

Office of the City Auditor City of San Diego

Recommendation Follow-Up through December 31, 2012

Audit Committee Meeting, June 3, 2013



Purpose

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

Process

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

Scope and Classification

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

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

Results

- The City Auditor reviewed updates for **82 of 194** (42%) recommendations deemed implemented in departments and entities
- **RESULTS: 37 of 82** (45%) recommendations deemed Implemented based on supporting evidence

Age and Status of Recommendations

	Under One Year	One to Two Years	Over Two Years	Total
Implemented	7	17	13	37 (19%)
Partly Implemented	8	6	29	43 (22%)
Not Implemented	64	21	18	103 (53%)
Not Implemented –N/A	0	1	3	4 (2%)
Not Implemented –Disagree	7	0	0	7 (4%)
Total	86 (44%)	45 (23%)	63 (33%)	194

Administration Target Performance

	Past Targets for January 2009 through June 2012	CURRENT PERIOD	Planned Implementation for January 2013 and beyond
Recommendations Targeted for Implementation	71	43	35
Implemented	12	18	0
Partly Implemented	29	5	0
Not Implemented	30	20	35
Percent of Targets Achieved	17%	42%	-

* City departments and entities **implemented 7 of 45 recommendations** where **no implementation date** was provided.

Audit Committee Attention

10 Recommendations highlighted for Audit Committee attention

- ♦ Partly Implemented Recommendation that the department stated will not take any further action: One Recommendation
- ♦ Request the Assistance of the Assistant Chief Operating Officer: Five Recommendations
- ♦ Modify a Partly Implemented Recommendation: One Recommendation
- ♦ Recommendations no longer applicable: Three recommendations

Audit Committee Attention

- 11-026 Performance Audit Of The Take-home Use Of City Vehicles
 - ♦ Recommendation #1: To reduce the commuting costs the City incurs for vehicles assigned on a permanent basis to City employees, we recommend that the San Diego Police Department and the San Diego Fire-Rescue Department develop policies and procedures establishing guidelines for a maximum one-way commute distance and develop a process to recover the costs associated with commutes that exceed the guidelines. (Partly Implemented)
 - ✦ Fire-Rescue Implemented this recommendation during the last reporting cycle.
 - ✦ SDPD has indicated that they do not intend to implement the following portions of this recommendation: a) establish a maximum commute distance; b) seek to recover excessive commute costs from employees with take-home vehicles who do not regularly respond to callbacks and whose commutes exceed guidelines. It was noted in SDPD's response that recovering costs would require going through the meet and confer process.
 - ✦ We recommend the Audit Committee review this recommendation, and determine if it should be removed as **"Not Implemented – Disagree"** or other action should be taken.

Audit Committee Attention

- 11-026 Performance Audit Of The Take-home Use Of City Vehicles
 - ♦ Recommendation #5: To ensure that the City establishes a uniform and effective process to review the public safety needs and justification of take-home vehicle assignments, we recommend that the City Administration work in consultation with the San Diego Police Department and the San Diego Fire-Rescue Department to revise Council Policy 200-19 regarding the use of City vehicles by City employees. The revised policy should require that a complete listing of take-home vehicles be provided by each City department yearly with a justification for those assignments. In addition, the revised policy should clearly define the purpose of take-home vehicles and restrict their assignment to the greatest extent possible. (Not Implemented)
 - ✦ We have forwarded this recommendation to the Assistant Chief Operating Officer, and he has agreed to assist with the implementation of this recommendation.

Audit Committee Attention

- 11-026 Performance Audit Of The Take-home Use Of City Vehicles
 - ♦ Recommendation #6 (Partly Implemented)
 - ♦ Recommendation #11 (Not Implemented)
 - ♦ Recommendation #12 (Not Implemented)
 - ♦ Recommendation #13 (Not Implemented)
 - ✦ The department did not respond to our request for documentation to demonstrate implementation of these recommendations.
 - ✦ We have forwarded this recommendation to the Assistant Chief Operating Officer, and he has agreed to assist in coordinating the efforts to obtain the necessary documents for our review.

Audit Committee Attention

- 09-013 The City Of San Diego Faces Unique Operational And Administrative Challenges In Managing Qualcomm Stadium
 - ♦ Recommendation #7: Stadium management should review the accounts receivable balance within the Stadium Fund and work with the City Treasurer's Office to ensure that all overdue accounts are being actively collected. (Partly Implemented)
 - ✦ During our verification of recommendation implementation, we discovered that the Stadium's single use permit language is not compatible with the way business is conducted regarding the issuance of invoices.
 - ✦ We would like to modify the recommendation as follows: Consider revising the single use permit agreements to outline the current process and allow time to properly process an invoice to the event holders.

Audit Committee Attention

- 09-OA-001 Southeastern Economic Development Corporation Performance Audit Of Operations
 - ♦ Recommendation #30: The City should consider examining the feasibility and the extent to which supplemental compensation that was not properly authorized should be reclaimed by the City. (Not Implemented-N/A)
 - ♦ Recommendation #31: The City should determine the full impact of 403(b) contributions on the City stemming from the supplemental compensation increases. (Not Implemented-N/A)
 - ♦ Recommendation #32: The City should examine the appropriateness of Southeastern Economic Development Corporation (SEDC)'s charitable contribution activities. (Not Implemented-N/A)
 - ✦ Due to the dissolution of the Redevelopment Agencies, these recommendation is no longer applicable.

Recommended Action

- We ask the Audit Committee take action and accept the report.

Questions

**Eduardo Luna, City Auditor
Office of the City Auditor**

