the Personnel Regulations or Civil Service Rules are required to implement these recommendations, Personnel should propose the appropriate changes to the Civil Service Commission and the City Council, as necessary. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Personnel Department (Personnel), the meet and confer process is still being finalized and is the only outstanding piece of this recommendation.

Personnel provided evidence that the fingerprinting Administrative Regulation has been updated and includes changes listed in the recommendation (allowing candidates who live outside of San Diego to get fingerprinted without having to travel to Personnel's fingerprinting machine). According to Personnel, the meet and confer process is still underway for the updated draft of the fingerprinting Administrative Regulation.

Issue Date: July 18, 2023

Original Target Date: July 2024

Current Target Date: ~~July 2024~~ ~~December 2024~~ ~~January 2025~~ Unknown

Fraud Hotline Report of Purchase Order Approvals

24-03
(AH) (GR)

While most of the City's purchase order transactions are routine, unanticipated events create a need to process purchase orders outside of the normal course of business. One type of non-routine purchase order is referred to internally as a "confirming purchase order." We initiated a [Fraud Hotline Report of Purchase Order Approvals](#) after a City employee expressed a concern that the confirming memorandum process is being abused. Our investigation concluded that:

Conclusion 1: Confirming purchase order memos were used 240 times in fiscal year 2022 to make purchases totaling over \$4 million. While this is a small percentage of the City's total contracting volume, this process is not defined in the San Diego Municipal Code. As a result, no dollar limits are set and no public disclosure is required.

Conclusion 2: Staff errors and poor planning created the need for most confirming purchase orders. Some purchases appeared to violate the City Charter and SDMC requirements. For example, a vendor was paid approximately \$2 million for services after their contract with the City had expired.

Conclusion 3: Four prior OCA reports recommended contract administration training and better purchase order monitoring that would likely reduce the need for confirming purchase orders, however eight recommendations from those reports dating back to 2015 have not been fully implemented.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1	Purchasing & Contracting	In Process – Past Due			

Recommendation 1

Purchasing & Contracting

We recommend that the Purchasing and Contracting Department Director propose an amendment to the San Diego Municipal Code to define procedures for confirming purchase orders, and provide public disclosure of the approved purchase orders, such as reports to the City Council and/or online disclosures. The development of this proposal should consider including dollar limits for confirming purchase orders. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, due to Citywide organizational and management changes, bringing the proposed SDMC language forward to the City Council was paused. Draft proposed changes have been provided to OCA for review. While the proposed changes include items unrelated to this recommendation, the proposed changes to the SDMC regarding confirming purchase orders—which are referred to as unauthorized purchases in the draft language—appear to align with the intent of the recommendation. Management stated that

they intend to present the proposed revisions to the Economic Development and Intergovernmental Relations Committee prior to Council. OCA will follow up in the next cycle to confirm progress.

Issue Date: September 6, 2023

Original Target Date: May 2024

Current Target Date: May 2024 Unknown June 2025 October 2025
April 2026

2023 High Risk Re-Review of the 2016 Audit of the City's Programs Responsible for Improving Pedestrian Safety

24-04
(NO)

Due to the continued risk experienced by pedestrians in San Diego, OCA conducted a [High-Risk Re-Review of the key recommendations set forth in the 2016 Performance Audit of the City's Programs Responsible for Improving Pedestrian Safety](#). We found that the City has maintained implementation of most recommendations from the 2016 audit, but some efforts should be expanded or updated. Specifically, we organized our findings into four main topics:

Topic 1: Transportation

The City should update its systemic safety program and expand reporting to ensure efficient and equitable use of resources.

Topic 2: Communications

The City should update its pedestrian safety communications plan to better ensure inclusive public engagement and outreach.

Topic 3: Monitoring & Evaluation

The City should expand evaluations and improve its website to increase public transparency and build support for Vision Zero projects.

Topic 4: Oversight & Management

The City should create a central coordination mechanism for Vision Zero efforts.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Transportation	Previously Implemented (June 2024)			
1.2	Transportation	Previously Implemented (June 2024)			
2.1	Chief Operating Officer	Previously Implemented (June 2024)			
3.1	Transportation	In Process – Not Due			
3.2	Transportation	In Process – Not Due			
3.3	Communications & Transportation	Previously Implemented (June 2024)			
4.1	Chief Operating Officer	In Process – Not Due			
4.2	Chief Operating Officer	Previously Implemented (June 2024)			

Recommendation 3.1*Transportation*

The Transportation Department should develop a policy for evaluating the impacts of the high-crash and systemic safety analysis programs. The policy should include steps to evaluate program effectiveness on the number of crashes, severe injuries, and fatalities, as well as interim outcomes, such as changes in vehicle speed and near-misses. Results of the evaluations should be made publicly available. (Priority 2)

**In Process – Not Due**

This recommendation is in process. According to the Transportation Department, the department instructions were updated to clarify the completion and posting of the annual high crash evaluations. The systemic safety report has also been published to the Vision Zero website. However, additional resources will be necessary to fully address this recommendation. The request for additional resources was made in FY2026 but not approved. The department will continue to request additional resources for this item.

Issue Date: October 30, 2023

Original Target Date: Dependent upon funding for additional positions

Current Target Date: Dependent upon funding for additional positions

Recommendation 3.2*Transportation*

The Transportation Department should evaluate large pedestrian-related infrastructure projects for at least the effect on speeds, volumes, and crash data. It should also consider evaluating for the effect on corridor travel time—including transit travel time—and change in volume on adjacent streets. Additionally, these evaluations should be posted on the City's website. (Priority 2)

**In Process – Not Due**

This recommendation is in process. According to the Transportation Department, it reports out improvement findings when required by grant funding but does not have resources to accomplish additional post-improvement evaluations. Therefore, additional resources will be necessary to complete post-improvement evaluations and fully address this recommendation. The request for additional resources (staff) was made in FY2026 but not approved. The department will continue to request additional resources for this item.

Issue Date: October 30, 2023

Original Target Date: Dependent upon funding for additional positions

Current Target Date: Dependent upon funding for additional positions

Recommendation 4.1*Chief Operating Officer*

The Chief Operating Officer should create or assign a Vision Zero coordinator, or equivalent position. Staff tasks should include:

- a. Sharing information and coordinating departments on traffic safety issues;
- b. Conducting public engagement and outreach; and
- c. Supporting departments in analyzing traffic safety data. (Priority 2)

**In Process – Not Due**

This recommendation is in process. The Transportation Department stated that per its original response, the Transportation Department has a filled Program Manager position who oversees the Vision Zero program and coordinates with other City departments. The need for additional resources to accomplish the Vision Zero goals outlined in this recommendation, including programming, data collection, website updates, and outreach, remains an unfunded need. Given the current budget deficit the City is facing for the FY2027 budget, requests for new positions will not be submitted.

Issue Date: October 30, 2023

Original Target Date: Dependent on the allocation of additional resources

Current Target Date: Dependent on the allocation of additional resources

Performance Audit of SDPD Overtime

24-08

(NK) (SP)

The City spent more than \$50 million on police overtime last year and has spent more than it budgeted on overtime for 10 of the last 11 fiscal years. Limiting officers' overtime hours might reduce costs, but could mean fewer officers are available to address public safety needs. The San Diego Police Department (SDPD) faces tension between the cost of overtime and the struggle to hire and retain more officers so overtime is not as necessary. In our [Performance Audit of SDPD Overtime](#), we found:

Finding 1: To ensure officers are available to respond to the public, SDPD does not limit overtime, risking fatigued officers.

Finding 2: While SDPD overtime spending is in line with other police departments, more civilian positions could help reduce overtime costs and improve response times.

Finding 3: Overall, SDPD overtime tracking and authorization is accurate.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	SDPD	In Process – Past Due			
1.2	SDPD	In Process – Past Due			
1.3	SDPD	In Process – Past Due			
2.1	SDPD	Newly Implemented			

Recommendation 1.1

SDPD

The San Diego Police Department (SDPD) should amend its applicable policies and procedures to require officers take an 8-hour break between shifts. SDPD should clearly define what constitutes a “shift,” and should clarify the specific situations that would merit an officer not taking an 8-hour break between shifts, such as officers approved to extend their current shift, a necessary court appearance, a call-back that has been approved in accordance with policy, or an emergency situation. (Priority 1)

In Process – Past Due

This recommendation is in process. According to SDPD, it is still in the meet and confer process with the San Diego Police Officers Association on policies and procedures related to the 8-hour break. SDPD stated that it does not have a target date for completion, as the meet and confer process is ongoing.

Issue Date: February 28, 2024

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2025 ~~December 2025~~ Unknown

Recommendation 1.2*SDPD*

We recognize the San Diego Police Department (SDPD) is working with limited staffing resources and overtime is necessary, but SDPD could prioritize its needs to ensure staffing levels are highest where the needs are greatest. To do so, we recommend:

- a. SDPD should prioritize its overtime allocation, potentially through a central overtime function. If additional resources are necessary to implement this recommendation, SDPD should present those needs to the City Council and its relevant committees.
- b. Once overtime allocation is prioritized, SDPD should review its applicable policies and procedures to determine if it should set a limit on the maximum number of hours officers can work in a day and a rolling week to ensure officer and public safety. To determine if a limit is necessary and the appropriate limit, SDPD should consider the available research on the increased risks of long shifts and repeated long shifts. However, due to the nature of public safety work, SDPD should also clarify in its policies and procedures the specific circumstances in which an officer would be allowed to work more hours than the policies allow. SDPD should present the results of its review and determination on whether or not to set a limit, and what the limit should be, to the appropriate City Council committee. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the department, in October 2025 SDPD finished work on the redesign of internal orders for the patrol commands, which are used for tracking time and budgeting. SDPD states that it is currently working on redesigning internal orders for the centralized investigative and administrative units. For the patrol commands, SDPD reports that each command has been given an annual overtime budget and a patrol command spending report. The report allows commanding officers to see how their hours are being spent and the total budgeted hours.

According to SDPD, the centralized overtime sign-up system with all patrol overtime sign-up in one place was enacted in October 2025 and has helped SDPD reduce overtime costs ensure overtime is used for the most critical needs. According to SDPD, centralizing and related improvements is expected to save \$6.5 million in overtime costs compared to FY2025 actuals. The department anticipates centralizing Neighborhood Policing Division overtime in March, followed by Special Events. SDPD also reported that each command has its own staffing sergeant who works with the command staff and inputs shifts and openings that best benefit the command. In addition, it reported that a new overtime slip, which reflects the new internal orders, has been designed, printed, and distributed to all commands/units in the department.

In addition, SDPD indicates it is preparing an RFP for third party staffing software, which would provide a more refined tool to prioritize and track overtime and “flag” issues (e.g., hours between shifts, hours worked in a day or in a week) once the hour limits are set by the meet and confer process. Finally, SDPD states that new policies and procedures to limit the number of hours officers can work in a day or in a week are in the meet and confer process.

Issue Date: February 28, 2024

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2025 ~~December 2025~~ Unknown

Recommendation 1.3

SDPD

The San Diego Police Department (SDPD) should operationalize Recommendations 1.1 and 1.2 by setting notifications in SAP and/or the payroll review process to ensure the total number of hours worked in a day and a rolling week does not exceed the maximums set by SDPD policies and procedures. The oversight in SAP and/or the payroll review process should also determine when officers have failed to take the required 8-hour consecutive time off between shifts. SDPD should amend its applicable policies and procedures to include who will monitor this notification and raise the issue to the relevant supervisors, including processes for addressing violations and a policy for exceptions. (Priority 2)



In Process – Past Due

This recommendation is in process. According to SDPD, it is in the meet and confer process regarding how many hours can be worked in a day or a week. Once the process is complete, SDPD states that the overtime administration software will have the requisite limits and flagging put in place and policies and procedures can then be amended and finalized to include who will monitor and address violations.

Issue Date: February 28, 2024

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2025 Unknown

Recommendation 2.1

SDPD

The San Diego Police Department should conduct an analysis on how many Police Investigative Service Officers or similar civilian positions would be necessary to maximize civilian and sworn resources and present this analysis to the appropriate City Council committee. (Priority 2)

Newly Implemented

This recommendation is implemented. SDPD provided sufficient and appropriate evidence that it completed the recommended analysis and that it presented its results to the City Council's Public Safety Committee on October 29, 2025. OCA staff reviewed the recorded presentation to the Public Safety Committee as well as SDPD's presentation materials and staff report. This evidence demonstrated that SDPD executed the recommended study by analyzing workload data to determine the number of Police Investigative Service Officer (PISO) positions needed to achieve minimum staffing and by soliciting civilian hiring recommendations from its commanding officers. SDPD concluded that it required an increase in its budget of about \$17.6 million to hire additional staff needed to maximize its civilian and sworn resources. SDPD also found that additional civilian staff would likely reduce response times to non-emergency calls for service and enhance the department's overall effectiveness by reducing workloads for sworn staff.

Performance Audit of the San Diego Housing Commission’s Property Acquisition Process

24-09
(GT) (NT)

Due to City leadership’s prioritization of affordable housing and homelessness prevention efforts, the high risk that can accompany building acquisitions, and high-profile acquisition issues discussed below, we conducted a [Performance Audit of the San Diego Housing Commission’s Property Acquisition Process](#) and found:

- Finding 1:** The Housing Commission largely follows property acquisition best practices, but the agency used an appraisal that potentially overvalued a hotel property by \$6.7 million.
- Finding 2:** The Housing Commission should establish a documented acquisition strategy and an annual acquisition goal to improve transparency and to support both the agency and the City’s priority of expanding affordable and permanent supportive housing.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	San Diego Housing Commission	Previously Implemented (June 2024)			
1.2	San Diego Housing Commission	Previously Implemented (June 2024)			
2.1	San Diego Housing Commission	Newly Implemented			
2.2	San Diego Housing Commission	Newly Implemented			

Recommendation 2.1
San Diego Housing Commission

As the Housing Commission updates its Strategic Plan, it should include a property acquisition strategic component that clarifies how property acquisitions fit into the agency’s strategic priority of increasing affordable and permanent supportive housing options in the City. (Priority 2)

Newly Implemented

This recommendation is implemented. The San Diego Housing Commission (SDHC) published an updated strategic plan for Fiscal Year (FY) 2026 through FY2030, approved by the SDHC board on October 10, 2025. A final copy of the strategic plan was provided to and reviewed by OCA. The strategic plan reports that SDHC will work to explore opportunities for acquisitions in order to support their strategic priority to create and preserve housing. Specifically, SDHC lists an initiative to explore bonds to acquire new properties with affordability covenants, which would be income-restricted for households earning between 50% and 120% of Area Median Income (AMI). SDHC also plans to explore the development of a preservation fund to leverage non-governmental funding to acquire housing. SDHC is working to present the

fund idea to the Land Use and Housing Committee and work to establish the fund by the end of FY2026, if approved. The intention of the fund is to acquire housing that lacks affordability covenants or is at risk of converting to market-rate due to expiring affordability restrictions to preserve affordability. Additionally, also under SDHC's strategic priority, is the initiative to acquire mixed-income/workforce housing properties with income restrictions.

Recommendation 2.2

San Diego Housing Commission

The Housing Commission should develop an annual performance metric specific to property acquisitions based on available funding for acquisitions in the upcoming fiscal year and include this metric in either its Annual Budget document or its Annual Report. If acquisition funding is not available for the upcoming fiscal year, a goal of zero is appropriate and logical. However, if funding becomes available in future years for acquisitions, a specific acquisition metric should be established. (Priority 2)

Newly Implemented

This recommendation is implemented. The San Diego Housing Commission (SDHC) initially disagreed with this recommendation on the grounds that "No consistent, reliable funding source has been identified for SDHC real estate acquisitions. Without an identified, consistent, and reliable funding source, SDHC cannot develop a meaningful annual performance policy or metrics specific to acquisitions." The Audit Committee requested that SDHC determine an alternative approach to satisfy this recommendation. OCA and SDHC reached an agreement that this recommendation can be closed once SDHC publishes an updated strategic plan with a property acquisition strategic component that clarifies how property acquisitions fit into the agency's strategic priority of increasing affordable and permanent supportive housing options in the City (see Recommendation 2.1). Because SDHC does not have a reliable funding source solely for acquisitions, it believes a meaningful annual goal cannot be created; however, this approach ensures that when funding becomes available for acquisitions, SDHC has established guidelines in its Strategic Plan on how the funds will be allocated to create and preserve affordable housing.

2024 High Risk Re-Review of the 2013 Performance Audit of the City's Pothole Repair Operations

24-11
(DK)

Due to the continued high risk experienced by the public and the City alike, we conducted a [High Risk Re-Review of the 2013 Performance Audit of the City's Pothole Repair Operations](#). We found that Transportation has implemented most of the recommendations from the 2013 pothole repair audit, but some efforts should be expanded or updated. Specifically, we organized our findings into three main topics:

Topic 1: Maximizing Resources

To increase the daily number of pothole repairs and reduce average response times, Transportation should aim to implement mapping software for pothole assignments and assess specific aspects of current activities to maximize staff productivity, such as when patch trucks are out for maintenance.

Topic 2: Data Management

To more efficiently and accurately record pothole repairs, Transportation should provide crews with guidance on quantifying potholes, include IT controls to ensure all data is recorded, and require crews to only use paper forms in the field when necessary.

Topic 3: Monitoring Performance

To improve Transportation's ability to monitor the performance of pothole operations, the department should implement an efficiency performance metric, evaluate the equity of operations across the City, and enter proactively repaired potholes in BlueWorx.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Transportation	Previously Implemented (December 2024)			
1.2	Transportation	Previously Implemented (December 2024)			
1.3	Transportation	Previously Implemented (June 2024)			
1.4	Transportation	Previously Implemented (December 2024)			
2.1	Transportation	Previously Implemented (December 2024)			
2.2	Transportation	Previously Implemented (June 2025)			
2.3	Transportation	Previously Implemented (December 2024)			
3.1	Transportation	Previously Implemented (December 2024)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
3.2	Transportation	In Process – Past Due			
3.3	Transportation	Previously Implemented (December 2024)			

Recommendation 3.2

Transportation

The Transportation Department (Transportation) should work with the Department of Race & Equity to assess the equity of pothole operations. Should inequities in operations exist, Transportation should determine how it will address potential inequities in pothole repair operations, include the approach to improve equity in the Pavement Management Plan, and present this plan to the Active Transportation and Infrastructure Committee. (Priority 3)

In Process – Past Due

This recommendation is in process. According to the Transportation Department, the following tasks are necessary to achieve full implementation:

Task 1: Coordinate with the Department of Race & Equity to assess equity considerations in pothole repair operations and identify viable field strategies.

Status: Completed.

Status: Transportation met with the Department of Race & Equity in July 2024 to assess equity considerations related to pothole repair. The discussion identified that exclusive reliance on Get It Done (GID) requests may result in underreporting in some communities. As a fieldable response, Transportation identified the use of a dedicated patch truck to proactively repair potholes in communities of concern.

Task 2: Validate potential operational responses.

Status: Completed.

Status: Transportation validated a proactive deployment approach that assigns a patch truck to conduct self-identified pothole repairs in underserved communities. When the pothole backlog is low (defined as fewer than 100 open requests), Transportation will deploy a pothole crew up to three days per week to areas with low Pavement Condition Index (PCI) scores and low GID reporting. Current implementation is constrained by staffing levels and available work hours due to limited overtime funding.

Task 3: Integrate equity approach into the Pavement Management Plan and prepare for presentation to the Active Transportation & Infrastructure Committee.

Status: In Progress.

Status: The equity strategy will be incorporated into the next update of the Pavement Management Plan and presented to the Active Transportation & Infrastructure Committee by the end of FY2026.

Issue Date: April 29, 2024

Original Target Date: TBD

Current Target Date: ~~TBD~~ June 2025 June 2026

Performance Audit of Facility Maintenance

25-01

(CN) (MS)

The City of San Diego (City) owns more than 1,600 public buildings and structures that cost tens of millions of dollars to maintain annually. Failure to adequately maintain these facilities can lead to greater costs in the long run and can have negative impacts on City services, worker morale, and visitors' and residents' overall impression of the City. Although the City has a maintenance program intended to protect the public investment in City-owned facilities, limited resources have hampered the City's ability to adequately maintain them. In our [Performance Audit of Facility Maintenance](#), we found:

Finding 1: The City has not been able to prioritize sufficient funding to maintain its facilities, which will cost the City more in the long term.

Finding 2: With or without increased funding, the City needs a facility management plan to ensure it spends its limited maintenance funds efficiently.

Finding 3: Departments have limited insight into the status of their repairs, resulting in unnecessary delays and unclear expectations.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	General Services	In Process – Not Due			
1.2	General Services	In Process – Not Due			
1.3	Finance	In Process – Not Due			
1.4	Finance	In Process – Not Due			
1.5	General Services	In Process – Not Due			
1.6	General Services	In Process – Not Due			
2.1	General Services	In Process – Not Due			
2.2	General Services	In Process – Past Due			
2.3	General Services	Previously Implemented (June 2025)			
3.1	General Services	Previously Implemented (June 2025)			

Recommendation 1.1*General Services*

The Facilities Services Division (Facilities Services), working with the Department of Finance and City Council, should propose amendments to Council Policy 200-13 to set a goal for the percent of the facility replacement value the City intends to spend on facility maintenance. The Council Policy should include all facilities for which Facilities Services provides maintenance, although it could have one goal for General Fund facilities and a different goal for non-General Fund facilities. Facilities Services should ensure the goals are included in the facility management plan discussed in Recommendation 2.1. (Priority 1)

In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: The department is in the process of updating Council Policy 200-13 and will begin working with other departments to gain their input.

Task 2: Facilities Services receives department input, drafts proposed policy revision, and submits to City Attorney's Office for review. Estimated completion in FY2026, Quarter 3.

Task 3: Facilities Services works with the City Attorney's Office to revise policy based on feedback. Estimated completion in FY2026, Quarter 3.

Task 4: Facilities Services presents the draft policy to the Active Transportation and Infrastructure Committee. Estimated completion in FY2026, Quarter 4.

Task 5: Facilities Services revises the proposed policy as needed and presents draft policy to Council for final approval. Estimated completion in FY2026, Quarter 4.

Issue Date: July 16, 2024

Original Target Date: June 2026

Current Target Date: June 2026

Recommendation 1.2*General Services*

As part of the facility management plan in Recommendation 2.1, Facilities Services Division (Facilities Services) should develop a multi-year, long-term funding strategy to address both deferred maintenance needs and routine maintenance of City-owned facilities. This funding strategy should incorporate the funding goal as specified in Recommendation 1.1 and should, at minimum, include the following scenarios that tie funding needs to facility maintenance outcomes:

- Scenario A: Show the current financial investments and the projected impact on the condition of facilities and the deferred maintenance backlog if funding levels stay the same.
- Scenario B: Show the financial investment that would be needed to address the maintenance backlog over time.
- Scenario C: Show the annual financial investment that would be needed to maintain facilities to the standard set in Council Policy 200-13, detailed by General Fund and non-General Fund funding levels.

- Scenario D: Show the combined financial investment that would be necessary to accomplish the goals of both Scenario B and C.
- Scenario E: For comparison, show the financial investment that would reflect the best practice funding level of addressing the backlog of maintenance over time and spending 2 percent to 4 percent of the facility replacement value on maintenance annually.

The funding strategy should be updated and presented annually to City Council or the appropriate Council committee as part of the facility management plan in Recommendation 2.1.

Facilities Services should work with the City of San Diego's Department of Finance to review long-term funding options and include these options in the funding strategy, such as: continued or increased reliance on the General Fund and special revenue funds, reallocation of resources from other priority areas, dedicated funds from non-General Fund departments, additional revenue sources, and any other options that may significantly contribute to closing the existing funding gap. (Priority 1)



In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Facilities Services will begin work with the Department of Finance to develop the Funding Strategy with an initial meeting in Quarter 1 FY2026.

Task 2: Facilities Services will request the positions for execution of and/or administration of:

- a. Regular Preventive Maintenance (PM) - In Process (Deferred to FY2027 Budget Cycle)
- b. As-needed repairs and projects - In Process (Deferred to FY2027 Budget Cycle)
- c. FCA Program - In Process. Contract routing to Committee (Targeting Committee first meeting after Council recess).

Task 3: Once funding is granted, Facilities Services will implement the FCA program by:

- a. Filling of listed equivalent positions - In Process (Deferred to FY2027 Budget Cycle)
- b. Establishing a priority-based schedule for assessments - In Process (Deferred to FY2027 Budget Cycle)
- c. Completing FCA for 20 percent of all facilities each year over a 5-year cycle - In Process (Deferred to FY2027 Budget Cycle)
- d. Incorporating the gathered information into the City database - In Process (Deferred to FY2027 Budget Cycle)

Task 4: Using the FCA information, Facilities Services will establish a Regular Maintenance Program that:

- a. Creates a schedule for PM - In Process (Deferred to FY2027 Budget Cycle)
- b. Identifies future repairs and replacements based on known lifespans of equipment - In Process (Deferred to FY2027 Budget Cycle)
- c. Identifies budget and personnel needs for the division over a multi-year period - In Process
- d. This program is more fully detailed in Section 2.1

Implementation of this recommendation is delayed due to the projected structural budget deficit in the General Fund. To address this deficit, the City is implementing budget deficit mitigation measures that include potential revenue increases, a Citywide hiring freeze, departmental reductions in non-essential discretionary spending, and potential FY2027 budget reductions. Additionally, updated Facility Condition Assessments are necessary to understand the funding requirements relevant to the current conditions of the buildings to inform the Funding Strategy. Once the City's fiscal position improves, and additional revenues are identified or secured, we will reassess the resource needs associated with implementing any recommendation connected to remaining services or programs.

Issue Date: July 16, 2024

Original Target Date: June 2026

Current Target Date: ~~June 2026~~ December 2027

Recommendation 1.3

Finance

The Department of Finance should include the estimated cost of annual maintenance for facilities in the Five-Year Financial Outlook. The estimated cost for annual maintenance should align with the goal funding level set in Council Policy 200-13 or should explain why it deviates from the goal set in Council Policy 200-13. If the costs are not included in the projected expenditures, the costs should, at minimum, be estimated and discussed in the report. (Priority 2)

In Process – Not Due

This recommendation is in process. The department noted that this recommendation is due in December 2026 and it does not have any current updates to its Management Response.

Issue Date: July 16, 2024

Original Target Date: December 2026

Current Target Date: December 2026

Recommendation 1.4

Finance

The Department of Finance should include the cost of maintenance for new facilities when discussing ongoing costs of facilities in the Five-Year Financial Outlook. The estimated cost for annual maintenance should align with the goal funding level set in Council Policy 200-13 or should explain why it deviates from the goal set in Council Policy 200-13. (Priority 2)

In Process – Not Due

This recommendation is in process. The department noted that this recommendation is due in December 2026 and it does not have any current updates to its Management Response.

Issue Date: July 16, 2024

Original Target Date: December 2026

Current Target Date: December 2026

Recommendation 1.5

General Services

The Department of General Services, working with the relevant City departments, should propose amendments to the relevant Council Policy or policies on acquiring new facilities to require that when presenting new facility acquisitions, the anticipated cost of ongoing maintenance be included in the financial analysis and Staff Report to Council. The cost of maintenance should align with the goal funding level set in Council Policy 200-13 or explain why it deviates from the goal. (Priority 2)

In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Department of General Services (DGS) will meet with the Department of Finance (DOF) to determine the appropriate policies to be updated.

Task 2: Council Policy 200-13 is to be updated by DGS. This update will affect other Asset Managing Departments (AMDs). DGS will work with DOF, Engineering & Capital Projects, and all affected AMDs on draft changes. Estimated completion in FY2026 Quarter 3.

Task 3: DGS will submit draft revisions for Council Policy 200-13 to the City Attorney's Office (CAO). Estimated completion in FY2026 Quarter 3.

Task 4: DGS will work with the CAO on revisions and feedback for draft policy. Estimated completion in FY2026 Quarter 3.

Task 5: Planned completion and final draft policy ready for Council review. Estimated completion in FY2026 Quarter 4.

Task 6: DGS revises proposed policy as needed, and presents draft policy to Council for final approval. Estimated completion in FY2026 Quarter 4.

Issue Date: July 16, 2024

Original Target Date: TBD based upon the established goals and the amendment of Council Policy 200-13

Current Target Date: ~~TBD based upon the established goals and the amendment of Council Policy 200-13~~ June 2026

Recommendation 1.6*General Services*

The Facilities Services Division, working with the Engineering and Capital Projects Department and the City's asset managing departments, should describe in its facility management plan how it plans to update the design standards manual for efficient maintenance and keep the manual updated in the future. The facility management plan is detailed in Recommendation 2.1. (Priority 3)

**In Process – Not Due**

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Facilities Services will work with Engineering & Capital Projects, Purchasing & Contracting, and the City Attorney's Office to review the potential of standardizing building systems and equipment. Estimated completion in FY2026 Quarter 4.

Task 2: Facilities Services will identify which building systems and equipment could and/or should be good candidates for standardization. Estimated completion in FY2026 Quarter 4.

Task 3: Facilities Services will work with the appropriate departments to update or develop the City's building design standards and incorporate into the Facility Management Plan. Estimated completion in FY2027 Quarter 2; however, incorporation into the Facilities Management Plan is contingent on the completion of other Recommendations, such as 1.1, 1.2, 1.3, 1.4, and 2.1.

Issue Date: July 16, 2024

Original Target Date: TBD based upon Fiscal Year 2026 budgeted resource allocations

Current Target Date: ~~TBD based upon Fiscal Year 2026 budgeted resource allocations~~ December 2026

Recommendation 2.1*General Services*

The Facilities Services Division (Facilities Services) should develop a facility management plan and present it to City Council or the appropriate Council Committee annually. Facilities Services should propose updates to Council Policy 200-13 to require an updated facility management plan. The Council Policy should require the plan to include, at minimum:

- a. The facility maintenance funding strategy, as set out in Recommendation 1.2;
- b. The target funding goals, as set out in Recommendation 1.1;
- c. Actual spending levels for the previous 5 years;
- d. Where the funds from the previous year were spent, such as the amount spent by facility category type, by department, for non-maintenance activities like setting up homelessness services spaces, or for specific initiatives across facility types, such as an initiative for multiple elevator repairs or roof repairs;
- e. Anticipated facility maintenance needs in the next 1–5 years, with input regularly gathered from departments and updated condition assessments;

- f. Actual and anticipated facility maintenance needs compared to actual and anticipated spend by facility type and department;
- g. The latest information and results from the facilities condition assessments, including the date of the most recent assessment and the date of the next assessment according to updated Council Policy 200-13 requirements; and
- h. The plan for addressing those needs in the next 1–5 years.

If the City prefers, certain elements of the facility management plan, such as the target funding level (item b), anticipated facility maintenance needs (item e), and results from the latest facility condition assessments (item g) may not change substantially each year and therefore may not need to be updated annually. However, the reports on funding, including the funding strategy (item a), spending levels (item c), how funds were spent (items d and f), and the plan for addressing needs (item h), should be updated annually to reflect maintenance budget patterns and maintenance funding needs before the City makes budget decisions. (Priority 1)



In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Update Council Policy 200-13 (see Recommendation 1.1).

Task 2: Request resources to develop and manage Facility Management Plan.

Task 3: Develop and implement Plan:

- a. Initiate process for approval and certification of new positions.
- b. Once certifications and budget are approved, begin advertising positions and interviewing candidates.
- c. Upon selection of candidates accepting offers and passing required backgrounds, install team members and begin training for program specific goals.
- d. Review program quarterly and make adjustments as needed.
- e. Publish annual report of program successes and lessons learned and make necessary adjustments to required budget.

Implementation of this recommendation is delayed due to the projected structural budget deficit in the General Fund. To address this deficit, the City is implementing budget deficit mitigation measures that include potential revenue increases, a Citywide hiring freeze, departmental reductions in non-essential discretionary spending, and potential FY2027 budget reductions. Once the City's fiscal position improves, and additional revenues are identified or secured, we will reassess the resource needs associated with implementing any recommendations connected to remaining services or programs.

Issue Date: July 16, 2024

Original Target Date: December 2026 contingent upon the approval of requested resources and additional budget

Current Target Date: ~~December 2026~~ December 2027

Recommendation 2.2*General Services*

The Facilities Services Division should propose updates to Council Policy 200-13 and request the Mayor and City Council approve funding to update its facility condition assessments at least every 5 years, in line with best practices. If best practices dictate that specific facility asset classes require assessment less often than 5 years, the division should note those asset classes and their corresponding recommended assessment timelines in the Council Policy. To smooth the budgetary cost of the assessments, the update should allow the City to conduct these reviews on a rolling basis, so that not every facility is assessed at once. (Priority 2)

**In Process – Past Due**

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Facilities Services Division will work with the proper City departments to propose updates to Council Policy 200-13 to include language that requires the City to update its facility condition assessments at least every 5 years to be in line with best practices. This effort is in process as described in Recommendation 1.1.

Task 2: Request funding to update facility condition assessments.

Implementation of this recommendation is delayed due to the projected structural budget deficit in the General Fund. Once the City's fiscal position improves, and additional revenues are identified or secured, we will reassess the resource needs associated with implementing any recommendations connected to remaining services or programs.

Issue Date: July 16, 2024

Original Target Date: June 2025

Current Target Date: ~~June 2025~~ June 2027

Performance Audit of the City's Contract Management Process

25-02
(KE)

The City has paid hundreds of millions of dollars to outside contractors to provide goods and services. The San Diego Municipal Code (SDMC) requires City Council to review and approve certain changes to those contracts, such as larger changes in value. Council's review ensures public oversight and transparency in the use of taxpayer dollars. In our [Performance Audit of the City's Contract Management Process](#), we found:

Finding 1: The City altered contract spending limits by at least \$15 million without required Council approval, diminishing transparency and governance.

Finding 2: Departments brought 19 percent of contract alterations totaling nearly \$64 million to Council for approval retroactively, creating risks for vendors and City services, and further reducing effective oversight.

Finding 3: Incomplete and inaccurate contract information and unwritten policies have led to work inefficiencies and staff errors.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Purchasing & Contracting	Previously Implemented (June 2025)			
1.2	Purchasing & Contracting	In Process – Past Due			
1.3	Purchasing & Contracting	In Process – Past Due			
1.4	Purchasing & Contracting and City Attorney	In Process – Past Due			
2.1	Purchasing & Contracting	Previously Implemented (December 2024)			
2.2	Purchasing & Contracting	Previously Implemented (June 2025)			
2.3	Purchasing & Contracting	Previously Implemented (June 2025)			
2.4	Purchasing & Contracting	Newly Implemented			
2.5	Purchasing & Contracting	Previously Implemented (June 2025)			
3.1	Purchasing & Contracting	Previously Implemented (June 2025)			
3.2	Purchasing & Contracting	Previously Implemented (June 2025)			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
3.3	Purchasing & Contracting	Previously Implemented (June 2025)			
3.4	Purchasing & Contracting	Newly Implemented			

Recommendation 1.2

Purchasing & Contracting

The Purchasing & Contracting Department should propose updated City Council approval thresholds such as an inflation adjustment mechanism, mandated periodic review, or another control. (Priority 2)

In Process – Past Due

This recommendation is in process. The Purchasing & Contracting Department provided OCA a draft version of the proposed municipal code changes. According to the Purchasing & Contracting Department, bringing the item forward to Committee and Council was paused due to Citywide organizational and management changes. The department plans to bring the proposed municipal code changes to the Economic Development and Intergovernmental Relations Committee in March 2026.

Issue Date: July 17, 2024

Original Target Date: June 2025

Current Target Date: ~~June 2025~~ ~~October 2025~~ April 2026

Recommendation 1.3

Purchasing & Contracting

The Purchasing & Contracting Department should propose changes to the San Diego Municipal Code clarifying City Council approval requirements for goods and services contract alterations. (Priority 2)

In Process – Past Due

This recommendation is in process. The Purchasing & Contracting Department provided OCA a draft version of the proposed municipal code changes. According to the Purchasing & Contracting Department, bringing the item forward to Committee and Council was paused due to Citywide organizational and management changes. The department plans to bring the proposed municipal code changes to the Economic Development and Intergovernmental Relations Committee in March 2026.

Issue Date: July 17, 2024

Original Target Date: June 2025

Current Target Date: ~~June 2025~~ ~~October 2025~~ April 2026

Recommendation 1.4*Purchasing & Contracting / City Attorney*

Once Recommendations 1.2 and 1.3 are implemented, the City Attorney's Office, in consultation with the Purchasing & Contracting Department, should issue updated, written guidance clarifying San Diego Municipal Code requirements for contract alterations to ensure that departments and attorneys are aware of what the requirements are. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Purchasing & Contracting Department, this recommendation will be implemented after proposed municipal code changes are brought forward to Council. The department plans to bring the proposed municipal code changes to the Economic Development and Intergovernmental Relations Committee in March 2026.

Issue Date: July 17, 2024

Original Target Date: December 2025 (Purchasing & Contracting); TBD (City Attorney's Office indicated the implementation timeline is dependent on potential revisions to the San Diego Municipal Code per Recommendations 1.2 and 1.3)

Current Target Date: December 2025 September 2026

Recommendation 2.4*Purchasing & Contracting*

The Purchasing & Contracting Department should design guidelines for City departments to provide Council with updates on contract activities, which could include:

- Information on soon to expire or soon to reach spend contracts;
- Number of ratifications; and/or
- A list of sole source contracts. (Priority 2)

Newly Implemented

This recommendation is implemented. The Purchasing & Contracting Department issued a memorandum establishing quarterly reporting to City Council on contract activities Citywide. The department provided a copy of the memorandum, and the reports submitted to City Council. The quarterly reports include the number of ratifications, including the reason and responsible department, sole source contracts, and contracts approaching expiration, including remaining contract values.

Recommendation 3.4*Purchasing & Contracting*

The Purchasing & Contracting Department should develop guidance for its staff on altering Ariba in the absence of formal contract alterations. (Priority 2)

Newly Implemented

This recommendation is implemented. The Purchasing & Contracting Department created a formal policy that establishes clear procedures for staff when altering contracts in Ariba. The policy defines administrative, formal, and emergency alterations and outlines the required approvals and supporting documentation for each. It also specifies the Ariba fields that may be modified and the conditions under which modifications are permitted.

Fraud Hotline Report of Boat Storage Permits

25-05

(AH) (GR)

OCA received a Fraud Hotline allegation regarding the mismanagement of permits issued by the City for the long-term storage of small boats on the sand at Mission Bay. Our investigation determined that the allegations of waste and mismanagement were substantiated. Specifically, in our [Fraud Hotline Report of Boat Storage Permits](#), we found:

Conclusion 1: Over 100 boat storage permits could have been issued, but were not, due to clerical errors that could have been avoided by using the existing online payment system. In addition, permitholders are currently allowed to renew their permits year after year without giving others a chance to purchase a permit. As a result, over 400 people are on waitlists for these permits, and some have been waiting for over 20 years.

Conclusion 2: The City charges lower fees for its boat storage program compared to other jurisdictions, and these fees only recover part of the estimated staff costs. If the fees were set based on the use of City property or set in comparison to what other cities charge, they could be higher. However, because the fees are lower than they could be, the City might not receive sufficient revenue to administer the program efficiently and effectively.

Conclusion 3: Other jurisdictions offer more efficient boat storage options and vary permit rates by boat type. Additional boat storage locations and repairs to existing structures could improve access to this resource.

Conclusion 4: Compliance inspections and enforcement activities would likely be improved if boat storage permit monitoring procedures were in place. Program compliance would also be improved if the existing rules were updated and clarified.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Parks & Rec	Newly Implemented			
1.2	Parks & Rec	In Process – Not Due			
1.3	Parks & Rec	In Process – Not Due			
2.1	Parks & Rec	In Process – Not Due			
3.1	Parks & Rec	Previously Implemented (December 2024)			
3.2	Parks & Rec	In Process – Not Due			
3.3	Parks & Rec	Previously Implemented (December 2024)			
3.4	Parks & Rec	In Process – Not Due			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
4.1	Parks & Rec	In Process – Not Due			
4.2	Parks & Rec	Previously Implemented (June 2025)			

Recommendation 1.1

Parks & Rec

As an interim measure, the Parks and Recreation Department should implement reconciliation procedures to ensure that all available boat storage permits are offered for sale. (Priority 2)

Newly Implemented

This recommendation is implemented. As an interim measure, the department has developed and used written reconciliation procedures to ensure that all available boat storage permits are offered for sale. According to the procedures document, the interim process will be used until the San Diego Municipal Code can be amended to allow a new lottery system for permits starting in calendar year 2027. We confirmed that the list of available permits is complete, and that the previously-omitted permits were listed as available for sale.

Recommendation 1.2

Parks & Rec

The Parks and Recreation Department should transition from mailed checks and manual recordkeeping to using online registration software to create permit data records for all available boat storage permits, issue permits using the online system, and make permits available to the public via the online system as they become available through revocations or cancellations. (Priority 3)



In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Identify permitting system needs and assess ActiveNet limitations.

Target Date: FY2026 Quarter 1.

Status: In Process - Gaps in ActiveNet known (no permit records, no online option to seek or review permit requests, limited reporting capabilities).

Task 2: Determine feasibility of purchasing and implementing a new online permitting system; Request estimated budget as part of FY2027 budget process.

Target Date: FY2027 Quarter 2.

Status: In process - \$160,000 has been requested as part of the FY2027 budget process. However, the feasibility of the purchase and implementation of a new permitting system will not be determined until bids from the RFP process are received and evaluated.

Task 3: Coordinate with Purchasing & Contracting on procurement process once funds received; Select vendor and begin implementation of new permitting system.

Target Date: FY2027 Quarter 2.

Status: Not started.

Task 4: Conduct system testing and staff training.

Target Date: FY2027 Quarter 3.

Status: Not started.

Task 5: Launch online permitting system.

Target Date: FY2027 Quarter 4.

Status: Not started.

Issue Date: November 13, 2024

Original Target Date: June 2027

Current Target Date: June 2027

Recommendation 1.3

Parks & Rec

The Parks and Recreation Department (Parks and Rec) should revise the boat storage permitting process to mitigate the current problems of extensive waitlists and permits that can be renewed in perpetuity. For example, Parks and Rec could make all permits available to the general public annually on a first-come, first-served basis, use a lottery system, and/or establish a maximum number of years boat storage permits can be renewed. Parks and Rec should propose revisions to SDMC section 63.25.73(d), if necessary, to allow this change in practice. (Priority 3)

In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Submit Legal Services Request to City Attorney for review of SDMC section 63.25.73(d).

Target Date: FY2025 Quarter 4.

Status: Complete.

Task 2: Draft required Municipal Code language reflecting change to program (e.g., lottery system, renewal limits); Take to Mission Bay Park Committee as an informational item, and to Committee and Council.

Target Date: FY2026 Quarter 2.

Status: In process. Code language has been drafted. This will be part of a Council Action that will route in FY2026 Quarter 3.

Task 3: Draft written procedures on revised beach bar permitting process; Coordinate with Lifeguards on enforcement and inspection feasibility.

Target Date: FY2026 Quarter 3.

Status: Complete. Written procedures have been drafted. Department continues to coordinate with Lifeguards on their ability to enforce and inspect. Both Park Rangers and Lifeguards have enforcement ability, but Lifeguards' close proximity to

the beaches makes it easier and more practical to identify infractions and perform inspections than for Park Rangers.

Task 4: Finalize written procedures and implement new permitting process.

Target Date: FY2026 Quarter 4.

Status: In Process - Procedures drafted; routing Council Action for Municipal Code change.

Issue Date: November 13, 2024

Original Target Date: June 2026

Current Target Date: June 2026

Recommendation 2.1

Parks & Rec

In order to ensure that the boat storage program is funded at a level that allows for efficient and effective management of the program, the Parks and Recreation Department should base boat storage permit fees on a comparison of what other jurisdictions charge for similar permits, rather than relying on the existing estimates of staff time costs. (Priority 2)



In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Identify funding for consultant to conduct benchmarking study.

Target Date: FY2026 Quarter 1.

Status: Complete.

Task 2: Draft Request for Proposal and begin procurement process.

Target Date: FY2026 Quarter 1.

Status: Complete. RFP has been drafted; Coordinating with Purchasing & Contracting to release.

Task 3: Initiate fee study (benchmarking, market rate study, other considerations)

Target Date: FY2027 Quarter 2.

Status: Not started. Goal is to award by FY2027 Quarter 3.

Task 4: Draft updated fee schedule based on findings; Council approval.

Target Date: FY2028 Quarter 1.

Status: Not started.

Task 5: Implement new fee structure.

Target Date: FY2028.

Status: Not started.

Issue Date: November 13, 2024

Original Target Date: June 2028

Current Target Date: June 2028

Recommendation 3.2*Parks & Rec*

The Parks and Recreation Department should consider: (1) raising permit fees for catamarans based on their width, (2) limiting the number of boat permits available to catamarans, and/or (3) distributing permits to storage bars based on boat type and available space. (Priority 2)

**In Process – Not Due**

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Include catamaran-specific analysis in cost-of-service study Request for Proposal.

Target Date: FY2026 Quarter 1.

Status: In Process - RFP has been drafted; Coordinating with Purchasing & Contracting to release.

Task 2: Evaluate space usage and permit distribution by boat type.

Target Date: FY2027 Quarter 1.

Status: In Process.

Task 3: Draft policy changes and updated fees if necessary.

Target Date: FY2027 Quarter 4.

Status: Not started.

Task 4: Implement revised catamaran permit policies.

Target Date: FY2028.

Status: Not started.

Issue Date: November 13, 2024

Original Target Date: June 2028

Current Target Date: June 2028

Recommendation 3.4*Parks & Rec*

The Parks and Recreation Department should identify beach bar boat storage racks that need repairs, estimate the costs for improvements, determine the relative priority for each identified location, and make repairs as indicated. (Priority 3)

**In Process – Not Due**

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Conduct site inspections to assess condition for needed maintenance/repair/replacement.

Target Date: FY2025 Quarter 4.

Status: Complete.

Task 2: Determine cost estimates for repairs and initiate procurement if needed.
Target Date: FY2026 Quarter 1.
Status: In Process.

Task 3: Complete needed maintenance/repair/replacement.
Target Date: FY2026–2027.
Status: In Process – Parks & Recreation made initial repairs to the beach bars.

Issue Date: November 13, 2024

Original Target Date: June 2027

Current Target Date: June 2027

Recommendation 4.1

Parks & Rec

The Parks and Recreation Department should develop written policies and procedures for boat storage permit compliance activities, including scheduled inspections, permit data collection and sharing, and compliance operations in coordination with Lifeguards. (Priority 3)

In Process – Not Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Draft written procedures on revised beach bar permitting process; Coordinate with Lifeguards on enforcement and inspection feasibility.
Target Date: FY2026 Quarter 3.
Status: In process; Continued coordination with Lifeguards on programmatic changes and their ability to enforce.

Task 2: Finalize written procedures and implement new permitting process.
Target Date: FY2026 Quarter 4.
Status: Not started.

Task 3: Launch online permitting system to capture permit data (See Recommendation 1.2 for status).
Target Date: FY2027 Quarter 4.
Status: Not started.

Issue Date: November 13, 2024

Original Target Date: June 2027

Current Target Date: June 2027

Performance Audit of the City's Fleet Maintenance

25-06

(NO) (NK) (AM)

The Fleet Operations Division (Fleet) manages the maintenance and repairs of about 4,900 vehicles and motorized equipment with an estimated total replacement value of \$437 million. Timely maintenance and inspection of fleets is important to enhance equipment life, ensure cost-effectiveness, and minimize risks to safety for City operators and the public. In our [Performance Audit of the City's Fleet Maintenance](#), we found:

Finding 1: Many City vehicles are not receiving their prescribed preventive maintenance services and safety inspections on time, which can lead to safety risks, increased costs, and negative impacts on City operations.

Finding 2: Fleet is able to complete most preventive maintenance services in less than a day, but additional steps may help streamline services, increase vehicle availability for departments' operations, and improve the timeliness and compliance rates of required maintenance and safety inspections.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Chief Operating Officer	Previously Implemented (June 2025)			
1.2	Fleet	Newly Implemented			
1.3	Fleet	In Process – Past Due			
1.4	Chief Operating Officer	In Process – Past Due			
1.5	Fleet	In Process - Past Due			
2.1	Fleet	In Process – Not Due		?	
2.2	Fleet	Newly Implemented			
2.3	Fleet	In Process – Past Due			
2.4	Fleet	In Process – Not Due		?	
2.5	Fleet	In Process – Past Due			

Recommendation 1.2*Fleet*

The Fleet Operations Division should work with each City department's Fleet Coordinator(s) (per Recommendation 1) to confirm or update its contact list for preventive maintenance and inspection notifications and ensure the correct contact is receiving notifications regarding past due and upcoming preventive maintenance. Fleet should develop a policy or procedure to ensure the list is kept current through future updates. (Priority 2)

Newly Implemented

This recommendation is implemented. Fleet Operations (Fleet) provided sufficient evidence that the correct contacts receive upcoming or past due maintenance and inspection notifications. The department also provided sufficient evidence to ensure the correct contact list is kept current through the scheduled coordination meetings between departments and Fleet.

Recommendation 1.3*Fleet*

The Fleet Operations Division should lead regular quarterly meetings with relevant City departments, in compliance with Administrative Regulation 30.20, to review and discuss their current fleet issues, needs, and concerns holistically; for example, by using a standardized agenda template including their recent preventive maintenance compliance rates (including relevant inspections), vehicle availability and fleet size, and adherence to defined roles and responsibilities, etc. (Priority 2)

In Process – Past Due

This recommendation is in process. According to Fleet Operations (Fleet), it continues to conduct regularly scheduled meetings using its standardized agenda. According to Fleet, it has taken "ownership" of the scheduled meeting to better track attendance reporting from Microsoft Teams.

Issue Date: January 31, 2025

Original Target Date: September 2025

Current Target Date: September 2025 February 2026

Recommendation 1.4*Chief Operating Officer*

The Office of the Chief Operating Officer should consult with the Fleet Operations Division and City departments to develop and communicate a set of workable and appropriate incentives, disincentives, and/or monitoring capabilities to reduce the number of late preventive maintenance services and required regulatory inspections. The resulting effects and outcomes should be monitored, for example through a reporting control as in Recommendation 1.5, and adjusted as appropriate to increase the compliance rate. (Priority 1)

In Process – Past Due

This recommendation is in process. According to the department, ongoing efforts of Fleet Operations Division Repair Staff, regularly scheduled department meetings, and a new Citywide Fleet Dashboard, have improved preventive maintenance and BIT inspection compliance. Fleet reported that monitoring efforts alone have provided the desired result of improving compliance and provided evidence indicating an increase in BIT compliance from 35 percent to 71 percent since January 2025. According to Fleet, it is continuing to work to expand monitoring to include Preventative Maintenance on the Citywide Fleet Dashboard and expects to see similar improvements as with BIT inspections.

Issue Date: January 31, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2026

Recommendation 1.5*Fleet*

The Fleet Operations Division should monitor and report quarterly the percentage of preventive maintenance and inspections completed on time by City departments or other accountable work groups to the Deputy Chief Operating Officers. (Priority 3)

In Process – Past Due

This recommendation is in process. According to the department, Fleet Operations, in conjunction with Performance and Analytics (Panda), is developing a Monthly Fleet Report to be distributed to the City's executive leadership by January 2026. The department also reported that, in addition to the Monthly Fleet Report, City executive leadership has had access to the Citywide Fleet Dashboard since early 2025. The department indicated that it is continuing to work with Panda to include metrics regarding preventative maintenance in the Citywide Fleet Dashboard by the end of January 2026. Fleet Operations states that it and the Panda team are committed to maintaining the Citywide Fleet Dashboard indefinitely.

Issue Date: January 31, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ Unknown

Recommendation 2.1*Fleet*

The Fleet Operations Division should establish, monitor, and report turnaround time goals and performance to City departments and Deputy Chief Operating Officers along with the information in Recommendation 1.5. (Priority 2)

 In Process – Not Due

This recommendation is in process. Fleet Operations did not provide an update for this recommendation during this reporting period. As of the last follow-up cycle, according to Fleet Operations, the following tasks were necessary to achieve full implementation:

Task 1: Develop data collection standards regarding Preventative Maintenance and Inspections turnaround times.

Status: In Process.

Task 2: Collect sufficient data regarding Preventative Maintenance and Inspections turnaround times.

Status: This will start upon completion of Task 1.

Task 3: Analyze and organize data.

Status: This will start upon completion of Task 2.

Task 4: Develop metrics and publish on the Citywide Fleet Dashboard.

Status: This will start upon completion of Tasks 1–3. Fleet anticipates this will be completed by June 30, 2026.

Issue Date: January 31, 2025

Original Target Date: June 2026

Current Target Date: June 2026

Recommendation 2.2*Fleet*

The Fleet Operations Division should ensure City departments are aware of the self-service mechanism they can use to see the status of each of their service and repair requests. For example, Fleet can ensure read-only access in FleetFocus to select staff from each department and train them on how to monitor the status of their service requests. (Priority 2)

Newly Implemented

This recommendation is implemented. Fleet Operations provided sufficient evidence that City departments are aware of a self-service mechanism they can use to see the status of each of their service and repair requests through the Citywide Fleet Dashboard.

Recommendation 2.3*Fleet*

The Fleet Operations Division (Fleet) should implement or update the intake process by utilizing scheduled preventive maintenance appointments in advance where possible, and training departments on the scheduling process. (Priority 1)

In Process – Past Due

This recommendation is in process. According to Fleet Operations (Fleet), in December 2025, the department started a pilot program with a few vehicles for testing procedures for work order assignments and appointments in the Fleet Management Information System. According to Fleet, in January 2026, the department will continue to refine the procedures, develop documentation, and training videos for repair staff to input appointments for Preventative Maintenance and Inspections.

Issue Date: January 31, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2026

Recommendation 2.4*Fleet*

The Fleet Operations Division (Fleet) should prioritize vehicles that have scheduled their preventive maintenance appointments in advance, allowing for exceptions in extenuating circumstances, as set by Fleet. (Priority 1)

**In Process – Not Due**

This recommendation is in process. Fleet did not provide an update for this recommendation during this reporting period. As of the last follow-up cycle, according to Fleet, the following steps were necessary to achieve full implementation:

Task 1: Complete Recommendation 2.3.

Status: In Progress.

Task 2: Develop procedures to prioritize Preventative Maintenance appointments.

Status: Pending implementation of Recommendation 2.3. Fleet anticipates this task to be completed by March 2026.

Task 3: Provide training to Fleet Operations Staff on new procedures.

Status: Pending completion of Tasks 1 and 2. Fleet anticipates this task to be completed by June 30, 2026.

Task 4: Provide outreach communication to Department Coordinators for awareness on prioritization.

Status: Pending completion of Recommendations 2.3, Task 1, and Task 2. Fleet anticipates this to be completed by June 30, 2026.

Issue Date: January 31, 2025

Original Target Date: June 2026

Current Target Date: June 2026

Recommendation 2.5

Fleet

The Fleet Operations Division should conduct an analysis to determine the optimal share of the Assistant Fleet Technician position out of service professional positions and/or their ability to more strategically target their time to help achieve its preventive maintenance goals timely and efficiently. (Priority 2)

In Process – Past Due

This recommendation is in process. According to Fleet, in December 2025, the department collected and organized data regarding repairs and the existing preventative maintenance programs and schedules for the entire fleet. According to the department, it is continuing to analyze the data and expect to have the results of the analysis in the coming months.

Issue Date: January 31, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2026

Performance Audit of the City's Grants Program

25-07

(MJ) (VG) (NT)

The City's FY2026–FY2030 Five-Year Financial Outlook projects a \$1.5 billion shortfall in City funds. This highlights the need for additional sources of funding to support essential services and programs. The City faces many resource constraints to successfully compete for grant funding compared to peer cities, which underscores the need for a more strategic, coordinated, and process-efficient approach to more effectively target grants that best align with City priority areas. Grants can be a tool to bridge the gap between the City's operational budget and its needs. In our [Performance Audit of the City's Grants Program](#), we found:

Finding 1: A Citywide grants strategic plan can help the City better prepare for and pursue grants by identifying capacity issues that may limit the City's ability to seek out and manage grants, defining the City's grants goals and objectives, and facilitating two-way communication between operational departments and City leaders.

Finding 2: The Grant Review Process could be streamlined and further clarified to ensure that requests to apply for grants are reviewed timely and effectively tracked to capture the City's application activity.

Finding 3: Formalizing Grants Program Coordinator roles would clarify their duties to City departments and maximize their benefit.

Finding 4: Improving and consolidating grants resources, in addition to implementing a mechanism to gauge City staff's grant training needs, can help the City be more prepared to pursue funding opportunities.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Government Affairs	In Process – Past Due			
1.2	Government Affairs	In Process – Past Due			
1.3	Government Affairs	In Process – Past Due			
2.1	Government Affairs	In Process - Not Due			
2.2	Government Affairs	In Process – Not Due			
2.3	Government Affairs	Previously Implemented (June 2025)			
2.4	Government Affairs	In Process – Past Due			
3.1	Government Affairs	In Process – Past Due			
3.2	Government Affairs	Newly Implemented			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
3.3	Government Affairs	Newly Implemented			
4.1	Government Affairs	In Process – Past Due			
4.2	Government Affairs	In Process – Past Due			
4.3	Government Affairs	In Process – Past Due			

Recommendation 1.1

Government Affairs

To facilitate the development of an annual grants strategic plan for the City of San Diego, the Department of Government Affairs (Government Affairs) should update Administrative Regulation 1.80 to require all grant-active Mayoral departments to create and submit an annual grant planning memo to Government Affairs. Grant-active is defined as departments applying for a grant or currently managing a grant. Grant planning memos are a summary of a department's anticipated grant activity and are meant to act as a guide; however, this should not preclude departments from applying to other opportunities if they arise outside of the Citywide grants strategic plan. Each grant priority memo should include the following elements, and any others that Government Affairs deems essential:

- Listing of the department's currently active grants and their closing dates;
- Grant-ready projects and programs listed in order of priority;
- Major projects and programs that the department wants to fund, and the amount of funding needed for the projects to be completed;
- Matching funds capability;
- Anticipated grants and/or grant priority areas the department
- intends to seek and apply for in the upcoming fiscal year;
- Staff capacity for applying for and managing grants; and
- Grant training needs, as discussed in Finding 4. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Grants Team to establish metrics for department annual plan, review with Grants Working Group, make changes to required metrics and format, review and approve with leadership, and finalize and distribute to grants-active staff and departments.

Status: Grants Team have begun discussing metrics and format for department memos.

Task 2: Strikeout and add additional language to AR 180, circulate with stakeholders including leadership, GWG, departments, directors, and DCOOs, receive and incorporate feedback, send revised draft out for review, circulate draft with Human Resources & DOF, incorporate new comments and feedback, review draft with City Attorney and incorporate revisions, circulate revised draft to directors, DCOOs, and CAO to obtain Clearance Memorandum, and route proposed draft to HR and Internal Controls for routing to impacted employee organizations for clearance. Finalize draft, obtain sign off, route to Mayor for final approval, and publish.

Status: Staff have strikeouts and additional language for AR 180. This item is pending finalization of other Recommendations before it will be circulated.

Issue Date: February 24, 2025

Original Target Date: July 2025

Current Target Date: ~~July 2025~~ July 2026

Recommendation 1.2

Government Affairs

The Department of Government Affairs (Government Affairs), should update Administrative Regulation 1.80 to require Government Affairs to publish an annual Citywide grants strategic plan, informed by City departments' grant planning memos. Government Affairs, in collaboration with the City's Grants Program Coordinators, should review departments' grant planning memos, as required in Recommendation 1.1, and use the memos to inform the City's overall grant goals, priorities, and strategies. The plan should, at minimum, contain the following elements, and any others Government Affairs and the Grants Program Coordinators deem essential:

- a. The City's grants vision, goals, and objectives; priority projects and programs that need funding; and grants and grant types that will be prioritized in the upcoming year.
- b. A summary of departments' staff capacity limitations and identified strategies to address these limitations. These strategies should also include the issues addressed in Recommendations 1.3, 3.2, and 3.3.
- c. Summaries of recommendations on the Grant Review Team tracking timelines and assessment of departments' training needs as described in Recommendations 2.1 and 4.2.

The Grant Review Team members should use the grants strategic plan as a reference when reviewing and approving grant application requests from departments. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Grants Team to develop protocols that include information such as staff points-of-contact, content and elements, routing for approval process, and timing and deadlines. Grants Team to circulate protocols internally for feedback, present protocols and future Grants Working Group to discuss and receive feedback, finalize protocols and publish on CityNet.

Status: Grants Team have met to begin discussing metrics, timing, and format for strategic plan.

Task 2: Develop draft memo template, circulate draft template internally and to small test group, showcase template at future Grants Working Group for discussion and feedback, incorporate and revise, circulate with management, finalize memo template, and publish on CityNet.

Status: In process.

Task 3: Strikeout and add additional language to AR 180, circulate with stakeholders including leadership, GWG, departments, directors, and DCOOs, receive and incorporate feedback, send revised draft out for review, circulate draft with Human Resources & DOF, incorporate new comments and feedback, review draft with City Attorney and incorporate revisions, circulate revised draft to directors, DCOOs, and CAO to obtain Clearance Memorandum, and route proposed draft to HR and Internal Controls for routing to impacted employee organizations for clearance. Finalize draft, obtain sign off, route to Mayor for final approval, and publish.

Status: Staff have strikeouts and additional language for AR 180. This item is pending finalization of other Recommendations before it will be circulated.

Issue Date: February 24, 2025

Original Target Date: September 2025

Current Target Date: September 2025 July 2026

Recommendation 1.3

Government Affairs

The Department of Government Affairs, in collaboration with the Department of Finance, the City's Grants Program Coordinators, and any other relevant departments, should assess departments' staff capacity needs and matching funds capabilities, as outlined in their annual memos, and create a strategy to address them. This strategy should be included in the annual Citywide grants strategic plan as recommended in Recommendation 1.2. (Priority 1)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Grants Team to develop protocols that include information such as staff points-of-contact, content and elements, routing for approval process, and timing and deadlines. Grants Team to circulate protocols internally for feedback, present protocols and future Grants Working Group to discuss and receive feedback, finalize protocols, and publish on CityNet.

Status: Grants Team have met to begin discussing metrics, timing, and format for strategic plan.

Task 2: Develop draft memo template, circulate draft template internally and to small test group, showcase template at future Grants Working Group for discussion and feedback, incorporate and revise, circulate with management, finalize memo template, and publish on CityNet.

Status: In process.

Task 3: Strikeout and add additional language to AR 180, circulate with stakeholders including leadership, GWG, departments, directors, and DCOOs, receive and incorporate feedback, send revised draft out for review, circulate draft with Human Resources & DOF, incorporate new comments and feedback, review draft with City Attorney and incorporate revisions, circulate revised draft to directors, DCOOs, and CAO to obtain Clearance Memorandum, and route proposed draft to HR and Internal Controls for routing to impacted employee organizations for clearance. Finalize draft, obtain sign off, route to Mayor for final approval, and publish.

Status: The Grants Team developed Annual Grants Planning Protocols, which were circulated and received feedback and buy-in from the Department of Finance and the Mayor's policy advisors. Additionally, the Grants Team presented this item to the Grants Working Group in October 2025 and launched a survey following that meeting to garner feedback from grants-active staff. An analysis of survey results will be circulated to Department Directors and the Grants Team will next present at the Director's Meeting (planned February 2026).

Issue Date: February 24, 2025

Original Target Date: September 2025

Current Target Date: September 2025 July 2026

Recommendation 2.1

Government Affairs

The Department of Government Affairs (Government Affairs) should update Administrative Regulation 1.80 to require that Government Affairs track and report on the Grant Review Team approval process timeline. Government Affairs should use the reporting capabilities of OnBase to, at minimum, include the following data:

- a. Average number of business days it takes for Grant Review Team members to review and approve grant application requests, compared to the 10-business day goal outlined in Administrative Regulation 1.80; and
- b. Any other data deemed necessary. Government Affairs should annually evaluate this data, include evaluation results in the Citywide grants strategic plan as recommended in Recommendation 1.2, and use it to inform changes to the Grant Review Team process. (Priority 3)



In Process – Not Due

This recommendation is in process. According to the department, the Grants Team has discussed the reporting capabilities with the docketing office and the OnBase developer, and has determined that there is not an easy way to accomplish reporting GRT approval timelines. The department will continue to track this item.

Issue Date: February 24, 2025

Original Target Date: TBD – Dependent on funding

Current Target Date: TBD—Dependent on funding January 2026

Recommendation 2.2*Government Affairs*

To improve the City's grant application tracking and reporting process and ensure that the City's grant application activity is accurately captured, the Department of Government Affairs (Government Affairs) should determine a way to centrally track its grant application activity. As part of its determination, Government Affairs may consider the adoption of a standard tracking and compliance software tool that all departments can use to standardize grant applications.

Additionally, Government Affairs should update Administrative Regulation 1.80 to require that all Mayoral departments use its identified central application tracking mechanism to ensure that all City departments' grant application activity is captured. (Priority 3)

**In Process – Not Due**

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Identify centralized tracking system for grants applications, transition to tracking system, train users on utilizing new system.

Status: The Grants Team transitioned the centralized GRT tracking system from Sharepoint to OnBase in August 2024; with new GRTs routing through OnBase starting in September 2024.

Task 2: Strikeout and add additional language to AR 180, circulate with stakeholders including leadership, GWG, departments, directors, and DCOOs, receive and incorporate feedback, send revised draft out for review, circulate draft with Human Resources & DOF, incorporate new comments and feedback, review draft with City Attorney and incorporate revisions, circulate revised draft to directors, DCOOs, and CAO to obtain Clearance Memorandum, and route proposed draft to HR and Internal Controls for routing to impacted employee organizations for clearance. Finalize draft, obtain sign off, route to Mayor for final approval, and publish.

Status: Staff have strikeouts and additional language for AR 180. This item is pending finalization of other Recommendations before it will be circulated.

Issue Date: February 24, 2025

Original Target Date: TBD – Dependent on funding

Current Target Date: TBD—Dependent on funding July 2026

Recommendation 2.4*Government Affairs*

The Department of Government Affairs (Government Affairs) should update Administrative Regulation 1.80 to reflect the current Grant Review Team process, which has transitioned to OnBase. (Priority 3)

**In Process – Past Due**

This recommendation is in process. According to the department, the following task is necessary to achieve full implementation:

Task 1: Strikeout and add additional language to AR 180, circulate with stakeholders including leadership, GWG, departments, directors, and DCOOs, receive and incorporate feedback, send revised draft out for review, circulate draft with Human Resources & DOF, incorporate new comments and feedback, review draft with City Attorney and incorporate revisions, circulate revised draft to directors, DCOOs, and CAO to obtain Clearance Memorandum, and route proposed draft to HR and Internal Controls for routing to impacted employee organizations for clearance. Finalize draft, obtain sign off, route to Mayor for final approval, and publish.

Status: Staff have strikeouts and additional language for AR 180. This item is pending finalization of other Recommendations before it will be circulated.

Issue Date: February 24, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ July 2026

Recommendation 3.1*Government Affairs*

The Department of Government Affairs (Government Affairs), in collaboration with the City's Grants Program Coordinators and other relevant departments, should discuss and formally document the agreed upon duties and positions of the Grants Program Coordinator positions in Administrative Regulation 1.80. Specifically, Administrative Regulation 1.80 should incorporate the following current roles and responsibilities of the Grants Program Coordinators in the Grants Program as identified in the Grants Program Framework and recommendations in this report, and any other duties as necessary:

- a. Assist with grant application development;
- b. Research and analyze grant opportunities;
- c. Support strategic project development;
- d. Support grants reporting, compliance, and implementation, as needed;
- e. Support cross-department collaboration;
- f. Assist City departments with composing their annual grant priority memos as recommended in Recommendation 1.1;
- g. Assist Government Affairs in creating the annual Citywide grants strategic plan as recommended in Recommendation 1.2;

- h. Assist with the creation of grant planning tools and training opportunities; and
- i. Assist in the creation and management of a grants resource library to preserve historical grant records and institutional knowledge. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the department, the following task is necessary to achieve full implementation:

Task 1: Strikeout and add additional language to AR 180, circulate with stakeholders including leadership, GWG, departments, directors, and DCOOs, receive and incorporate feedback, send revised draft out for review, circulate draft with Human Resources & DOF, incorporate new comments and feedback, review draft with City Attorney and incorporate revisions, circulate revised draft to directors, DCOOs, and CAO to obtain Clearance Memorandum, and route proposed draft to HR and Internal Controls for routing to impacted employee organizations for clearance. Finalize draft, obtain sign off, route to Mayor for final approval, and publish.

Status: Staff have strikeouts and additional language for AR 180. This item is pending finalization of other Recommendations before it will be circulated.

Issue Date: February 24, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ July 2026

Recommendation 3.2

Government Affairs

The Department of Government Affairs (Government Affairs) should consider subscribing to a service that filters grant opportunities based on curated specifications. This consideration should include a return-on-investment analysis. If Government Affairs determines a positive return on investment, then that analysis should be communicated to the City Council, Mayor, and other stakeholders such as a through the annual Citywide grants strategic plan, as recommended in Recommendation 1.2b. (Priority 2)



Newly Implemented

This recommendation is implemented. The department conducted an analysis to assess whether a grants subscription service would benefit the City and determined that it would yield a positive return on investment. The results of this analysis were communicated to the Mayor and City Council stakeholders through three methods: (1) publication of the Annual Grants Report, which presents the ROI analysis and findings on page 8; (2) distribution of the Annual Grants Report via email to the Mayor and City Council; and (3) inclusion of the Annual Grants Report as an informational item for the Economic Development and Intergovernmental Relations (EDIR) Committee meeting on November 5, 2025.

Recommendation 3.3*Government Affairs*

The Department of Government Affairs (Government Affairs) should consider retaining an as-needed contract with a grant writer(s) to assist with high priority and/or large-scale grant applications to increase the competitiveness of the City's applications. This consideration should include a return-on-investment analysis. If Government Affairs determines a positive return on investment, it should be communicated to the City Council, Mayor, and other stakeholders such as through the annual Citywide grants strategic plan, as recommended in Recommendation 1.2b. (Priority 2)

**Newly Implemented**

This recommendation is implemented. The department conducted an analysis to assess whether a grants writing service would benefit the City and determined that it would yield a positive return on investment. The results of this analysis were communicated to the Mayor and City Council stakeholders through three methods: (1) publication of the Annual Grants Report, which presents the ROI analysis and findings on page 8; (2) distribution of the Annual Grants Report via email to the Mayor and City Council; and (3) inclusion of the Annual Grants Report as an informational item for the Economic Development and Intergovernmental Relations (EDIR) Committee meeting on November 5, 2025.

Recommendation 4.1*Government Affairs*

The Department of Government Affairs (Government Affairs), in collaboration with the City's Grants Program Coordinators and the Department of Finance (Finance), should update the City's designated internal Citywide grants website to host all grants training materials relevant to the City's general grants application and management process. This website should either host a library of previous grant applications and debrief notes or contain a link to where these materials are located and maintained. The designated internal Citywide grants website should also contain links to Finance's grants management training materials.

Additionally, Government Affairs, in collaboration with the Grants Program Coordinators and Finance, should update the designated internal Citywide grants website with the following training materials related to the following topics, at a minimum:

- a. Broad overview of the City's grants application process to assist in training and onboarding new staff on the City's grants procedures, expectations, and resources;
- b. Several examples of successful grant applications submitted by the City;
- c. Guidelines for departments on creating the annual grants planning memo, as referenced in Recommendation 1.1;
- d. Documented resources for requesting and renewing Unique Entity Identifier number(s), including any relevant City information required for the application(s);
- e. The grants decision-making checklist as recommended in Recommendation 2.3;
- f. Guidance for departments on requesting, conducting, and documenting debrief meetings with funders when a grant is not awarded;

- g. Grant writing training materials; and
- h. Recordings of any live trainings provided on the City's grants process. (Priority 2)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Contact IT and get access to website editor, Grants Team to do first round cleanup of website including link finance resources to grants page, remove GRT button, fix team structure, create short summaries and takeaways of available resources, develop and keep-and-delete list and circulate internally. Redesign website, copy web content on word and make edits, circulate edits internally, coordinate with DOF on content and edits, implement edits and revise web copy based on feedback. Initiate customer feedback and training, discuss current usage and opportunities to improve at Grants Working Group and send out survey. Review changes to webpage with GWG members, upload new materials as they are finalized.

Status: This task is complete. The Grants Team updated the CityNet website in consultation with the Department of Finance and presented the changes to the Grants Working Group. The Go/No-Go Decision-making Checklist has been uploaded to the website as well as an updated version of the Grants Review Team (GRT) form Word template, which is a tool departments can use to stage information prior to completing a GRT form in OnBase.

Task 2: Gather information from IT regarding various platforms and capability of each, choose online platform for new grants library, research retention policy, create grants library form and share internally to receive feedback, incorporate feedback and share grants library form with IT.

Status: The Grants Team has completed all these activities.

Task 3: Work with IT to create the online grants library and grants library form, internally test the grants library and grants library form, work with IT to incorporate feedback and finalize.

Status: Staff has begun to work with IT to create the online grants library and grants library form.

Task 4: Revive components of a past work product and create a grants library guide, share guide with retention policy internally and receive feedback, finalize and publish guide, launch the grants library and grants library form, share all work products (guide, grants library, and grants library form) with Grants Working Group.

Status: The Grants Team has begun to work on a grants library guide.

Task 5: Collect grant applications and debrief notes from departments, monitor department use of grants library form and make changes if needed.

Status: Staff will conduct this work once the online grants library and grants library form are live.

Issue Date: February 24, 2025

Original Target Date: September 2025

Current Target Date: ~~September 2025~~ July 2026

Recommendation 4.2

Government Affairs

As part of Recommendation 1.1 regarding the grant priority memos, the Department of Government Affairs (Government Affairs) should update Administrative Regulation 1.80 to require that all grant-active Mayoral departments include a statement on their grants training needs and priorities in their annual grant planning memos.

Additionally, as part of the Citywide grants strategic plan recommended in Recommendation 1.2, Government Affairs should assess departments' training needs from their grant planning memos, include a summary of these needs in the plan, and outline the training plan for the year to address these needs. (Priority 3)



In Process – Past Due

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Grants Team to establish metrics for department annual plan, review with Grants Working Group, make changes to required metrics and format, review and approve with leadership, finalize and distribute to grants-active staff and departments.

Status: Grants Team have begun discussing metrics and format for department memos.

Task 2: Strikeout and add additional language to AR 180, circulate with stakeholders including leadership, GWG, departments, directors, and DCOOs, receive and incorporate feedback, send revised draft out for review, circulate draft with Human Resources & DOF, incorporate new comments and feedback, review draft with City Attorney and incorporate revisions, circulate revised draft to directors, DCOOs, and CAO to obtain Clearance Memorandum, and route proposed draft to HR and Internal Controls for routing to impacted employee organizations for clearance. Finalize draft, obtain sign off, route to Mayor for final approval, and publish.

Status: Staff have strikeouts and additional language for AR 180. This item is pending finalization of other Recommendations before it will be circulated.

Issue Date: February 24, 2025

Original Target Date: September 2025

Current Target Date: ~~September 2025~~ July 2026

Recommendation 4.3*Government Affairs*

To ensure a comprehensive grant application library, the Grants Program Coordinators should establish a process for City departments to contribute submitted grant applications and debrief notes to a centralized library hosted on or linked to the designated grants training website referenced in Recommendation 4.1. (Priority 3)

**In Process – Past Due**

This recommendation is in process. According to the department, the following tasks are necessary to achieve full implementation:

Task 1: Gather information from IT regarding various platforms and capability of each, choose online platform for new grants library, research retention policy, create grants library form and share internally to receive feedback, incorporate feedback and share grants library form with IT.

Status: The Grants Team has completed all these activities.

Task 2: Work with IT to create the online grants library and grants library form, internally test the grants library and grants library form, work with IT to incorporate feedback and finalize.

Status: Staff has begun to work with IT to create the online grants library and grants library form.

Task 3: Revive components of a past work product and create a grants library guide, share guide with retention policy internally and receive feedback, finalize and publish guide, launch the grants library and grants library form, share all work products (guide, grants library, and grants library form) with Grants Working Group.

Status: The Grants Team has begun to work on a grants library guide.

Task 4: Collect grant applications and debrief notes from departments, monitor department use of grants library form and make changes if needed.

Status: Staff will conduct this work once the online grants library and grants library form are live.

Issue Date: February 24, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2026

Performance Audit of the City's Trash, Recycling, and Organics Collection and Handling

25-08

(CN) (DK) (KE)

To combat landfill waste's negative effects, the City set targets to divert all waste from landfills by 2040. However, the City has not met its targets and the City's oversight of private waste haulers is critical to achieving these targets, since the haulers collect most of the waste in San Diego. Central to the City's oversight is recovering costs through franchise hauler fees. However, the City has not adjusted the fees for inflation nor has the City conducted a fee study to ensure all City costs are legally recovered. In our [Performance Audit of the City's Trash, Recycling, and Organics Collection and Handling](#), we found:

Finding 1: The City could recover at least \$4 million more per year by increasing hauler fees to cover City costs.

Finding 2: The City can do more to hold itself and private waste haulers accountable to meet the Climate Action Plan targets, which are designed to help limit poor air quality, extreme weather events, and other negative impacts of climate change.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Environmental Services	Not Implemented – N/A (June 2025)			
1.2	Environmental Services	In Process – Not Due			
1.3	Environmental Services	In Process – Not Due			
2.1	Environmental Services	In Process – Not Due			
2.2	Environmental Services	In Process - Not Due			
2.3	Environmental Services	In Process – Not Due			
2.4	Environmental Services	In Process – Not Due			
2.5	Environmental Services	In Process – Not Due			

Recommendation 1.2*Environmental Services*

The Environmental Services Department (ESD), in consultation with other relevant departments, should conduct or contract for a fee study to assess appropriate franchise fee and AB939 fee rates to recover City costs, such as:

- a. Increased costs of street damage caused by haulers' vehicles;
- b. Increased costs of overseeing haulers' regulatory compliance;
- c. Increased costs of City Treasurer audits;
- d. Other potential costs to the City and residents, such as traffic, pollution, and noise;
- e. The inherent value of the franchise; and
- f. The costs of public education programs designed to decrease landfill waste across all customers.

ESD should present the fee study to the City Council and should prepare and present a proposed action to City Council to revise franchise fees. The proposed fees should be based on the results of the fee study.

ESD should adopt a policy requiring the recommended fee study and presentation to City Council be completed at least every 5 years. (Priority 1)

**In Process – Not Due**

This recommendation is in process. According to the Environmental Services Department (ESD), it is currently developing the scope of work for a Request for Proposals (RFP) to retain a consultant who will conduct a comprehensive franchise, AB 939 fee, and landfill tipping fee study. This study will evaluate legally permissible cost recovery opportunities in compliance with Proposition 26. ESD's goal is to release the RFP early CY2026, with consultant selection and study initiation anticipated by early Summer 2026.

An interdepartmental workgroup will be formed by early CY2026 to support and participate in the rate study process. Upon completion of the study by end of CY2026, ESD will share their initial findings and fee recommendations to the franchise haulers for their input and then present final recommendations to the City Council. ESD will also determine an appropriate policy for the frequency of future rate studies and presentations to City Council to ensure alignment with franchise hauler agreements.

To build internal capacity and expertise for this effort and other audit recommendations, ESD has completed hiring of key Waste Reduction Division staff, including a new Recycling Specialist Supervisor (1.0 FTE), Recycling Specialist IIIs (2.0 FTE), and a Recycling Specialist I (1.0 FTE). ESD also has additional support from a new ESD Deputy Director of Business and Support Services (1.0 FTE) and Supervising Management Analyst (1.0 FTE) from another ESD division. ESD is in progress of hiring an Associate Management Analyst (1.0 FTE) pending the City's new Request to Fill process. ESD is evaluating if there's still a need to hire an additional Senior Management Analyst (1.0 FTE).

Issue Date: May 2, 2025

Original Target Date: June 2028

Current Target Date: June 2028

Recommendation 1.3

Environmental Services

The Environmental Services Department (ESD) should ensure the study in Recommendation 1.2 also analyzes and presents the benefits and costs of alternative fee structures that incentivize recycling, including but not limited to charging more for landfill waste and less for recycled waste. The costs should include additional oversight to ensure landfill waste is not placed in recycling containers at a higher rate due to the cost increase. The costs should also include the increased cost of the City Treasurer auditing franchise hauler payments to verify the type of waste collected and disposed of, to ensure landfill waste is not claimed as recycling waste by haulers. (Priority 2)

In Process – Not Due

This recommendation is in process. According to the Environmental Services Department (ESD), similar to the response for Recommendation 1.2, ESD has spent time during this follow-up cycle for period ending December 31, 2025 successfully building internal capacity and expertise for this effort and other audit recommendations by hiring several key new employees.

ESD has initiated preliminary discussions with the San Diego County Disposal Association and plans to engage franchise haulers in further dialogue regarding potential alternative fee structures and performance evaluation mechanisms under the franchise agreements.

Following the selection of a consultant from Recommendation 1.2, anticipated by Summer 2026, ESD and the consultant will evaluate differential pricing models for collection services that incentivize recycling. This evaluation will include a review of potential fee structures that align with the goals of increasing recycling and reducing landfill disposal, while ensuring compliance with Proposition 26. As part of this analysis, ESD will also assess the potential administrative and operational costs associated with enhanced oversight and auditing—specifically, increased monitoring to prevent improper disposal in recycling containers, and expanded auditing efforts by the City Treasurer to verify the accuracy of franchise hauler reporting on waste types.

Findings and recommendations will be integrated into the broader rate study and presented for further consideration.

Issue Date: May 2, 2025

Original Target Date: June 2028

Current Target Date: June 2028

Recommendation 2.1*Environmental Services*

The Environmental Services Department should propose an amendment to the franchise agreements upon renewal in 2027 to continue to include regular increases in diversion rate requirements. These increased diversion rates should be based on an evaluation of the most recent waste characterization study to ensure diversion rate requirements are achievable but also help the City meet its Climate Action Plan targets. (Priority 1)

In Process – Not Due

This recommendation is in process. According to the Environmental Services Department (ESD), it has identified capacity within its existing as-needed environmental planning consultant services contract with Tetra Tech to conduct a citywide waste characterization study. ESD is currently developing a new task order including the project scope of work and budget, with the goal of launching the study by Summer 2026. There were some unanticipated delays Fall 2025 with creating a new task order because of EOC subcontracting requirements, which ESD and Tetra Tech have been addressing.

Evaluation of the waste characterization study results and consultation from the contractor will help ESD determine if amended target diversion rate increases are needed for future franchise agreement amendments to achieve the City's waste diversion goals.

Similar to the response for Recommendation 1.2, ESD has spent time during this follow-up cycle for period ending December 31, 2025 successfully building internal capacity and expertise for this effort and other audit recommendations by hiring several key new employees.

Issue Date: May 2, 2025

Original Target Date: January 2027

Current Target Date: January 2027

Recommendation 2.2*Environmental Services*

The Environmental Services Department (ESD) should propose to City Council an amendment to the Municipal Code to require ESD to consider the ability of the hauler to meet the terms of the franchise agreement both when the hauler first applies and when the hauler applies to extend the agreement. ESD's review and report to City Council should include the hauler's historical performance, including whether it complied with diversion rate requirements or showed improvement over time, before City Council grants a franchise agreement extension. (Priority 1)

In Process – Not Due

This recommendation is in process. ESD indicated it currently conducts and will continue to conduct performance evaluations of franchise haulers, including whether the haulers met the minimum diversion rates. ESD indicated the performance

evaluation process and criteria will be included in the next franchise hauler agreement. ESD also stated when the franchise hauler agreements are up to Council for renewal, reports will include each hauler's past performance, including whether the franchise hauler met minimum diversion rate requirements. While ESD will not be pursuing an amendment to the Municipal Code, as recommended, we have determined ESD's approach mitigates the risk of City Council not having complete performance information when determining whether or not to extend a hauler's franchise agreement. This recommendation will remain open upon our review of the future franchise agreement and ESD's presentation to City Council requesting the renewal of franchise agreements—which should include the results of each hauler's historic performance and compliance with the franchise agreement.

Issue Date: May 2, 2025

Original Target Date: January 2027

Current Target Date: January 2027

Recommendation 2.3

Environmental Services

To ensure the Environmental Services Department (ESD) consistently enforces the terms of the franchise agreement and treats all haulers equally by requiring compliance plans and assessing liquidated damages when set forth in the franchise agreement, ESD should draft, adopt, and train staff on an internal policy that directs staff to follow the enforcement mechanisms set forth in the franchise agreement. Additionally, ESD should propose amendments to the current franchise agreement upon renewal in 2027 to remove the language stating that “the assessment of any and all liquidated damages is at the City’s sole discretion,” and clarify that “a second occurrence of failure to achieve compliance will require a presentation by Franchisee to City Council,” rather than “may require.” (Priority 1)

In Process – Not Due

This recommendation is in process. According to the Environmental Services Department (ESD), it is in progress of assessing its existing procedures for evaluating and enforcing franchise agreement compliance. This internal review includes examining how compliance plans are implemented and how liquidated damages are assessed.

Preliminary discussions have been initiated with the San Diego County Disposal Association and ESD plans to continue engaging franchise haulers on issues related to diversion requirements and enforcement practices, including use of liquidated damages.

As part of this effort, ESD will develop and implement updated written internal guidance to ensure consistent enforcement of franchise compliance plans. Staff will be trained to support uniform implementation of these procedures.

Additionally, ESD will evaluate possible amendments to the franchise agreement on how enforcement is assessed. This may include revising language that currently grants the City sole discretion in assessing liquidated damages to better balance consistency with flexibility in cases involving extenuating circumstance. ESD will consider recommendations regarding repeated noncompliance by a franchise hauler.

Similar to the response for Recommendation 1.2, ESD has spent time during this follow-up cycle for period ending December 31, 2025 successfully building internal capacity and expertise for this effort and other audit recommendations by hiring several key new employees.

Issue Date: May 2, 2025

Original Target Date: January 2027

Current Target Date: January 2027

Recommendation 2.4

Environmental Services

The Environmental Services Department should continue its plan to lower the cap of third-party credits to 10 percentage points of the required 50 percent diversion rate, effective 2025, and propose an amendment to the current franchise agreements upon renewal in 2027 so that the cap steadily decreases to 0 percent by 2032 at the latest. (Priority 2)

In Process – Not Due

This recommendation is in process. According to the Environmental Services Department (ESD), it will continue its planned reduction of third-party credit cap to 10 percent in 2025 based on the current franchise agreements. ESD will evaluate with input from the franchise haulers, a proposed amendment to the franchise agreements to further phase down the third-party cap.

Issue Date: May 2, 2025

Original Target Date: January 2027

Current Target Date: January 2027

Recommendation 2.5

Environmental Services

The Environmental Services Department (ESD) should set a diversion rate performance goal for City Collections that closely aligns with the minimum diversion rate requirements in the franchise agreements to help the City meet its Climate Action Plan targets. The goal can be implemented to increase incrementally over time and could take into consideration factors related to the implementation of Measure B. For example, ESD could set a goal under the current frequency of recycling collection and then increase the goal if the frequency of recycling collection increased from every other week to every week. ESD should present City Collections' annual diversion rate performance as well as haulers' collective and individual diversion rate performance annually to the City Council's Environment Committee. (Priority 2)

In Process – Not Due

This recommendation is in process. The Environmental Services Department (ESD) reports that on June 9, 2025, the City Council approved a new Solid Waste Management Fee that supports several service enhancements aimed at improving waste diversion among City-serviced residential customers. These enhancements include:

- No additional cost container repair, replacement and delivery beginning July 1, 2025;
- New containers with educational, labeled lids to rollout beginning Fall 2025;
- Weekly recycling collection and bulky curbside pickup of up to two bulky items per year beginning July 1, 2027; and
- Hiring additional Recycling Specialists and Code Compliance Officers to provide more technical assistance, education and outreach, and enforcement for proper service levels and recycling sorting.

These changes are expected to positively influence waste-sorting behaviors and increase diversion rates.

ESD will establish diversion targets for City Collection services following the implementation of these service enhancements and based on the results of the citywide waste characterization study conducted under Recommendation 2.1.

Additionally, ESD will report annually on the diversion performance of both City Collection and franchise haulers to the City's Environment Committee.

During the follow-up cycle for the period ending December 31, 2025, ESD focused on right-sizing service for its City-serviced residential customers and improving recycling efforts, which are actions expected to increase diversion rates:

- Launched a new online Waste Portal that allows property owners to select the size and number of trash and recycling containers to ensure they have the appropriate containers at their property.
- Began delivering new gray trash containers, which include features such as a new lid with educational information on what is accepted and not accepted and how to properly set the container out curbside, and offered three different sizes—35, 65, and 95-gallons. New light blue recycling containers will be delivered Spring 2026.
- Began having ESD Code Compliance Officers conduct container checks placed at the curb on collection day and issue educational feedback tags on the cart if they observe items that do not belong to improve sorting participation from residents.
- Develop a citywide education marketing campaign to improve green bin participation that will launch January 2026.
- Coordinate the transition of 20,000 parcels that are no longer eligible to receive City collection services to private franchise hauler service.

Issue Date: May 2, 2025

Original Target Date: December 2027

Current Target Date: December 2027

Performance Audit of Fire-Rescue Overtime

25-09

(MJ) (SP) (RM)

The San Diego Fire-Rescue Department's (Fire-Rescue) public safety service is crucial and one of the City's top priorities. Fire-Rescue uses overtime to ensure it can respond to emergency fire and medical calls 24 hours a day, 365 days a year. Notwithstanding the critical need for overtime to deliver essential public safety services, we found Fire-Rescue regularly underestimates its overtime needs. This resulted in \$71.6 million in total overages from FY2019 to FY2024, including \$31.8 million in General Fund impacts. In our [Performance Audit of Fire-Rescue Overtime](#), we found:

Finding 1: The Fire-Rescue Department should document and refine its overtime budgeting methodology to reduce the risk of consistent budget overages.

Finding 2: The Fire-Rescue Department should include all sworn employees in its staffing projections to more reliably determine how many academies it needs to reach full staffing and reduce overtime.

Finding 3: The Fire-Rescue Department should update its relief factor calculation to further reduce overtime after it reaches full staffing.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Fire Rescue & Finance	In Process – Past Due			
1.2	Fire Rescue & Finance	Newly Implemented			
2.1	Fire-Rescue	In Process – Past Due			
2.2	Fire-Rescue	In Process – Past Due			
2.3	Fire-Rescue	In Process - Past Due			
3.1	Fire-Rescue	In Process – Past Due			

Recommendation 1.1

Fire-Rescue & Finance

To ensure the overtime budget aligns with expected overtime needs, the Fire-Rescue Department (Fire-Rescue) should collaborate with the Department of Finance to refine its overtime budgeting methodology and formalize that methodology in a policy, standard operating procedure, department instruction, or other appropriate document. This methodology should include that Fire-Rescue use a zero-based budgeting approach at least every five years to develop its overtime budget request. (Priority 2)

In Process – Past Due

This recommendation is in process. According to Fire-Rescue, the draft Overtime Budget Policy was shared with the Department of Finance for review in January 2026. The Department of Finance has completed its review of the draft policy and is refining and ensuring documentation of the methodologies. The anticipated completion date for its review is March 20, 2026. After this, Fire-Rescue will address any questions and revise the Overtime Budget Policy based on feedback received from the Department of Finance. The revised policy will then be submitted to the Department of Finance for final approval.

Issue Date: May 8, 2025

Original Target Date: December 2025

Current Target Date: ~~December 2025~~ March 2026

Recommendation 1.2

Fire-Rescue & Finance

The Department of Finance, in collaboration with the Fire-Rescue Department (Fire-Rescue), should formally document an internal policy that requires it to annually add negotiated salary adjustments to the overtime budget, as it does to the salaries and wages budget, in years when salary negotiations are ongoing and propose for consideration for inclusion in the Mayor's Proposed Budget. This would ensure salary increases are accurately accounted for in Fire-Rescue's overtime budget, reducing the potential for future budget overages. (Priority 2)

Newly Implemented

This recommendation is implemented. The Department of Finance revised Process Narrative (PN-0161) for the Operating Budget Development Process Overview with an effective date of January 22, 2026. The updated Process Narrative includes language in Sections 1.6.5.b.i and 1.7.2.c.1 on the process to include budget adjustment requests to the public safety Recognized Employee Organizations (REO) such as Local 145, based on potential budgetary impacts including overtime costs, in the Proposed Budget and May Revision, in years where the City of San Diego is engaged in negotiations with the REOs.

Recommendation 2.1

Fire-Rescue

The Fire-Rescue Department should create a written internal policy that revises its staffing projection methodology to include the vacancies and attrition of all sworn job classifications that are filled using academy graduates. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Fire-Rescue Department, the Department of Finance completed its review of the Fire-Rescue Department's draft Overtime Budget Policy document, and is refining and ensuring documentation of the revised methodologies. The anticipated completion date of the Department of Finance's review is March 20, 2026. After this point, the Fire-Rescue Department will

address any questions from the Department of Finance, incorporate its feedback into the Overtime Budget Policy, and submit the revised version back to the Department of Finance for approval.

Issue Date: May 8, 2025

Original Target Date: November 2025

Current Target Date: ~~November 2025~~ March 2026

Recommendation 2.2

Fire-Rescue

To improve the transparency of the Fire-Rescue Department's (Fire-Rescue) progress towards achieving full staffing, the policy in Recommendation 2.1 should also require that Fire-Rescue revise its monthly staffing reports to include all sworn job classifications and to provide them to the Independent Budget Analyst and City Council. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Fire-Rescue Department, it has revised its monthly staffing reports to include all sworn job classifications filled by fire academies and is developing the report format for distribution to the Independent Budget Analyst and City Council, which should be complete by March 13, 2026. After developing the report format, the Fire-Rescue Department will prepare the current staffing information using the established format and distribute the report to the Independent Budget Analyst and City Council.

Issue Date: May 8, 2025

Original Target Date: August 2025

Current Target Date: ~~August 2025~~ March 2026

Recommendation 2.3

Fire-Rescue

The Fire-Rescue Department (Fire-Rescue) should adopt an internal policy stating that when making its annual budget request for fire academies, Fire-Rescue will conduct a cost-benefit analysis which includes the overtime budgeting and staffing impacts for all sworn positions based on the number of annual fire academies it requests to hold. (Priority 2)

In Process – Past Due

This recommendation is in process. According to the Fire-Rescue Department, the Department of Finance completed its review of the Fire-Rescue Department's draft Overtime Budget Policy document, and is refining and ensuring documentation of the revised methodologies. The anticipated completion date of the Department of Finance's review is March 20, 2026. After this point, the Fire-Rescue Department will address any questions from the Department of Finance, incorporate its feedback into the Overtime Budget Policy, and submit the revised version back to the Department of Finance for approval.

Issue Date: May 8, 2025

Original Target Date: November 2025

Current Target Date: ~~November 2025~~ March 2026

Recommendation 3.1

Fire-Rescue

The Fire-Rescue Department (Fire-Rescue) should create an internal policy that updates its relief factor calculations, which determines the number of sworn Fire Suppression employees needed for its relief pool. The relief factor should be calculated for each job classification in the Operations Division using actual absences per day. Fire-Rescue may phase in its relief factor incrementally by accounting for certain types of leave and gradually including other leave types to achieve greater coverage in the future if desired. Additionally, Fire-Rescue should annually revise its relief factor after reaching full staffing to ensure it keeps pace with operational need. The relief factor should include the following variables:

- a. Historical absence data from at least the prior two fiscal years, which can include the following absence types: annual leave, Family and Medical Leave Act leave, discretionary leave, industrial leave, compensatory time off, light duty, parental leave, bereavement leave, floating holidays, DROP extension, and others.
- b. A seasonality measure, allowing Fire-Rescue to calculate the number of relief employees needed during times of the year when employees took the least time off to avoid over-hiring. (Priority 3)

In Process – Past Due

This recommendation is in process. According to the Fire-Rescue Department (Fire-Rescue), it is compiling the necessary data to update the relief factor calculation and subsequently will develop an internal policy. Fire-Rescue anticipates completing its data compiling by April 3, 2026. Once the data is compiled, Fire-Rescue will: 1) review the data and determine the appropriate relief factor by leave type and by rank, considering the actual leave taken for the past two fiscal years while considering anticipated changes in behavior for the coming year(s) if applicable; 2) determine how and when the Relief Pool can be implemented, whether through a phased approach; and 3) document the process into a Policy document.

Issue Date: May 8, 2025

Original Target Date: January 2026

Current Target Date: ~~January 2026~~ May 2026

Performance Audit of the City's Disaster Response

25-10
(CN) (MS)

On January 22, 2024, a historic storm flooded homes and businesses. Hundreds of personnel from the City mobilized to address the crisis. Assessing the effectiveness of the City's response will ensure it is prepared to respond to future disasters. In our [Performance Audit of the City's Disaster Response](#), we found:

Finding 1: The City effectively managed the immediate emergency response to the January 22, 2024 storm using existing plans, but when recovery demands extended beyond the City's previous responsibilities, there were no clear plans in place to meet residents' needs.

Finding 2: The City does not have a plan to ensure it quickly and effectively communicates response and recovery information with all members of the public after a disaster.

Finding 3: The City's use of an incident management team worked well to respond to infrastructure damaged by the storm, but a lack of documented policies and staff training led to delays getting its response started.

Finding 4: Increasing staff training and tracking lessons learned from previous disasters can help the City prepare for future disasters.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Office of Emergency Services	In Process – Not Due			
1.2	Office of Emergency Services	In Process – Not Due			
1.3	Office of Emergency Services	In Process – Not Due			
1.4	Office of Emergency Services	In Process – Not Due			
1.5	Office of Emergency Services	In Process – Not Due			
1.6	Office of Emergency Services	In Process – Not Due			
1.7	Office of Emergency Services	In Process – Past Due			
1.8	Stormwater	Newly Implemented			
1.9	Office of Emergency Services	In Process – Not Due			
2.1	Office of Emergency Services	In Process – Not Due			
2.2	Office of Emergency Services	In Process – Not Due			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
2.3	Office of Emergency Services	In Process – Not Due			
2.4	Office of Emergency Services	In Process – Not Due			
3.1	Office of Emergency Services	In Process – Not Due			
3.2	Office of Emergency Services	In Process – Not Due			
4.1	Office of Emergency Services	In Process – Not Due			
4.2	Office of Emergency Services	In Process – Not Due			
4.3	Office of Emergency Services	In Process – Past Due			
4.4	Office of Emergency Services	In Process – Not Due			
4.5	Office of Emergency Services	Newly Implemented			
4.6	Office of Emergency Services	In Process – Not Due			
4.7	Office of Emergency Services	Newly Implemented			
4.8	Office of Emergency Services	Newly Implemented			

Recommendation 1.1

Office of Emergency Services

The Mayor's Office should work with the City Council, Office of Emergency Services, other relevant departments, and other stakeholders to develop a framework that clearly sets out the City's overall planned role in disaster response and recovery. The framework should address key questions raised during the January 2024 flood response, including:

- What types of short-, intermediate-, and long-term recovery needs will the City plan to meet, and in what instances?
- Does the City expect short-, transitional-, and/or long-term shelter services for its residents?
- Does the City expect non-congregate shelter options for its residents, and if so, in what instances?
- Does the City expect mass care services for affected residents who choose to stay in their homes?
- If the relevant stakeholders do not plan to meet the expected needs, does the City plan to provide those care and shelter services itself?
- What information does the City expect to have about residents' needs, and what method or methods would the City use to collect that information?

The framework should also outline, at a high-level, the roles expected of external entities like the County of San Diego, the Operational Area, the State, FEMA, and individuals, businesses, and non-governmental organizations. While it will not direct these entities, the framework will clarify where the City expects certain needs to be met based on laws, agreements, and coordination.

The goal of the framework is to establish internal consensus on the City's overall response and recovery roles and communicate this to City Council, non-governmental organizations, and the public before emergencies arise, ensuring clear expectations. Management should present the framework to City Council, including potential costs of any additional roles the City plans to take on in future emergencies.

Once the City establishes the framework, the City should develop and publish a clear, easy-to-understand document that communicates the framework and outlines the City's overall planned role, as well as the expected roles of other stakeholders, for use by City leadership and the public. (Priority 1)

In Process – Not Due

This recommendation is in process. OES reported that the recommendation is in progress. OES is currently in the process of defining parameters for congregate and non-congregate sheltering to include operational and financial impacts. Additionally, incorporating those impacts with sheltering requirements.

Issue Date: June 25, 2025

Original Target Date: As determined by the Mayor's Office

Current Target Date: As determined by the Mayor's Office

Recommendation 1.2

Office of Emergency Services

After the implementation of Recommendation 1.1, the Office of Emergency Services should create a City-specific recovery plan that establishes:

- a. When the plan will be activated;
- b. The short-, intermediate-, and long-term recovery activities the City plans to undertake, including those identified through Recommendation 1.1
- c. The department or position responsible for overall oversight of the City's recovery activities
- d. Recovery roles and responsibilities of different City departments
- e. Expected roles and responsibilities of external agencies like the County of San Diego, the American Red Cross, and other nongovernmental organizations; and
- f. How the City engaged with the community to develop the plan.

The Office of Emergency Services should update and present the plan to City Council at least every five years, in line with updates to the City's Emergency Operations Plan, and should also update it on an ongoing basis to incorporate best practices and lessons learned from exercises and activations. The plan should be posted publicly with other public City resources on disaster

planning and preparedness and could be included in the City's Emergency Operations Plan as an annex. (Priority 1)

In Process – Not Due

This recommendation is in process. OES reported that in conjunction with the Operational Area and regional jurisdictions, OES is updating the EOP to comply with updated FEMA guidelines, best practices, and to incorporate audit findings.

Issue Date: June 25, 2025

Original Target Date: Contingent on guidance provided by Recommendation 1.1

Current Target Date: Contingent on guidance provided by Recommendation 1.1

Recommendation 1.3

Office of Emergency Services

The Office of Emergency Services should work with the Mayor's Office to clarify how policy direction will be provided to the Emergency Operations Center, and clarify the Mayor's Office's responsibilities in emergency planning, response, and recovery. The clarified method and responsibilities should be documented in relevant policy or procedure, such as the Emergency Operations Plan or Manual. The identified necessary trainings to ensure the Mayor's Office is knowledgeable of its responsibilities should be documented and tracked as part of the broader training program in Recommendation 4.6. (Priority 1)

In Process – Not Due

This recommendation is in process. According to OES, it is in the final stages of the update to the EOP and will be presenting that to the policy group at a future date.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: ~~July 2026~~ September 2026

Recommendation 1.4

Office of Emergency Services

The Office of Emergency Services, in consultation with the Mayor's Office and City Council, should propose to City Council a Council Policy, or other mechanism that requires City Council approval, that clarifies Council Offices' responsibilities in emergency planning, response, and recovery. The policy or mechanism should include, at minimum:

- a. The formal roles and responsibilities of City Councilmembers and their staff. This could include activities in addition to their current roles, such as:
 - ii. Communicating public information provided by City operations to residents;
 - iii. Working with impacted communities and community organizations to assess and communicate community needs; and
 - iv. Encouraging community philanthropic activity.
- b. The topics covered by training provided to City Councilmembers and Council Office staff.

We recommend topics include:

- iii. City Council Office roles and responsibilities in disaster planning, response, and recovery;
 - iv. The City's and other organizations' roles and responsibilities in disaster planning, response, and recovery, including the framework established in Recommendation 1.1;
 - v. The overall emergency management structure under the Standardized Emergency Management System;
 - vi. The internal disaster-communications plan for City Councilmembers established in Recommendation 1.5.
- c. When the City will provide training to City Councilmembers. We recommend the City provide training to City Councilmembers and their staff at least when Councilmembers are newly elected to City Council and upon request thereafter.
 - d. If and how often Councilmembers and/or their staff will plan to attend City emergency response tabletop exercises and other emergency response trainings or exercises.
(Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is developing a draft council policy that addresses the concerns raised in the audit in preparation of presentation to the policy group.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: ~~July 2026~~ September 2026

Recommendation 1.5

Office of Emergency Services

The Mayor's Office should work with the City Council to establish an internal disaster-communications procedure that details how and when City Council Offices can expect to be informed of emergencies and disaster response activities in and near their districts, and how City Council Offices can best communicate community needs to the City's emergency response structure. (Priority 3)

In Process – Not Due

This recommendation is in process. According to OES, it is beginning research into drafting internal disaster communications protocols in coordination with the Communications Department.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: ~~July 2026~~ September 2026

Recommendation 1.6*Office of Emergency Services*

After the implementation of Recommendation 1.1, the Office of Emergency Services, in consultation with the Mayor's Office, the County of San Diego, the American Red Cross, and other stakeholders, should develop a Pre-Disaster Housing Plan. The plan could be an annex to the existing Emergency Operations Plan. The plan should include elements determined in Recommendation 1.1, as well as other elements, including but not limited to:

- a. The City's role in providing short- and long-term shelter to disaster survivors, including in small- and large-scale disasters;
- b. Circumstances when non-congregate shelter options may be sought and a plan for their provision;
- c. Identified funding sources, including general cost estimates for City-provided shelter options;
- d. How the City will ensure individuals with access and functional needs will be appropriately accommodated;
- e. Consideration of federal, state, and local recovery programs when planning eligibility; and
- f. How non-governmental organizations were involved in creating the plan and how they will be involved in its implementation. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is in the process of drafting a sheltering annex to the EOP for review by stakeholders.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: ~~July 2026~~ September 2026

Recommendation 1.7*Office of Emergency Services*

The Office of Emergency Services should centralize on the City's public website City information related to disaster preparedness, response, and recovery. The site should include a public version of the framework developed in Recommendation 1.1 and additional disaster preparedness information, such as disaster-specific information on risk area, preparation, and response, similar to the examples provided from Houston and Los Angeles. (Priority 3)

In Process – Past Due

This recommendation was originally reported as implemented by OES. However, after OCA review, we have determined it to be in process. Some elements of the recommendation have been implemented while others remain in process.

The department implemented a Department Instruction that requires OES to maintain a publicly accessible website to provide emergency information and resources, and notes that the website shall be reviewed and updated quarterly.

The Department Instruction also requires the following information to be included in the website:

- Emergency preparedness guidance for residents and businesses;
- Hazard-specific information specific to the City;
- Links to regional, State, and federal emergency management resources; and
- Alert and emergency notification access and resources.

The Emergency and Preparedness Resources website contains information on preparing ahead of a potential emergency (i.e., making a plan, building a kit, emergency supply lists, etc.) and how to sign up for emergency alerts from the County. Additionally, the Stay Informed website includes information and links to various sources for obtaining information on emergency preparedness as well as information during an emergency (i.e., AlertSanDiego, Genasys Protect for evacuation orders, the City's social media page for information during and after an emergency, among others). The website also includes a link to 211 for resources, and links to State (CalOES), federal (FEMA), and others (Red Cross, Ready.gov) to get additional information on how to prepare for an emergency.

This recommendation will be implemented once the public version of the framework developed in Recommendation 1.1 is uploaded to the City's public website for City information related to disaster preparedness, response, and recovery.

Issue Date: June 25, 2025

Original Target Date: October 2025

Current Target Date: October 2025 Unknown

Recommendation 1.8

Stormwater

The Stormwater Department should develop a policy detailing ongoing outreach to residents, property owners, and businesses within the floodplain.

- The outreach should, at minimum, inform the residents that they are in a floodplain, that normal insurance does not typically cover flood damage, and that flood insurance is available for both owners and renters.
- The outreach should include the public framework document created in Recommendation 1.7, or a similar document with the information clearly presented.
- The policy should detail how the Stormwater Department plans to conduct outreach and how often. (Priority 3)

Newly Implemented

This recommendation is implemented. The department developed a floodplain management strategy for communicating flood risk and flood protection information to the public. The strategy, effective October 31, 2025, notes that the department will conduct up to 7 outreach activities annually. These outreach activities will be

conducted through mail, social media and press releases, online (City's webpage), and via public displays at libraries located near high-risk flood areas.

Different outreach activities are targeted to different audiences and contain information relevant to the targeted audience. For example, the general floodplain mailer, which is to be mailed annually, is targeted to property owners and renters in a designated floodplain area and informs them that they are in a floodplain area, that typical homeowner's insurance does not cover flood damage, and that flood insurance is available, including that they (property owners and residents) are eligible for an automatic 15 percent discount on their NFIP flood insurance policy. The mailer also includes maximum payout information for homeowners, renters, and businesses.

The Repetitive Flood Loss mailer is to be mailed annually to property owners and renters in a repetitive flood loss area where buildings have experienced flooding at least twice within any 10-year period, with each event resulting in a paid claim of at least \$1,000. The mailer includes information on how to assess individual flood risk, how to purchase flood insurance, and how to protect property. The mailer is also provided in English, with a Spanish version online.

While the outreach efforts do not include the public framework recommended in Recommendation 1.7, the Repetitive Flood Loss mailer includes QR codes to City and County Resources for storm and flood preparedness, to the County's website for locations on obtaining sandbags, and to the County's/AlertSanDiego website for emergency alert information, which further contains recovery information, disaster preparedness information (i.e., building a kit, making a plan) including for different disaster types (i.e., flooding, heat, pandemic, terrorism, earthquake, tsunami, etc.), and additional links to local disaster relief (i.e., 211, Red Cross, Salvation Army, VOAD, County Fire Safe Council, etc.).

Recommendation 1.9

Office of Emergency Services

The Office of Emergency Services should work with the Mayor's Office to develop a plan for building and maintaining relationships with non-governmental and community organizations involved in disaster response. This plan should identify points of contact, establish communication channels, identify relevant groups for participation in trainings, and include strategies for identifying and communicating with impacted community organizations working in active disasters. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is coordinating outreach efforts with the OA Outreach Section and SDFD CERT.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 2.1*Office of Emergency Services*

The Mayor's Office, in consultation with City Council and relevant departments, should determine if the City will use canvassing in future disaster responses.

If the Mayor's Office decides the City will use canvassing in future disaster responses, the Office of Emergency Services (OES) should outline in policy or procedure the general situations in which canvassing would be used.

Additionally, OES should create a canvassing plan and the plan should include, at minimum:

- a. A timeline for effective canvassing;
- b. Considerations to mitigate repeat canvassing, including overlap with other canvassing efforts from other governmental or nongovernmental organizations;
- c. A plan to identify and address potential language and interpretation needs;
- d. A template of questions for collecting information that has been pre-approved by the relevant departments and includes a question about data sharing; and
- e. Guidelines and scripts for just-in-time training for canvassers. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is in the process of developing a canvassing SOP that addresses the concerns raised by the audit in preparation for presentation to policy.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: ~~July 2026~~ September 2026

Recommendation 2.2*Office of Emergency Services*

The Office of Emergency Services, in consultation with the Mayor's Office and Communications Department, should create disaster messaging templates, including pre-translated messages, for flyers and social media posts that may be necessary during and after different types of disasters that the City can use to provide necessary and timely information to the public. The templates should be pre-approved by relevant departments when possible. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is developing templates utilizing FEMA guidelines to support pre-approved disaster messaging to include fliers and social media content.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 2.3*Office of Emergency Services*

The Office of Emergency Services, in consultation with the Communications Department, should update the Emergency Operations Plan and Emergency Operations Center Manual to include plans and procedures that ensure all of its public communications methods will meet residents' access and functional needs, including the expeditious translation of written materials. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is researching options to improve the timely translation of written materials as a component of the audit's concerns.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 2.4*Office of Emergency Services*

The Mayor's Office, in consultation with the Office of Emergency Services and Communications Department, should create or update policies and procedures to ensure the expeditious approval and dissemination of public information during and after an emergency. The policies could include creating procedures for establishing a City-specific joint information center.(Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is developing a draft City-specific Joint Information Center SOP and will coordinate with policy.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 3.1*Office of Emergency Services*

The City should develop and document policies and procedures for mobilizing an incident management team (IMT) in emergency planning and response, including emergencies other than fires. These policies and procedures should include, at minimum:

- a. A requirement that the IMT have a written delegation of authority and the minimum elements required to be in the written delegation of authority;
- b. A roster of staff for the functions of the IMT;
- c. A process to periodically review the roster for the IMT to ensure it is up to date; and
- d. Training requirements for IMT roster members related to their functions on the IMT. (Priority 3)

In Process – Not Due

This recommendation is in process. According to OES, the Draft Commander Intent and Delegation of Authority, and policy and procedures are under review. Implementation will commence upon final approval and responsibility for the program will fall under OES.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 3.2*Office of Emergency Services*

The City should develop and deploy training on the Incident Management Team structure, its purpose, and how it fits into the overall emergency response structure for the Emergency Operations Center roster and Incident Management Team roster members, City leadership (such as department directors and deputy or assistant directors), and City Council Offices. The training requirement and frequency should be included in the training structure established in Recommendation 4.6. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, the Draft Training Requirements are under review. Upon final approval, staff will be identified and a roster and qualifications tracker will be developed and maintained by OES. Additionally, the concept and application of the IMT are incorporated into the bi-annual tabletop exercises.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 4.1*Office of Emergency Services*

The Office of Emergency Services should update the City's Emergency Operations Plan to include the Office's current name and identify the current primary and alternate Emergency Operations Center locations. (Priority 3)

In Process – Not Due

This recommendation is in process. According to OES, it is finalizing an MOU with PUD that identifies the Secondary EOC and Alternate Seat of Government. This location identified meets operational sustainability requirements, logistical needs, and falls within current budget constraints.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 4.2*Office of Emergency Services*

The Office of Emergency Services should develop a donations and volunteer management plan, potentially as an annex or annexes to the City's Emergency Operations Plan. (Priority 3)

In Process – Not Due

This recommendation is in process. According to OES, it is developing a draft City-specific Joint Information Center SOP and will coordinate with policy.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 4.3*Office of Emergency Services*

The Office of Emergency Services should enter into negotiations with the County of San Diego to develop an agreement so the City can use Crisis Track in City emergencies and have expeditious access to Crisis Track data in the format necessary. (Priority 2)

In Process – Past Due

This recommendation is in process. According to OES, the item requires additional coordination between OES, the County Operational Area, and County Health and Human Services.

Issue Date: June 25, 2025

Original Target Date: December 2025

Current Target Date: December 2025 July 2026

Recommendation 4.4*Office of Emergency Services*

The Office of Emergency Services should work with the Performance and Analytics Department to create a plan for gathering, accessing, and using data from Get It Done reports or from a similar program, that could provide information to increase situational awareness during an emergency. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it is continuing to work with Panda and SDFD to create a damage assessment program.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: July 2026

Recommendation 4.5*Office of Emergency Services*

The Office of Emergency Services should develop policies and procedures to review and update the Emergency Operations Center roster quarterly and track training information on each roster member to ensure that staff on the roster are appropriately trained. (Priority 2)

Newly Implemented

This recommendation is implemented. The department implemented Department Instruction 1.0, which includes information on updating the EOC roster. Specifically, the Department Instruction requires OES to maintain a current EOC roster that is to be reviewed and updated quarterly or as personnel assignments change. The Department Instruction also requires OES to track and document attendance and completion of EOC familiarization trainings (i.e., EOC layout and operations, communication tools, roles and responsibilities, etc.) for members on the EOC roster. Additionally, the department provided an updated roster for a Level 3 EOC activation.

Recommendation 4.6*Office of Emergency Services*

The Office of Emergency Services should continue its work to develop a training program for City leadership and staff on the City's emergency response protocol.

- a. The training program should be tiered depending on the staff's role and list required training topics to be covered for each tier. For example, training for all City employees should cover high-level information about the City's role in a disaster, the Emergency Operation Center's role, an Incident Management Team's role, the incident command structure, and what elements of their job may change if they are activated as a Disaster Service Worker. Members on the Emergency Operations Center roster and Incident Management Team roster would have the general City staff training and more detailed trainings on their specific roles and responsibilities. The Mayor's Office's training and City Council Offices' training would have the general City staff training and information covered in Recommendation 1.3 and Recommendation 1.4, respectively.
- b. The training program should detail when employees should receive the trainings. At minimum, all City staff should receive basic refresher trainings on their potential assignment as a disaster service worker annually.
- c. The training program should have a mechanism to track which employees have and have not completed the required trainings, similar to other mandatory City trainings. (Priority 2)

In Process – Not Due

This recommendation is in process. According to OES, it will continue to work with the Human Resources Department to develop a training and tracking program to meet emergency management best practices.

Issue Date: June 25, 2025

Original Target Date: July 2026

Current Target Date: ~~July 2026~~ September 2026

Recommendation 4.7*Office of Emergency Services*

The Office of Emergency Services should create policies and procedures to hold emergency response trainings at least twice per year, in line with its current goals. The policy should ensure the types of trainings vary from tabletop exercises to full simulations and that the disaster types vary as needed as well. The policy should ensure the Mayor's Office and City Council Offices are invited to attend. (Priority 2)

Newly Implemented

This recommendation is implemented. The department implemented a Department Instruction that includes information on exercises and training events. Specifically, the Department Instruction requires OES to hold at least two tabletop exercises annually, which are to be scenario-based, and require the Mayor and Councilmembers, among other key staff, to be invited to attend. The Department Instruction also allows for OES' director to require additional exercises/trainings, which may include functional exercises, full-scale exercises, drills, or other training types.

Recommendation 4.8*Office of Emergency Services*

The Office of Emergency Services (OES), in collaboration with relevant departments and agencies, should establish policies and procedures to track and report on the implementation status of recommendations and corrective actions in the After-Action Reports OES completes. The policies and procedures should include:

- a. When OES will draft After-Action Reports (such as after the Emergency Operations Center activates at a Level 1 or 2 and after simulation trainings);
- b. Who the reports will be provided to;
- c. A process for identifying corrective actions and assigning corrective actions to the responsible City department; and
- d. A process for tracking improvement progress to ensure that corrective actions are implemented. (Priority 2)

Newly Implemented

This recommendation is implemented. The department implemented a Department Instruction that includes information on completing After-Action Reports. Specifically, the Department Instruction requires the completion of After-Action Reports following the full activation of the Emergency Operations Center, and for other events as directed by the department's director, and to whom the After-Action Reports will be provided to. Additionally, the Department Instruction requires After-Action Reports to include corrective actions, the responsible staff member/department for implementing the corrective action, and regular monitoring and updating of progress on the corrective actions.

Performance Audit of the City's Key Performance Indicators

26-03
(NO) (NK) (AM)

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. In our [Performance Audit of the City's Key Performance Indicators](#), we 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.

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.

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Performance & Analytics	In Process – Not Due			
1.2	Performance & Analytics	In Process – Not Due			
1.3	Performance & Analytics	In Process – Not Due			
2.1	Performance & Analytics	In Process – Not Due			
2.2	City Attorney	In Process - Not Due			

Recommendation 1.1

Performance & Analytics

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:

- 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;
- Include explanations for performance measures not meeting or trending toward performance targets, as required by Council Policy 000-02; and
- 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)



In Process – Not Due

This is a new recommendation that was issued within the last three months of the current reporting period and is not expected to be implemented yet.

Issue Date: October 23, 2025

Original Target Date: October 2027

Current Target Date: October 2027

Recommendation 1.2

Performance & Analytics

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. (Priority 2)



In Process – Not Due

This is a new recommendation that was issued within the last three months of the current reporting period and is not expected to be implemented yet.

Issue Date: October 23, 2025

Original Target Date: January 2027

Current Target Date: January 2027

Recommendation 1.3

Performance & Analytics

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. (Priority 2)



In Process – Not Due

This is a new recommendation that was issued within the last three months of the current reporting period and is not expected to be implemented yet.

Issue Date: October 23, 2025

Original Target Date: March 2027

Current Target Date: March 2027

Recommendation 2.1*Performance & Analytics*

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. (Priority 2)

In Process – Not Due

This is a new recommendation that was issued within the last three months of the current reporting period and is not expected to be implemented yet.

Issue Date: October 23, 2025

Original Target Date: December 2026

Current Target Date: December 2026

Recommendation 2.2*City Attorney*

The City Attorney’s Office should work with the Performance and Analytics Department to establish and report a KPI (or KPIs). (Priority 3)

In Process – Not Due

This is a new recommendation that was issued within the last three months of the current reporting period and is not expected to be implemented yet.

Issue Date: October 23, 2025

Original Target Date: June 2027

Current Target Date: June 2027

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

2024

26-04

(NO) (DK) (JB)

The City Charter requires that the City Auditor report annually the extent and nature of the Mission Bay and San Diego Regional Parks Improvement Funds' revenues, expenses, and improvements, and compliance with the requirements of Charter Section 55.2. In our [Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds for Fiscal Year 2024](#), we found:

Audit Results: A payment application issue impacted our review of Mission Bay revenue for FY2024; however, Economic Development appears to have taken steps to subsequently resolve the issue. Expenditures appeared to be in compliance with Charter Section 55.2, although the City should provide additional project information to the improvement fund oversight committees to strengthen transparency and maximize project delivery, as discussed in Finding 4.

Finding 1: The Office of the City Treasurer could not formally issue potential audit findings from the required percentage lease revenue audits for FY2024 due to a City Management-directed moratorium on revenue audits, which increases the risk of loss of revenue and reduces transparency and oversight for the City.

Finding 2: The Economic Development Department did not impose lease penalty fees for Mission Bay rental accounts for FY2024.

Finding 3: Of 31 Mission Bay rental agreements, 11 (or 35 percent) are in "holdover" status, which may be leading to foregone revenue for the City and potential or perceived favoritism amongst lessees.

Finding 4: The City should provide additional project information to the improvement fund oversight committees to strengthen transparency, ensure expenditures are appropriate, and maximize project delivery

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
1.1	Chief Financial Officer	Newly Implemented			
2.1	Economic Development	In Process – Not Due			
2.2	Economic Development	In Process – Not Due*			
3.1	Economic Development	In Process – Not Due*			

No.	Department	Recommendation Status	Resources Required	No Update Provided	Fiscal Benefit
3.2	Parks & Rec and Engineering & Capital Projects	In Process - Not Due			

*While the department reported these recommendations as already implemented at the time of the Management Response, OCA will complete testing to determine whether they have been implemented during the next annual audit.

Recommendation 1.1

Chief Financial Officer

The Chief Financial Officer or other City Executive leadership should issue a memorandum or other written guidance that discourages future audit moratoria and requires promptly informing the Office of the City Auditor and the Chair of the Audit Committee if the ability to perform lease revenue audit functions is restricted in the future. (Priority 1)

Newly Implemented

This recommendation is implemented. The CFO issued and shared a memo to the Directors of the Economic Development Department and the City Treasurer, which provides guidance and direction that meets the intent and purpose of the recommendation. OCA reviewed the guidance and found it sufficient and appropriate. For example, it identified three points of emphasis, including:

- Strongly discouraging future audit moratoria;
- Re-emphasizing a commitment to internal controls and the importance of the role of the City Treasurer; and
- Directing staff to promptly notify OCA and the Audit Committee if a similar exceptional event were to occur in the future.

It also specifically linked the guidance to OCA's audit work for additional context.

Recommendation 2.1

Economic Development

The Economic Development Department should develop and utilize a lease management process narrative that includes the verification of lease terms and agreements at least annually and a process for lease renewal. Additionally, a process narrative should be developed and utilized that includes a periodic quality control check of revenue received from lease concessions to ensure the revenue received is complete, accurate, and timely. The process narrative(s) should include, but not be limited to, the following lease agreement areas:

- Lease Terms;
- Payment Terms;
- Holdover Terms; and
- Late Fee Assessments. (Priority 1)

In Process – Not Due

This is a new recommendation that was issued within the last three months of the current reporting period and is not expected to be implemented yet.

Issue Date: November 7, 2025

Original Target Date: June 2026

Current Target Date: June 2026

Recommendation 2.2*Economic Development*

The Economic Development Department should create and document procedures to reconcile REPortfolio payment data to SAP in accordance with the City policy process narrative #1 PN-0446 Use of an Alternate Billing or Interfacing System to strengthen internal controls and ensure revenue is accurately accounted for and received timely. (Priority 1)

In Process – Not Due*

In its Management Response to the audit, the Economic Development Department (EDD) stated that “In a concerted effort to strengthen internal controls, EDD has developed and implemented documented procedures to reconcile REPortfolio payment data to SAP in alignment with City policy process narrative PN-0446. These reconciliations are performed daily and include a review of system interfaces, open FI CA items and depository transactions to ensure prompt resolution and accurate accounting.” EDD also shared several updated policies and procedures that align with the spirit of the recommendation. Based on the information OCA has reviewed to date, these recommendations appear on track to being considered implemented. OCA will fully assess the implementation of these policies as part of the forthcoming annual Mission Bay audit before closing this recommendation.

Issue Date: November 7, 2025

Original Target Date: October 2025

Current Target Date: October 2025

Recommendation 3.1*Economic Development*

The Economic Development Department should ensure that leases in holdover status receive the required Council approval and appraisal to ensure lease agreements are binding and fair market rental rate is received for the leased property. (Priority 2)

In Process – Not Due*

In its Management Response to the audit, the Economic Development Department (EDD) stated that “The Department will continue to obtain Council approval as required to ensure that lease agreements remain binding and that fair market rental rates are achieved,” and stated that they considered the recommendation already implemented. However, at the time of this audit, we did not find evidence that

EDD had renewed the expired leases, sought Council approval, or conducted site appraisals to ensure the expired lease agreements have provided revenue to the City at fair market rent rate. Several other recent OCA audits have also identified issues related to price transparency around City-owned properties that are being leased. OCA plans to assess progress on this issue during its next annual Mission Bay audit.

Issue Date: November 7, 2025

Original Target Date: October 2025

Current Target Date: October 2025

Recommendation 4.1

Parks & Rec and Engineering & Capital Projects

To ensure that the oversight committees have sufficient information to execute their responsibilities per City Charter, and that they are able to review and verify the allocation and use of improvement funds in compliance with City Charter, the Parks and Recreation Department and Engineering and Capital Projects Department should work with both the Mission Bay Improvement Fund and San Diego Regional Parks Improvement Fund Oversight Committees to reach an agreement and mechanism to specify which specific project elements should be provided and the frequency that the departments should generate and share the reports. For example:

- a. A well-defined project scope and, when a project scope has changed since the previous reporting cycle, an explanation on why the project scope changed;
- b. Project cost estimates and, when a project cost estimate has materially changed since the previous reporting cycle, an explanation on why the cost estimate changed;
- c. Estimated timelines for the current project phase completion and the final project completion and, when current project phase and final project completion timelines have been significantly extended, an explanation on why timelines were extended;
- d. Project expenditures to date, specifying total contractor, overhead, City personnel, and relevant permit or inspection expenditures; and
- e. Project expenditures by project phase (i.e., Bid/Award, Construction, Design, Planning, Post-Construction). (Priority 3)

In Process – Not Due

This is a new recommendation that was issued within the last three months of the current reporting period and is not expected to be implemented yet.

Issue Date: November 7, 2025

Original Target Date: June 2026

Current Target Date: June 2026



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