Audit Recommendation Follow-Up Report

STATUS UPDATE AS OF DECEMBER 31, 2014

Office of the City Auditor

City of San Diego

OCA
Independent · Objective · Accurate

DATE: April 22, 2015

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

SUBJECT: **Recommendation Follow-Up Report**

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Attached is the Office of the City Auditor's Recommendation Follow-Up Report, which provides the status of open recommendations as of December 31, 2014. 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, highlighted some recommendations, and attached the status updates for all recommendations. Again, significant progress has been made by the Administration to implement audit recommendations. We look forward to presenting this report at the April 29, 2015 Audit Committee meeting.

The intent of this report is to keep the Audit Committee 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, and Stacey LoMedico for helping to facilitate this process. All of their valuable time and efforts are greatly appreciated.

cc: Honorable Mayor Kevin Faulconer
Honorable City Councilmembers
Scott Chadwick, Chief Operating Officer
Stacy LoMedico, Assistant Chief Operating Officer
Deputy Chief Operating Officers
Department Directors

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SUMMARY

The Administration has continued to make significant progress towards implementing open audit recommendations. During this reporting period, the Administration has implemented 44 of the outstanding recommendations. Additionally, we issued six reports and added 30 new recommendations, and the Administration agreed to implement 100 percent of the recommendations.

There are two carry over recommendations that are no longer applicable. These can be found in Attachment A, and will be discussed at an Audit Committee meeting. We will be requesting the Audit Committee accept dropping these two recommendations since they are no longer applicable.

Lastly, during our previous reporting cycle we asked all departments with outstanding recommendations to provide a current target implementation date, and there are now very few without a current target implementation date. We greatly appreciate the Administration's efforts as they have demonstrated a commitment to implementing audit recommendations to improve City operations and mitigate the risks identified during audits.

IMPLEMENTATION STATUS OF OPEN RECOMMENDATIONS

This report reflects the status of all Office of the City Auditor open audit recommendations as of December 31, 2014. Working with the Assistant Chief Operating Officer, City Auditor staff contacted departments directly to gather recommendation status information. We reviewed all outstanding recommendations, and placed the recommendations into the following status categories:

Implemented	City staff provided sufficient and appropriate evidence to support all elements of implementing the recommendation;
In Progress	City staff provided some evidence, however either elements of the recommendation were not addressed, or the department reported it has begun to implement the recommendation and has not yet completed the implementation;
Not Implemented	New audit recommendations that were issued in the last three months of the current reporting period that were not expected to be implemented already, and no evidence of implementation was provided yet. It also includes recommendations where no evidence was provided to support any meaningful movement towards implementation, and/or no update information was provided;
Not Implemented – Disagree	The Administration disagreed with the recommendation, did not intend to implement, and no further action will be reported; and
Not Implemented – N/A	Circumstances changed to make the recommendation not applicable.

As of our last recommendation follow-up report for the period ending June 30, 2014, there were 122 open recommendations. Since then, we have issued four performance audits and two hotline reports with 30 new recommendations for a total of 152 outstanding recommendations for the period ending December 31, 2014. The table below summarizes this activity:

Activity for the Period Ending December 31, 2014	Number of Recommendations
Open Recommendations Carried Forward from Period Ending June 30, 2014	
In Process	99
Not Implemented	23
Sub-Total	**122**
Recommendations issued July - December 2014	30
Total Outstanding Recommendations as of December 31, 2014	**152**

During this reporting cycle, we verified that departments and related entities have implemented 44 recommendations out of 152 (29 percent) since our last report. The results of our review for this reporting cycle are as follows for the 152 recommendations:

Number of Recommendations	Status of Recommendations
44	Implemented
98	In Process
8	Not Implemented
2	Not implemented – N/A
152	**Total**

This report provides information about the recommendations in the following exhibits:

- **Exhibit 1** - Summarizes the status of the 152 recommendations by audit report in chronological order.

- **Exhibit 2** - Summarizes the distribution of the 44 recommendations **Implemented** by Department/Agency.

- **Exhibit 3** - Summarizes the distribution of the 98 recommendations **In Process** by Department/Agency.

- **Exhibit 4** - Summarizes the distribution of the 8 recommendations **Not Implemented** by Department/Agency.

- **Exhibit 5** - Breaks down the 152 recommendations by their status and the length of time the recommendation remains open from the original audit report date.

- **Exhibit 6** - Audit Recommendation Activity for the Period Ending December 31, 2014

This report also provides detailed information about the recommendations in the following Attachments:

Attachment A - **Recommendations Highlighted for the Audit Committee's Attention**
Generally, these recommendations include: (a) those where the Administration **disagreed** with implementing the recommendation, (b) the status update significantly varied from the update provided by the Administration, (c) a recommendation may need some type of further action, or (d) a recommendation is determined to be **Not Applicable** (N/A) any longer and should be dropped.

Attachment B – Recommendations Deemed as Implemented
This schedule includes all recommendations as of December 31, 2014 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments to support all elements of the recommendation.

Attachment C – Recommendations Deemed as In Process
This schedule includes all recommendations as of December 31, 2014 that are **In Process** of implementation based on the status information provided.

Attachment D – Open Audit Recommendations Not Implemented
This schedule includes a chronological listing of all open recommendations as of December 31, 2014, including new recommendations that were issued in the last three months of the current reporting period but were not expected to already be implemented, and no evidence of implementation was provided yet. It also includes recommendations where no evidence was provided to support any meaningful movement towards implementation, and/or no update information was provided. These recommendations are listed as **Not Implemented.**

FUTURE RECOMMENDATION FOLLOW-UPS

The Office of the City Auditor will conduct semi-annual follow-ups, with reporting periods ending June 30th and December 31st. For the next report, we will request that departments establish target implementation dates for new audit recommendations, and we will provide information on the recommendations that become past due. We will also highlight recommendations where there is disagreement and seek resolutions.

The intent of this report is to keep the Audit Committee 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.

Exhibit 1 below summarizes the status of the 152 recommendations by audit report in chronological order.

EXHIBIT 1: Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process	Not Implemented[1]
09-013	The City Of San Diego Faces Unique Operational And Administrative Challenges In Managing Qualcomm Stadium	1	3	
10-002	Performance Audit Of The San Diego Housing Commission – Part I		1	
10-003	Performance Audit Of The San Diego Housing Commission – Part II	2		
10-009	San Diego Data Processing Corporation Follow-Up Audit	2		1
10-010	Performance Audit Of The City Treasurer Delinquent Accounts Program		3	
10-018	Performance Audit Of The Purchasing And Contracting Department - Citywide Open Purchase Order Program		1	
10-020	Performance Audit Of The Development Services Department's Collection Of Water And Sewer Fees	2		
11-001	Performance Audit Of Risk Management's Public Liability And Loss Recovery Division		8	
11-012	Follow-Up Audit Of The Development Services Department's Collection Of Water And Sewer Fees	1		

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[1] This column includes any recommendations deemed Not Implemented – Disagree and Not Implemented – N/A.

Report No.	Report Title	Implemented	In Process	Not Implemented[2]
11-020	Performance Audit Of The Parking Administration Program		1	
11-026	Performance Audit Of The Take-Home Use Of City Vehicles		3	1
11-027	Performance Audit Of The Capital Improvement Program	1		
12-002	Performance Audit Of The San Diego City Employees' Retirement System	2		
12-004	Performance Audit Of The San Diego Police Department's Permits And Licensing Unit		3	
12-008	Performance Audit Of The Purchasing And Contracting Department	2		
12-009	Performance Audit Of The Mission Bay Improvement Fund - FY10	1		
12-011	Performance Audit Of Facilities' Purchases Under The MRO Agreements	1		
12-015	Performance Audit Of The Development Services Department's Project Tracking System	5	3	
13-003	Performance Audit Of The Procurement Card Program	2	3	
13-005	Hotline Investigation Report Of Cash Handling At Recreation Centers		4	
13-006	Performance Audit Of The Economic Development Program		1	
13-007	Performance Audit Of The Public Utilities Department's Chemical Purchases		1	
13-008	Performance Audit Of The General Services Department - Facilities Maintenance Division		3	
13-009	Performance Audit Of The Real Estate Assets Department		4	
13-010	Performance Audit Of The City's Overtime Controls	1	1	
13-011	Performance Audit Of The Public Utilities Department's Valve Maintenance Program		2	

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[2] This column includes any recommendations deemed Not Implemented – Disagree and Not Implemented – N/A.

Report No.	Report Title	Implemented	In Process	Not Implemented[3]
13-012	Performance Audit Of The Streets Division's Pothole Repair Operations	1		
14-001	Performance Audit Of The Park And Recreation Department's Playground Maintenance Program	1	2	
14-002	Performance Audit Of The Public Utilities Department's Industrial Wastewater Control Program		7	
14-003	Performance Audit Of The Utilities Undergrounding Program		1	
14-004	Performance Audit Of Mission Bay And San Diego Regional Parks Improvement Funds, FY 2012		1	
14-005	Performance Audit Of Publishing Services		2	
14-006	Performance Audit Of The Police Patrol Operations		3	
14-009	Performance Audit Of The Public Utilities Department's Customer Support Division	3		
14-010	Performance Audit Of The Personnel Department	2		
14-011	Performance Audit Of It Web Services	1	2	
14-013	Performance Audit Of Add-On Pays	1	2	
14-014	Performance Audit Of Graffiti Control Program		12	2
14-015	Hotline Investigation: Presidio Hills Golf Course Use And Occupancy Permit	1		
14-016	Hotline Investigation Report Of Public Utilities Warehouse Supply Purchases		1	
14-017	Hotline Investigation Of Overtime And Telephone Usage	2		
14-018	Performance Audit Of Community Facilities Districts	1		
14-019	Performance Audit Of Real Estate Assets Department		4	
15-001	Performance Audit Of The Office Of Homeland Security		3	

[3] This column includes any recommendations deemed Not Implemented – Disagree and Not Implemented – N/A.

Report No.	Report Title	Implemented	In Process	Not Implemented[4]
15-002	Investigation Of Federal Seized Assets Funds And Certifications	3		
15-003	Performance Audit Of The City's Waste Reduction And Recycling Programs	5	7	
15-005	Performance Audit Of The San Diego Fire-Rescue Department's Overtime Costs		3	
15-009	Performance Audit Of The Community Parking District Program		3	
15-010	Fleet Services Division Fraud Risk Assessment Report			6
GRAND TOTAL		**44 (29%)**	**98 (64%)**	**10 (7%)**

Exhibit 2 summarizes the distribution of the 44 recommendations **Implemented** by Department/Agency as of December 31, 2014.

EXHIBIT 2: Number of Recommendations Implemented by Department/Agency

Number of Recommendations Implemented	Department/Agency
6	City Comptroller
1	COO
1	Debt Management
8	Development Services
5	Environmental Services
1	Information Technology
1	Park & Recreation
1	Personnel
1	Personnel and Human Resources

Number of Recommendations Implemented	Department/Agency
3	Public Utilities
1	Public Works - ECP
6	Purchasing & Contracting
3	Real Estate Assets
1	Real Estate Assets - Stadium
2	San Diego Housing Commission
2	SDCERS
1	Transportation & Stormwater

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[4] This column includes any recommendations deemed Not Implemented – Disagree and Not Implemented – N/A.

Exhibit 3 summarizes the distribution of the 98 recommendations **In Process** by Department/Agency as of December 31, 2014.

EXHIBIT 3: Number of Recommendations In Process by Department/Agency

Number of Recommendations Outstanding	Department/Agency	Number of Recommendations Outstanding	Department/Agency
2	City Comptroller	4	Police
4	City Treasurer	7	Public Utilities
2	COO	2	Public Utilities - Water Operations
6	Development Services	3	Public Works - Facilities
4	Economic Development	4	Public Works - Fleet Services
6	Environmental Services	4	Purchasing & Contracting
4	Fire – Rescue	8	Real Estate Assets
1	Information Technology	3	Real Estate Assets - Stadium
3	Office of Homeland Security	7	Risk Management
7	Park & Recreation	1	San Diego Housing Commission
2	Performance & Analytics	14	Transportation & Stormwater

Exhibit 4 summarizes the distribution of the 8 recommendations **Not Implemented** by the Department/Agency as of December 31, 2014. This exhibit does not include two recommendations determined as **Not Implemented - N/A**. We should note that the six recommendations listed for Public Works - Fleet Services were from a report recently issued in December 2014, and that Transportation & Stormwater has already started implementation on the other 12 of 14 recommendations from the Graffiti report.

EXHIBIT 4: Number of Recommendations Not Implemented by Department/Agency

Number of Recommendations Outstanding	Department/Agency
6	Public Works - Fleet Services
2	Transportation & Stormwater

Exhibit 5 breaks down the 152 recommendations by their status and the length of time a recommendation remains open from the original audit report date.[5]

EXHIBIT 5: Audit Recommendations Implementation Aging

Timeframe	Implemented	In Process	Not Implemented	Not Implemented-N/A	Total
0 - 3 Months	0	3	6	0	9
4 - 6 Months	8	13	0	0	21
6 - 12 Months	5	19	2	0	26
1 to 2 Years	9	21	0	0	30
Over 2 Years	22	42	0	2	66
Total	**44**	**98**	**8**	**2**	**152**

Exhibit 6 displays a summary of the recommendation activity for this reporting period.

EXHIBIT 6: Audit Recommendation Activity for the Period Ending December 31, 2014

Activity for the Period Ending December 31, 2014	Number of Recommendations
Open Recommendations Carried Forward from Period Ending June 30, 2014	
In Process	99
Not Implemented	23
Sub-Total	**122**
Recommendations issued July - December 2014	30
Total Outstanding Recommendations as of December 31, 2014	**152**

Recommendations Implemented	44
Recommendations Not Implemented - N/A	2
Recommendations Resolved for Period Ending December 31, 2014	**46**
Carry Forward Open Recommendations	**106**

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[5] Timing is rounded to the month.

December 2014

ATTACHMENT A

Recommendations for the Audit Committee's Attention

Attachment A includes recommendations highlighted for the Audit Committee's attention. Generally, these recommendations include: (a) those where the Administration **disagreed** with implementing the recommendation, (b) the status update significantly varied from the update provided by the Administration, (c) a recommendation may need some type of further action, or (d) a recommendation is determined to be **Not Applicable** (N/A) any longer and should be dropped.

ATTACHMENT A
RECOMMENDATIONS FOR THE AUDIT COMMITTEE'S ATTENTION

Requested Action by the Audit Committee:

We request the Audit Committee accept dropping the following two recommendations because they are no longer applicable.

10-009	SAN DIEGO DATA PROCESSING CORPORATION FOLLOW UP AUDIT
	(SG)
#12	The City should establish encumbrances for Information Technology Business Leadership Group (ITBLG) approved new project costs procured through San Diego Data Processing Corporation to ensure actual costs do not exceed approved budgeted costs.
Not Implemented – N/A	This recommendation is no longer applicable because SDDPC has been dissolved.

11-026	PERFORMANCE AUDIT OF THE TAKE-HOME USE OF CITY VEHICLES
	(AH)
# 12	To strengthen the internal controls over the use of the City's fuel cards, we recommend that the Public Works Department's Fleet Services Division modify its Service Level Agreements with customer departments specifically requiring that all fuel card transactions be reviewed by customer departments on a monthly basis. The Service Level Agreements should also describe situations in which use of fuel card is acceptable, such as emergencies or in cases where personnel are conducting official City business outside of San Diego.
Not Implemented – N/A	In FY 14, the Comptroller's Office eliminated the Fleet Service's fuel card program.. Outside fuel purchases referenced in this recommendation are now purchased through the Procurement Card Program, and is the responsibility of the respective departments. Fleet Services does not maintain any records of non-contract fuel purchases. Since this recommendation refers to a fuel card program that has been discontinued, it is no longer applicable.

December 2014

ATTACHMENT B

Recommendations Deemed As Implemented

This schedule includes all recommendations as of December 31, 2014 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments to support all elements of the recommendation.

10-003   **PERFORMANCE AUDIT OF THE SAN DIEGO HOUSING COMMISSION – PART II**

(MH)

#1   SDHC, in collaboration with City Admin, should perform a review of the Housing Impact fee schedule, and assess reasonableness and consistency with SDMC 98.0618. The fees should be updated through 2009 to be consistent with the SDMC. If the updates are not practical or feasible, the communication of the current intent to request updates through City Council should be clearly documented and retained by both the City Administration and SDHC

Implemented   On November 10, 2014, City Council voted to adopt amendments to the Housing Impact Fee Ordinance (San Diego Municipal Code Section 98.0601, et seq.). The revisions are responsive to the intent of our recommendation.

#2   SDHC, in collaboration with City Admin, should develop and implement procedures so that Housing Impact Fee updates are recalculated March 1 of each year by the appropriate percentage increase or decrease as indicated in the SDMC and prepare recommendation to the City Council for such revision on an annual basis. If the updates are not accepted or processed by the City Council, the annual communication of the requested updates through City Council should be clearly documented and retained. If the SDMC will not be followed, then it should be amended to reflect the current fee expectations in relation to the Housing Trust Fund, a change that would require City Council action to amend the SDMC.

Implemented   On November 10, 2014, City Council voted to adopt amendments to the Housing Impact Fee Ordinance (San Diego Municipal Code Section 98.0601, et seq.). The revisions are responsive to the intent of our recommendation.

10-009   **SAN DIEGO DATA PROCESSING CORPORATION FOLLOW UP AUDIT**

(SG)

#8   City management should consider establishing policies and regulations specific to procurement of long-term system maintenance contracts.

Implemented   The risks that this recommendation was intended to address have been mitigated through the incorporation of IT service contracts into the standard procurement process and improvements made to that process. Specifically, the SDMC & City Charter define the required thresholds and bidding requirements that would address the long term service contract issues presented in the November 2009 report.

#9   The City and San Diego Data Processing Corporation should develop policies and
               procedures to ensure compliance with competitive standards applicable to federally funded
               technology projects.

Implemented   The risks that this recommendation was intended to address have been mitigated through
               the incorporation of IT service contracts into the standard procurement process and
               improvements made to that process. Specifically, the SDMC, City Charter and policies
               define the required thresholds, minimum bid advertisement timeframes and bidding
               requirements that would address the competitive standards applicable to federally funded
               technology projects presented in the November 2009 report.

09-013   **THE CITY OF SAN DIEGO FACES UNIQUE OPERATIONAL AND ADMINISTRATIVE
               CHALLENGES IN MANAGING QUALCOMM STADIUM**

               (SM)

#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.

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 made the following suggestion 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.**

               The department provided a revised single use permit agreement that is will be used for all
               stadium events.

10-020   **PERFORMANCE AUDIT OF THE DEVELOPMENT SERVICES DEPARTMENT'S COLLECTION
               OF WATER AND SEWER FEES**

               (SG)

#5   Development Services Department management, in conjunction with the Public Utilities'
               Installation Order System (IOS) Section, should create a common repository that is updated
               as rules or procedures for the assessment of IOS permit fees are created or changed.

Implemented   The Development Services and Public Utilities Departments have created a common
               repository to ensure that their common policies and procedures are standardized for their
               shared processes, and have fully implemented this recommendation.

#6	Development Services Department should implement a periodic review of plans in Supervisory Clusters that regularly assess Installation Order System (IOS) fees and yearly training sessions in conjunction with Public Utilities.
Implemented	The Development Services and Public Utilities Departments are utilizing a shared folder to facilitate training on common functions and have provided their procedures for performing a weekly audit of water and sewer fees.

11-012	**FOLLOW-UP AUDIT OF THE DEVELOPMENT SERVICES DEPARTMENT'S COLLECTION OF WATER AND SEWER FEES**
	(SG)
# 2	The Public Utilities Department in conjunction with the Development Services Department should examine and document the controls over the assessment, recording, collection and monitoring of water and sewer capacity fees, including credits issued in lieu of capacity fees. Design processes in SAP to automate and facilitate the assessment, tracking and monitoring of capacity credits.
Implemented	The Public Utilities Department in conjunction with the Development Services Department have implemented controls over the assessment, recording, collection and monitoring of water and sewer capacity fees, including credits issued in lieu of capacity fees. Specifically, they have design processes into SAP CCS during its implementation to automate and facilitate the assessment, tracking and monitoring of capacity credits.

11-027	**CAPITAL IMPROVEMENT PROGRAM**
	(MG)
#20	Conduct project-level post-construction reviews to identify lessons learned and develop recommendations on how to improve future performance. A. Include the frequency of reviews for non-repetitive projects in existing policy on conducting post construction reviews.
Implemented	The Public Works Department has implemented a standard operating procedure (SOP) requiring the completion of a post-construction review for all Capital Improvement Program projects. The SOP requires the Project Manager to document the lessons learned, root causes, and proposed recommendations using a standard survey located on the Department's SharePoint drive. This information will be reviewed by management to help implement corrective measures to mitigate repetition of common problems on future designs.

12-002   **PERFORMANCE AUDIT OF THE SAN DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM**

(CK)

#4   SDCERS should reassess its staffing level once the new pension administration system is implemented and eliminate unnecessary positions to reduce personnel costs.

Implemented   Per the SDCERS Annual Budget, administrative expenses as a percentage of total expenses have been reduced 5% from Fiscal Years 2010 to 2015.

#12   SDCERS should demonstrate that it corrected the Corbett and monthly benefit calculations for the retirees identified in the 2005 audit. In addition, SDCERS should work with its legal counsel to determine the feasibility of collecting overpayments and reimbursing members who were underpaid, if applicable.

Implemented   SDCERS has reviewed the records of the monthly benefit calculations for individuals identified in the 2005 Corbett audit and conducted a review of members who may have had a similar error in their benefit calculations. A listing of 195 affected retirees has been compiled and SDCERS has made adjustments for those members. Letters have been sent to those retirees affected by the revised benefit calculations.

12-008   **PERFORMANCE AUDIT OF THE PURCHASING AND CONTRACTING DEPARTMENT**

(SM)

#2   Based on the written legal opinion provided by the Office of the City Attorney, if the City Council believes the San Diego Municipal Code needs modification, it should instruct the City Administration to take immediate steps to: (1) establish clear and specific San Diego Municipal Code language, which prescribes thresholds for nonprofit and agency service contracts, (2) specifically state when and whether purchase orders can be used to extend nonprofit and agency service contracts beyond the maximum allowable duration of five years without City Council review, (3) describe when and whether a purchase order can be considered a new contract, and (4) redress any current practices that do not comply with that understanding.

Implemented   Purchasing and Contracting department worked with the City Attorney's Office to implement Phase 1 & 2 of the Municipal Code (SDMC) revisions and streamlining measures. The proposed recommendations were presented before the City Council in April and December 2014 respectively. The SDMC streamlined measures included City Council approval of an (electronic) e-procurement system to improve the efficiency and effectiveness of the City's procurement process and contract management and administration capabilities. P&C completed the review and update of 14 P&C Process Narratives, including a new P&C Contract Administration Process Narrative to increase internal controls over contract administration. As part of the Municipal Code review, changes were approved and implemented for nonprofit and agency service contracts.

#4	The City Administration should conduct a full review of purchasing practices and design a purchasing process with appropriate internal controls to ensure full compliance with any changes the City Council makes to the San Diego Municipal Code provisions and with the written legal opinion issued by the Office of the City Attorney.
Implemented	Purchasing and Contracting (P&C) department conducted a review of the Citywide procurement processes and identified improvement recommendations for approval by City Council. P&C completed the review and update of 14 P&C Process Narratives, including a new P&C Contract Administration Process Narrative to increase internal controls over contract administration.

12-009	**PERFORMANCE AUDIT OF THE MISSION BAY IMPROVEMENT FUND – FY10**
	(JZ)
#3	The City Comptroller should establish comprehensive process narrative procedures, process flow diagrams and departmental guidance to properly document the processes specific to the unique nature of Mission Bay Park Lease revenues. These procedures should include but are not limited to:

- How the requirements outlined in the City Charter will be administered.

- Procedures to reconcile SAP and REportfolio records.

- The methodology used for year-end accruals, which should be based on an analysis of actual payment received after year end.

- The methodology used for budgeting revenue.

Implemented	The process narratives are complete and the recommendation is fully implemented.

12-011	**PERFORMANCE AUDIT OF FACILITIES' PURCHASES UNDER THE MRO AGREEMENTS**
	(SM)
#1	We recommend that the Purchasing & Contracting Department work with the City Attorney's Office to immediately review the terms of the Maintenance, Repair, and Operation (MRO) Cooperative Agreements and identify a solution to ensure the City purchases its MRO supplies at the most economical price and does not continue to pay high mark-ups over the remaining four years of the agreements.
Implemented	All active MRO contracts have been reviewed and meet all municipal code contracts requirements. In addition, as per the City's standard contracting process all MRO contracts have been reviewed as to form and legality by the Office of the City Attorney. Purchasing and Contracting department has implemented a quarterly review program and is conducting quarterly review meetings with each MRO vendor to verify pricing, ensure the elimination of high-mark ups, correct any deficiencies identified, and examine reporting and documentation.

| 12-015 | PERFORMANCE AUDIT OF THE DEVELOPMENT SERVICES DEPARTMENT'S PROJECT TRACKING SYSTEM |

(SG)

#4 The Development Services Department (DSD) should immediately begin comprehensively documenting PTS and facilitate the transition of Application Development and Maintenance (ADM) functions to the ADM vendor as soon as feasible. Further, DSD must ensure that the vendor takes over management and monitoring of all privileged accounts in the production environment.

Implemented The application development and maintenance functions were transferred to the City's Data Center Vendor, who has sufficient controls to mitigate the issue.

#7 The Development Services Department should continue to conduct and document regular audits of fees at project submittal and resume conducting and documenting audits of fees during structural engineering review and at permit issuance. DSD should develop a written policy that establishes a minimum level of projects to be audited each month.

Implemented DSD has developed and implemented a fee audit policy to ensure fees are correctly assigned to permits. The policy establishes a methodology for selecting projects, including the minimum level of projects to be audited each month to ensure that they regularly occur in a standardized manner.

#9 Development Services Department should strengthen PTS controls over assessing fees by implementing:

a) Logic checks to ensure that fees are entered accurately and alert reviewers when apparent errors have been made in charging fees. For example, logic checks should alert reviewers if the square footage used to charge the Building Permit and the Construction and Demolition Debris Deposit fees does not match; if separate fees are charged for different project components when they should be combined; or if the type of construction used to charge different fees does not match.

b) Auto-populating features to reduce the necessity for repetitive data entry by staff. For example, if the project is being charged a Building Permit fee for 4,000 square feet of new single-family construction, the Project Tracking System should automatically add the Construction and Demolition Debris Recycling Deposit fee for a new 4,000 square foot single-family home.

c) Predictive controls to reduce staff fee choices based on prior data input, making accurate fee selection easier and quicker and reducing customer waiting times. For example, if the reviewer indicates that the project is for new single-family construction, the list of available fees should be limited to only those fees that may apply to a new single-family construction project.

Implemented The Development Services Department has implemented limited logic checks in PTS for key functions such as Approval Fees. The implementation is limited in scope due to the planned replacement of the system with a commercial off the shelf permitting system that will have this type functionality built into it.

#11   The Development Services Department should work with all departments that require custom reports to identify their reporting requirements and the most cost-effective way to generate all necessary reports. This recommendation pertains to the reporting requirements of the Transportation and Storm Water Department, the Environmental Services Department, and the Public Works Department, as well as any other City departments that require custom reports to increase productivity and efficiency.

Implemented The Development Services Department has created a public facing website that provides query-able data and completed reports for the various activities that DSD performs dating back to 2003. Additionally, DSD provides the raw data in xml format for developers that allows customized reporting for anyone who downloads the data.

#12   The Development Services Department should establish formal agreements, such as Service Level Agreements, with each of its client departments that require custom reports, including the Transportation and Stormwater Department, the Environmental Services Department, and the Public Works Department, as well as any other City departments that require custom reports to increase productivity and efficiency. These agreements should establish clear responsibilities for report generation, including:

a) Specific procedures for client departments to request custom reports from the Project Tracking System, including the information required in the report and the format of the report (electronic or hard-copy);

b) Timelines for the Development Services Department to respond to report requests with an estimated cost and completion date;

c) Funding sources that will be used to pay for the creation of the report; and

d) Procedures that allow client departments to generate reports on demand from the Project Tracking System.

Implemented The Development Services Department has created a public facing website that provides query-able data and completed reports for the various activities that DSD performs dating back to 2003. Additionally, DSD provides the raw data in xml format for developers that allows customized reporting for anyone who downloads the data. Additionally, the DSD is moving forward with its replacement plans for PTS, with reporting flexibility among the requirements for the replacement system.

13-003   **PERFORMANCE AUDIT OF THE PROCUREMENT CARD PROGRAM**

(SM) (DK)

#7   The Purchasing & Contracting Department should establish guidelines on the number of cardholders and transactional volume that can be reviewed by the Approver to ensure adequate time is devoted to reviewing cardholder transactions.

Implemented   This recommendation was made based on field work that found that the workload and span of control of one department's Approvers was too big to provide adequate oversight. Since this audit was published, the Procurement Card Program (P-Card) has been moved out of the Purchasing & Contracting Department and now is administered by the Comptroller's Office. The Comptroller's Office believes it is important that proper oversight of transaction approval be performed and that adequate time be devoted to reviewing cardholder transactions. In response to this recommendation, the Comptroller's Office has added language to the Procurement Card manual that provides guidance regarding transactional volume and adequate time needed by the Approver to ensure transactions are adequately reviewed and approved.

#9   The Purchasing & Contracting Department should seek opinion determination from the City Attorney's Office on whether the current cooperative procurement agreement between the General Services Department-Fleet Services and the identified tire vendor is valid.

Implemented   The original contract identified in the audit has expired. The new contract that is in place meets all the City's contracting requirements. Per the City's standard contracting process the new contract has been reviewed as to form and legality by the Office of the City Attorney.

13-010   **PERFORMANCE AUDIT OF THE CITY'S OVERTIME CONTROLS**

(SP)

2   The City Administration should train city employees on the provisions of H-4 and the entry of allowable overtime hours into the City's payroll system.

Implemented   The recommendation is implemented as the Comptroller's Office, in conjunction with Personnel, has developed training materials for usage as needed on the provisions of H -4 and the entry of allowable overtime hours into the City's payroll system. The Comptroller's Office is scheduled to present updated training materials as a refresher during the next Payroll Specialist Quarterly Meeting scheduled for April 2015.

13-012	PERFORMANCE AUDIT OF THE STREETS DIVISION'S POTHOLE REPAIR OPERATIONS

(SG)

#4 Street Division should change its primary performance metrics to include a measure of production efficiency. Specifically, the Department should utilize the cost-per-pothole as their primary performance measure to capture the efficiency of its operations.

Implemented The Transportation & Stormwater department has submitted their proposed performance indicators, which includes cost per pothole as a core metric for pothole repairs in the FY16 budget.

14-001	PERFORMANCE AUDIT OF THE PARK AND RECREATION DEPARTMENT'S PLAYGROUND MAINTENANCE PROGRAM

(SP)

#1 In order to improve oversight of its playground inspection processes, including the accurate completion of inspection forms and a consistent supervisory review process for inspection results, the Park and Recreation Department (PRD) should:

1. Re-train staff on the policies and procedures for correctly completing the Weekly Playground Safety Inspection Form.

2. Standardize a playground inspection review process by requiring supervisors to visit playground sites and complete a written safety inspection form at least bi-weekly.

Implemented The recommendation is implemented as the department has: 1) re-trained its staff on correctly completing the Weekly Playground Inspection Form; and 2) required supervisors to inspect playgrounds at least biweekly with more comprehensive inspections required quarterly. Additionally, the department has gone above and beyond the recommendation by requiring that selected staff obtain a Certified Playground Safety Inspector certification. CPSI certified staff will complete a comprehensive inspection of all playgrounds at least quarterly. The CPSI certification program provides comprehensive and up-to-date training on playground safety issues including hazard identification, equipment specifications, surfacing requirements, and risk management methods.

14-009   PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S CUSTOMER SUPPORT DIVISION

(SG) (SC)

#1   The Customer Support Division should analyze its system to determine the appropriate upper limit setting, while ensuring that it will not negatively impact the workload on its staff and will increase the effectiveness of their initial meter reading controls. Specifically, the Division should: Perform an analysis to determine the most appropriate setting for the upper limit, and adjust the limit, as appropriate, within a reasonable timeframe. The analysis should take into account control effectiveness as well as the maximum number of exceptions the support staff can effectively manage.

Implemented   The Public Utilities Customer Support Division has thoroughly analyzed their meter reading thresholds using a robust methodology and found that while utilizing a lower reading threshold would slightly reduce the number of billing errors, it would significantly increase the division's workload and associated cost. As a result, their analysis shows that their current meter reading exception thresholds are the most effective and appropriate.

#2   The Customer Support Division should analyze their review of meter reading "implausible review" exception resolutions to increase the efficiency of the reviews and focus staff workload on higher value reviews. Specifically, the Division should:

a) Analyze the Division's implausible water usage reviews over a period of time to identify the potential for automating the most common reviews.

b) In cases where the Division experiences exception review backlogs, the Division should define a prioritization model based on impact to the customer.

Implemented   The Public Utilities Customer Support Division has developed a prioritization schedule to address backlogs in reviews when they occur. Additionally, the Division has identified sections of their manual review process that can be automated through SAP, and have started the implementation of the automated steps which will streamline the review process and focus the reviewer's time/effort on higher value review activities.

#3   The Customer Support Division should update their process to capture investigation performance metrics to increase the efficiency of the operations and allow prioritization of investigations. Specifically:

a) The Investigation Process should include a step to enter the reportable completion date into SAP utilizing the appropriate SAP Service Notification field to reduce redundant workload and increase reporting potential.

b) The Division's investigation process should complete or modify, as appropriate, the update of their investigation prioritization schedule based on impact to the customer and business where they experience a backlog of investigations.

Implemented   The Public Utilities Customer Support Division has developed a prioritization schedule to address water reading investigation backlogs when they occur. Additionally, the Division has identified SAP reporting fields that can be added or revealed to capture and track additional information about field investigations to improve performance monitoring and is in the process of implementing the changes.

14-010   **PERFORMANCE AUDIT OF THE PERSONNEL DEPARTMENT**

(SP)

#5   In order to provide input to the City's workforce planning, the Chief Operating Officer should:

1. Direct all applicable hiring departments to assess current and future workforce needs. The results of these assessments should be communicated to Personnel for inclusion in a workforce development plan.

Implemented   The Chief Operating Officer, in conjunction with Personnel, has created an annual needs assessment that will inform planning efforts for current and future workforce needs. The review process sufficiently meets the intent of the recommendation and is considered implemented.

#3   In order to continuously monitor performance, Personnel should: Periodically evaluate and review its performance in meeting target timeframes to determine if opportunities for improvement exist.

Implemented   To assist the hiring departments a detailed, comprehensive vacancy report is distributed monthly, by the Personnel Department, to each department director. This report lists the status date for each vacant position regarding when the vacancy occurred; whether an eligible list has been requested; if recruitment was required the dates it closes; and the date the list was referred to the department. This monthly report is also reviewed internally for evaluation of Personnel's timely responsiveness to hiring departments. This review is in addition to monitoring the performance on certification of all eligible lists in accordance with the performance measures listed in the Personnel Department budget documents.

14-011	PERFORMANCE AUDIT OF IT WEB SERVICES

(SP)

#3 The Department of Information Technology (DoIT), in conjunction with City departments, should define which online services to include on the homepage drop-down list of online services called Access Online Services. DoIT should update the online services list and develop a procedure to periodically check with departments to determine that the list is accurate and complete.

Implemented The recommendation is implemented as the department has: 1) reorganized and updated the Access Services Link on the City's webpage; 2) developed procedures to periodically communicate with departments to keep the City's online services page current; and 3) inquired with departments quarterly since October 2014 for updates.

14-013	PERFORMANCE AUDIT OF ADD-ON PAYS

(LB)

#1 To ensure that San Diego Police Officers' Association (SDPOA) employees receiving Bilingual Pay remain current in their language skills, the Personnel Department should work in conjunction with the Labor Management Committee to define budget resources, establish re-testing deadlines consistent with the current SDPOA Memorandum of Understanding (MOU) provision, enter the deadline as an expiration date in SAP for SDPOA employees receiving the pay, and discontinue Bilingual Pay for employees who have not passed the re-test by the deadline.

Implemented In December 2013, the Personnel Department identified 300 police officers who needed to be re-tested in their non-English language in order to continue receiving bilingual pay. According to Personnel, 222 of those police officers have been re-tested as of February 16, 2015, with 35 of them failing their re-test. In addition, 43 police officers have withdrawn from the bilingual pay program, 14 have retired, and 17 had their bilingual pay stopped due to non-response. Of the remaining police officers from the original cohort of 300 who still need to be re-tested, two are pending a re-test by an outside agency and two are on approved leave. Personnel has stated that their department will continue the ongoing bilingual re-testing process for all officers in accordance with the POA MOU.

14-015   **Hotline Investigation: Presidio Hills Golf Course Use and Occupancy Permit**

(AH)

#1   We recommend that the Real Estate Assets Department follow-up with the City Treasurer to ensure that the appropriate amount of additional rent revenue from the Permittee parking cars on golf course property be recovered.

Implemented   The evidence provided by the department showing proof of payment, and the auditor's independent verification, satisfies the intent of this recommendation.

14-017   **Hotline Investigation of Overtime and Telephone Usage**

(AH)

#1   We recommend that Real Estate Assets initiate an independent Fact-Finding process to complete a formal investigation into the allegation that time card entries may not have represented actual hours that were worked and that excessive personal toll calls were made from a City phone and that the City seek reimbursement for any excessive or unauthorized expenditures.

Implemented   The Department conducted an independent Fact Finding investigation, which satisfies the intent of this recommendation.

#2   We recommend that Real Estate Assets update and implement Department policies regarding the pre-approval of overtime hours to be in compliance with the requirements set forth in Administration Regulation §95.01 and Personnel Manual Index Code H-4.

Implemented   Management provided an email to all staff reminding them of the requirements for written pre-approval of overtime as required by Administration Regulation 95.01. We obtained and reviewed that email and independently determined that substantially all of the overtime is accounted for by one division of the Department. An additional Department-wide policy is not warranted because the majority of the Department personnel do not work overtime hours. It remains the responsibility of the Department to ensure compliance with the requirement that overtime hours are pre-approved in writing.

14-018   PERFORMANCE AUDIT OF COMMUNITY FACILITIES DISTRICTS

                    (DK) (KC)

#1c   We recommend the following steps to ensure homeowners in CFDs are properly assessed:

                    a.   Development Services should review the 22 potential errors identified by OCA located
                           in CFD 4. Development Services should also reconcile the City's and San Diego County
                           Assessor's square footage records for CFD 1, 2 and 3 properties. Where discrepancies
                           are significant enough to change the tax levy amount, efforts should be made to
                           recalculate and correct square footages, correct the assessable square footage in the
                           City's building permit. These updated permits should be sent to Debt Management and
                           the Special Tax Consultant.

                    b.   Debt Management should then direct the City's special tax consultant to make
                           corresponding changes to the parcel database and special tax rates to homeowners in
                           existing CFDs. For these changes, Debt Management should consult with the City
                           Attorney's Office to determine whether CFD residents who were charged inaccurate
                           special tax levies should be refunded potential overpayments or required to pay any
                           potential undercharged amount.

                    c.   Debt Management should establish a policy for future CFDs to change the Rate and
                           Method of Apportionments (RMA) to specify that the special tax consultant must
                           reconcile the square footage recorded in the database for the special tax assessment
                           that is based on City permit records with the square footage recorded with the San
                           Diego County Assessor's Office to verify accuracy.

Implemented   The intent of the recommendation is implemented. In consultation with the City Attorney's
                    Office, language addressing the recommendation has been included in the biennial update
                    of the City's Debt Policy which was presented and approved by the City Council on March
                    23, 2015.

15-002   Investigation of Federal Seized Assets Funds and Certifications

                    (AH)

#1   The Comptroller should revise the internal controls process narrative PN-0240 for Seized
                    Asset Forfeiture Fund Reconciliation to ensure that grant proceeds, if any, tracked in the
                    Finvest Fund (200220) are not reported with U.S. Department of Justice revenues,
                    expenditures, and interest, in the Equitable Sharing Agreement and Certification Report.

Implemented   Internal controls process narrative PN-0240 revised to include reconciliations by the Office
                    of the City Comptroller, as recommended.

#2   The Comptroller should make the necessary adjustments and transfers to assure proper
                    segregation and accurate reporting of revenues, expenditures, and interest for DOJ,
                    Treasury, and Finvest Funds for Fiscal Years 2010 through 2013.

Implemented   Corrective action was taken as part of the City's independent external audit of the Schedule of Expenditures of Federal Awards

#3   The Comptroller should revise internal controls process narrative PN-0240 for Seized Asset Forfeiture Fund Accounting to ensure that, on an annual basis, the Comptroller's Office reconciles DOJ and Treasury revenues reported in the City's Funds with revenue.

Implemented   Internal controls process narrative PN-0240 was revised to ensure proper reporting of segregated funds.

15-003   **Performance Audit of the City's Waste Reduction and Recycling Programs**

(AH)

#5   The Environmental Services Department should adopt a systematic, route-based bin check process to improve the coverage and efficiency of Citywide Recycling Ordinance enforcement efforts.

Implemented   The Environmental Service Department has updated its written enforcement guidelines to include a systematic bin check process. According to the department, systematic bin checks commenced on August 14, 2014.

#6   In order to maximize opportunities to educate and assist residents in meeting recycling requirements, the Environmental Services Department should ensure that Notices of Violation are consistently issued when a resident receiving City recycling collection services is not complying with the Citywide Recycling Ordinance.

Implemented   The Environmental Service Department has updated its written enforcement guidelines to include more stringent enforcement standards, and according to the department, Code Compliance Officers were provided additional verbal instruction on June 9, 2014.

#8   The Environmental Services Department should improve data collection for Citywide Recycling Ordinance enforcement by tracking major violations with a unique EPACS problem code and developing a procedure to calculate statistics on the effectiveness of enforcement efforts.

Implemented   The Environmental Services Department has created and begun using a unique EPACS problem code and developed a procedure for calculating statistics on the effectiveness of enforcement efforts.

#9   The Environmental Services Department should provide Code Enforcement Officers with a listing of all properties that may not have recycling bins and assign officers to verify which customers do not have recycling bins while conducting routine bin checks. When officers encounter a property that does not have a blue recycling bin, officers should educate the resident on how a recycling bin can be obtained.

Implemented   To implement this recommendation, the Environmental Services Department (ESD) has assigned Code Enforcement Officers verify that any customers, who do not have a recycling bin set out on collection day, do not have recyclables in their trash. If recyclables are identified, then the resident will receive a notice of violation and will be informed how they can obtain a recycling container if they need one. In addition, Code Enforcement Officers were provided a list of all properties that may not have recycling bins and according to ESD, checks are being performed on scheduled recycling days, and single-family residence checks should be complete by September 30, 2015.

#10   As authorized by San Diego Municipal Code §66.0718, the Environmental Services Department should consider expanding efforts to issue fines to repeat Citywide Recycling Ordinance violators to improve the effectiveness of enforcement efforts and recover a portion of excessive enforcement costs.

Implemented   The Environmental Services Department (ESD) initially established a target date of July 1, 2017 to begin issuing fines to repeat Citywide Recycling Ordinance (CRO) violators. However, ESD has since revised its written enforcement guidelines to include steps to fine residents for failing to comply with the CRO, and ESD states that it will fine single-family residences if/when warranted (i.e. sooner than the Targeted Implementation Date). To date, no single-family residences have been fined.

December 2014

ATTACHMENT C

Recommendations Deemed As In Process

This schedule includes all recommendations as of December 31, 2014 that are **In Process** of implementation based on the status information provided.

09-013   THE CITY OF SAN DIEGO FACES UNIQUE OPERATIONAL AND ADMINISTRATIVE CHALLENGES IN MANAGING QUALCOMM STADIUM

(SM)

#2   In order to avoid significant legal settlements in the future, the City should continue to ensure that it meet its obligation to provide the Stadium to the Chargers per the terms of its current agreement. To minimize the legal and financial risks involved with managing the Stadium, the Stadium should perform a comprehensive analysis of its compliance with the key terms of the City's agreement with the Chargers and with the 2000 American Disabilities Act (ADA) compliance settlement. If the results of the analysis are unfavorable for the City, the City should take steps to aggressively abate the risks of non-compliance with ADA requirements and Chargers agreement terms.

In Process   The department reported this recommendation as implemented, however the requested support to verify implementation was not provided in time for this report. The department reported that each year since the 2000 ADA compliance settlement, the City and the Chargers mutually examine an independent audit performed by Price Waterhouse Cooper in order to evaluate the compliance with the settlement. This task is performed annually and mutually agreed upon by both parties eliminating any compliance issues. We will continue to follow up on this recommendation.

         Target Date: June 2015

#4   Stadium management should create a comprehensive business and marketing plan for the Stadium that addresses the following issues: a. Strengths, opportunities, weaknesses, and threats that face the Stadium in both the short and long-term, as well as provide benchmarks for the financial and operational performance of the Stadium over the next three to five years. b. An analysis of major agreements and responsibilities that the Stadium is required to provide. c. A strategic plan for the amounts and types of events the Stadium will be hosting in the future including estimates of the revenues and expenses attributable to each event. d. A capital projects prioritization schedule that the Stadium can follow while determining the use of the Stadium's annual capital improvement budget. The schedule should be reviewed by the Stadium Advisory Board, approved by the Mayor, and presented to the City Council on an annual basis. If Stadium management wishes to significantly deviate from strategies approved within the plan, then the plan should be updated by Stadium management and vetted through a similar review and approval process.

In Process   The department reported this recommendation as implemented, however the requested support to verify implementation was not provided in time for this report. The department reported in 2011, the stadium commissioned AECOM to provide a market analysis for the stadium. The report identified the stadium's competitors, market demographics and the key business targets. Stadium Management presented a new revised rate card based on the market rates determined by AECOM to City Council. These rates were approved on October 25, 2011, and have been used from that point forward. A recruitment for an event coordinator is underway and is expected to be completed in May 2015. Creation of a marketing and business plan will be the high priority tasks for the new role once the position is filled. Capital projects are reviewed by the Stadium Advisory Board and included in the Citywide process and reviewed by CIPRAC.

Target Date: June 2015

#5   To help alleviate the effects of administrative staff turnover at the Stadium, Stadium management should create a policy and procedure manual specific to Stadium operations. At a minimum, the Stadium should ensure that written policies and procedures are established for the following administrative functions: a. Policies for the creation, content, retention, and approval of Stadium event files. b. Procedures that ensure accurate and timely billings for stadium events and periodic reconciliations of all accounts within the Stadium Fund.

In Process   The stadium filing system was re-organized for efficiency in early 2014 and administrative staff adhere to the new procedures. Accounting staff follow Citywide accounting procedures and process all billings through SAP. Any outstanding unpaid invoices are automatically referred to Collections through SAP. Stadium staff will finalize a policy and procedure manual by 3/27/15.

Target Date: April 2015

10-002   PERFORMANCE AUDIT OF THE SAN DIEGO HOUSING COMMISSION – PART I

(MH)

#6   San Diego Housing Commission management should facilitate the modification of San Diego Municipal Code (SDMC) §98.0301(f)(1) to indicate "… commissioners appointed pursuant to this section shall be tenants of housing commission units or Section 8 rental assistance program voucher recipients. "

In Process   SDHC and its counsel are working with the City Attorney's Office (CAO) on revisions to the ordinance. In this regard the CAO is planning to have a draft of the proposed ordinance ready for preliminary review by June 30, 2015.

Target Date: June 2015

10-010   **PERFORMANCE AUDIT OF THE CITY TREASURER DELINQUENT ACCOUNTS PROGRAM**

(SG)

#1   Review current deficit account balances and immediately refer existing past due accounts to the Treasurer's Delinquent Accounts Program.

In Process   No change since last reporting period, department modified the implemented target date from January 2015 to May 2015. Of the original 2,689 deficit accounts noted in the audit, 153 remain as non-referred deficits. The remainder have been referred or the customer has brought the account current.

                                               Target Date: May 2015

#6   Implement a late penalty fee to ensure more timely payments on deficit accounts.

In Process   Development Services Department is developing the recommendations for the FY16 Fees which will include this proposal for consideration. If the proposal is approved by City Council DSD will work with IT Dept to develop a timeline for the implementation of the fee and will provide the timeline at the next reporting. If City Council does not approve the fee this recommendation will be considered closed by the Dept.

                                             Target Date: TBD

#8   Evaluate the adequacy of Deposit Account initial deposit amounts as well as the minimum required balance amounts to help minimize the frequency and speed at which Deposit Accounts fall into deficit.

In Process   Development Services Department is developing the recommendations for the FY16 Fees which will include this proposal for consideration.

                                             Target Date: TBD

10-018   **PERFORMANCE AUDIT OF THE PURCHASING AND CONTRACTING DEPARTMENT - CITYWIDE OPEN PURCHASE ORDER PROGRAM**

(MH)

#3   Modify Administrative Regulation 35.15 to adequately reflect the new policies as a result of the actions taken from Recommendations one and two above. Additionally, the Administrative Regulation should include a requirement for departments to document and retain a reconciliation of the requisition forms, similar to the form 2610, on a quarterly basis.

In Process   Efforts are underway. Purchasing & Contracting (P&C) and the Department of IT are working closely on various SAP system enhancements that will have an impact on the current Department Open structure to increase oversight, visibility and accountability. These system enhancements will be reflected in the updated AR.

        Target Date: November 2015

11-001   **PERFORMANCE AUDIT OF RISK MANAGEMENT'S PUBLIC LIABILITY AND LOSS RECOVERY DIVISION**

(RT)

#1   Risk Management should adopt public sector practices for collection, analysis, and reporting of risk information, and prepare and distribute an annual Risk Management Report.

In Process   No change since last reporting period. Risk Management is developing a Risk Management Report to be published annually. The first publication will report risk information for FY 2014 and will be published by 06/30/2015.

        Target Date: June 2015

#3   Risk Management, with the assistance of an actuarial consultant, should develop and implement cost allocation methodology for City departments to assess the costs of general liability claims.

In Process   No change since last reporting period. Risk Management's claim system captures losses by City Department. The losses will be reported in the Annual Risk Management Report by various categories, including Department, identifying the major loss leaders and potential trends. Cost allocation is already done for General Fund Departments and the Public Utilities Department. Since the remaining enterprise funds have minimal losses, the cost allocation can be done through the budgetary process, which is awaiting additional analysis.

        Target Date: June 2015

#4	The City Administration should consider actions taken by other cities to limit sidewalk repair responsibility and to take appropriate action to limit the City's liability related to sidewalks.

In Process   Staff has been working diligently on this with the City Attorney's Office. On September 17, 2014 the issue was presented to the City Council Infrastructure Committee. Committee Chair, Councilmember Kersey, advised that policy review would be conducted later in 2015.

Target Date: December 2016

#11	Risk Management should prepare formalized annual reviews of historical premiums, actual losses and reimbursements. These reviews would include the self-insured retention limit, excess liability limits, and related premiums on an annual basis to assess the best limits to maintain and validate the reasonableness of insurance costs. This is typically done in conjunction with the preparation of the City's annual budget and the city's annual renewal of its insurance. Risk Management will continue its practice of annual insurance reviews an in conjunction with the FY2012 budget development will document this process by the fourth quarter of FY2012.

In Process   No change since last reporting period. Department provided an implementation date of June 2015. Risk Management department will move forward with enhancing the current process narrative (PN 0394) to incorporate the annual risk review procedures as required by Recommendations 11 and 12. We will continue to follow up on this recommendation.

Target Date: June 2015

#12	Risk Management should develop additional policy, procedure and departmental guidance to detail the process and expectations related to the periodic internal and external reviews of insurance coverage's and premiums, and the documentation thereof.

In Process   No change since last reporting period. Department provided an implementation date of June 2015. Risk Management department will move forward with enhancing the current process narrative (PN 0394) to incorporate the annual risk review procedures as required by Recommendations 11 and 12. We will continue to follow up on this recommendation.

Target Date: June 2015

#13   Risk Management should review documented and undocumented processes for current reporting, practices, roles and responsibilities to ensure that Risk Management has a strong documented loss recovery function in compliance with Administrative Regulation 45.80 and best practices. These processes should incorporate formalized communication about and advertisement of the loss recovery function, including on the internal and external Risk Management websites.

In Process   No change since last reporting period. Department provided an implementation date of June 2015. The updates to the AR 45.80 are in the process of becoming finalized by Risk Management and need to be routed to HR for their review and approval. The department has also been providing annual trainings with departments to advertise the loss recovery section and evidentiary information needed to pursue claims. We will continue to follow up on this recommendation.

Target Date: June 2015

#14   Risk Management should seek additional actuarial analysis or reviews for risk control, cost allocations, and claims reviews to assist with loss management processes and the implementation of loss prevention programs. Any newly created and existing actuarial analysis should be incorporated into the proposed annual reporting that we separately recommended Risk Management prepare.

In Process   No change since last reporting period. This item will also be implemented with the annual Risk Management Report mentioned in #1 and #2 above. The first publication will report risk information for FY 2014 and will be published by 06/30/2015.

Target Date: June 2015

#16	Risk Management should review and update claim-related City Council Policies, Administrative Regulations and forms to ensure consistency with current processes, organizational structure and overall expectations, and periodically perform ongoing reviews of those documents for accuracy.

In Process   Updates to CP000-09 were completed, AR 45.80 will be shortly submitted to HR for final approval. AR 35.70 has now been submitted to HR.

Target Date: June 2015

11-020   **PERFORMANCE AUDIT OF THE PARKING ADMINISTRATION PROGRAM**

(SA)

#12   We recommend that the City Administration develop an effective and appropriate replacement schedule for the City's parking meters. In addition, the City Administration should ensure that an appropriate portion of the parking meter revenue is set aside to fund this program.

In Process   No change since last reporting period, department modified the implemented target date from December 2014 to March 2015. On June 10, 2014, City Council approved a Cooperative Procurement Agreement with the City of Sacramento and vendor IPS Group to replace all existing single head parking meters. Full implementation is expected by the end of March 2015. Annually, Parking Meter Revenue is distributed to the Community Parking Districts in accordance with Council Policy 100-18. Any surplus funds are retained for future eligible expenses or capital improvement projects such as meter replacement. There is sufficient funding available to replace all existing single space parking meters this year.

Target Date: March 2015

11-026   **PERFORMANCE AUDIT OF THE TAKE-HOME USE OF CITY VEHICLES**

(AH)

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.

In Process Management's position is a City Council Policy is not necessary, as this an operational issue, and as such would be better served in a Citywide Administrative Regulation (AR). Consistent with the format and content of Administrative Regulations, the Take Home Vehicle AR will be created and will include a provision which clearly states the purpose of take home vehicles. Such provision will include appropriate use by City personnel. Please note, the City's response to the Auditor should in no way be viewed as an intent to limit the authority vested in the Mayor, the Fire Chief or the Police Chief. (See Charter section 57, 58, 265). Administrative Regulation is a citywide administrative policy and procedure directives of a continuing nature issued by the Mayor and/or Chief Operating Officer.

Target Date: August 2015

 # 6 To increase oversight of the costs associated with take-home vehicles, we recommend the San Diego Police Department and the San Diego Fire-Rescue Department work with the Fleet Services Division to calculate the cost of commuting in department vehicles. These costs should be calculated and reported to the City Administration on an annual basis by the Fleet Services Division.

In Process Beginning in Fiscal Year 2016, annual vehicle cost information including mileage, usage, assignment, and any applicable out of scope expenses will be provided to Departments based on Vehicle ID number. Fleet Services does not maintain specific vehicle assignment information (e.g. take home vehicles), therefore individual departments will be responsible for identifying cost information by assigned employee. (Fleet can provide the information but the departments must identify their respective policies)

Target Date: September 2015

 # 11 In addition, to ensure that adequate data is available to enable the City to track, and where applicable, seek reimbursement for vehicle-related costs, we recommend that the Public Works Department's Fleet Services Division maintain backup files of all data on vehicle maintenance and fuel costs according to Internal Revenue Service records retention regulations.

In Process Currently Fleet Services retains all available maintenance and fuel cost records in the Fleet Focus and/or Orpak software systems indefinitely. The Department of IT maintains the archived data in these programs. (We will work with the Auditor's office to identify the records, once our new Fleet Admin staff gets up to speed, and identify the appropriate IRS approved retention guidelines.)

Target Date: TBD

12-004   PERFORMANCE AUDIT OF THE SAN DIEGO POLICE DEPARTMENT'S PERMITS AND LICENSING UNIT

(MH)

#10   The City Administration proceed with its plans to integrate and align the administrative components of police permits within the Office of the City Treasurer. Establish clear regulatory language, policies, and procedures to divide administrative, enforcement, and regulatory roles and duties between the Office of the City Treasurer and the San Diego Police Department.

In Process   The Office of the City Treasurer has taken the lead on consolidating the collection of regulatory data and fees associated with PD Business Permitting. PD permitting data and payments will be processed through the Treasurer's Office and entered into the Treasurer's Tax Collection System (TTCS). Police permitting background investigations and enforcement will continue to be administered by the Police Department. The data consolidation efforts will be transitioned to Treasury in Fiscal Year 2016. The project has a target implementation date of July 1, 2015.

Target Date: July 2015

#11   In light of Recommendation 10, the Office of the City Treasurer ensure that the expiration of all new police permits and corresponding business tax certificates occur on the same date and develop appropriate procedures to follow-up on expired permits and collect on businesses or individuals found to be operating without a permit.

In Process   The Business Regulatory and Taxation Consolidation Project will ensure that the renewal and creation of late fees for PD Business Permits and Business Tax Certificates occur at the same time. Renewal and billing statements for PD permits and Business Tax Certificates will be consolidated and automated through the Treasurer's Tax Collection System (TTCS). The project has a target implementation date of July 1, 2015.

Target Date: July 2015

#13   The San Diego Police Department or Office of the City Treasurer establish an automated system to process permit applications and ensure that it automatically assigns permit expiration dates and notifies staff to collect penalties and background check fees from the applicant.

In Process   The Business Regulatory and Taxation Consolidation Project will ensure that all PD Permits and Business Tax Certificates have the same renewal expiration dates. Renewal statements for PD permits and Business Tax Certificates will be consolidated. All PD Permitting issuance and billing processes will be automated within the Treasurer's Tax Collection System (TTCS). TTCS reports will be provided to PD staff daily to assist with their investigative review. The project has a target implementation date of July 1, 2015.

Target Date: July 2015

12-015   **PERFORMANCE AUDIT OF THE DEVELOPMENT SERVICES DEPARTMENT'S PROJECT TRACKING SYSTEM**

(SG)

#1   The Development Services Department (DSD) must immediately implement controls in the Project Tracking System (PTS) Production Environment to prevent inappropriate modifications to PTS. Specifically, DSD should instruct the Database Administrator to:

a) Remove the IT Program Manager position's programmer account and ability to directly log into the system's database.

b) Remove programmer access to the Production Environment.

c) Remove programmer access to privileged accounts, except those used by the database administrators and for emergency fixes, by locking the accounts and changing the passwords. Where privileged accounts are required for emergency fixes, DSD should limit programmer access through a restricted number of highly monitored accounts. In addition, the permissible use of these accounts should be governed through formal policies.

d) Ensure that programmers do not have access to modify or disable system triggers in the Production Environment.

e) Ensure PTS records a detailed audit trail of key information, including the prior data entries, the username of the person who changed the data and the timestamp noting when the change Occurred.

DSD should also direct the System Administrator to comprehensively document the Software Change Management processes, and associated risks and controls for each environment.

In Process   No change since last reporting period, department modified the implemented target date from December 2014 to July 2015. DSD met with the City Auditor and his staff. DSD made it clear the programmer referred to in the audit was a staff member of CGI, the City's external ADM vendor and that the programmer followed City/CGI practices. The DSD IT Manager has had privileges reduced to read-only on the direct database account for troubleshooting, analysis, and future audits. The DSD IT Manager's application roles are set to be similar to a customer. Both direct and application roles are equivalent to what auditors use when auditing our IT data (read only). The remaining element is for the DSD IT Manager to review CGI practices per the City Auditor's request.

Target Date: July 2015

#2   In order to reduce the risk of inappropriate system use by an employee, DSD should perform a Separation of Duties (SOD) assessment to ensure that employees only have the access they need to perform their functions, complying with the principle of least privilege. Specifically, DSD should:

a) Review all PTS user roles and limit the capabilities for roles that provide broad access to PTS' functions.

b) Review current user access to PTS' roles and restrict access to only those roles necessary and appropriate for each user's function. This includes restricting the DSD Director's access to a more appropriate level, such as "read-only."

c) Review current role combinations to ensure that no combination grants excessive or inappropriate access, and immediately remove any conflicting combinations.

d) Create a comprehensive policy that identifies all prohibited role combinations and documents compensating controls to mitigate any risk when a segregation of duty conflict must exist for business purposes.

In Process   The Department has made significant changes to the Segregation of Duties (SOD) over the last fiscal year. As such, the remaining possible SOD as recommended may impact operations and as such the Dept will need to sit with OCA to finalized the last of the SOD with DSD management and the Dept's DCOO.

Target Date: July 2015

#13   The Development Services Department should develop a formal, written five-year information technology strategic plan. This plan should include, but not be limited to, an analysis and identification of:

a) Current and anticipated business needs;

b) Internal and external customer requirements;

c) Current trends in system functionalities and security, including services that can be offered via the internet;

d) Options to meet business and customer requirements cost-effectively, including a cost benefit analysis of retaining PTS over the long term or replacing it with a new system—either developed in-house or a customized commercial software system; and

e) Anticipated funding needs and source of funds.

In Process   The department is in a procurement process to replace PTS in 2017.

Target Date: December 2017

13-003   **PERFORMANCE AUDIT OF THE PROCUREMENT CARD PROGRAM**

(DK) (SM)

#4   Once established, the Purchasing & Contracting Department should utilize the information to ensure departments comply with City regulations and use the most appropriate method, i.e., P-cards versus purchase orders, to purchase items from vendors.

In Process   On quarterly basis the Comptroller's Office, which now administers the P-card program, provides spend reports to Purchasing & Contracting. The spend reports are intended to provide P&C with information related to P-card spend by vendor to help P&C ensure that departments are not using P-cards when they should be using other purchasing methods due to spend volume. P&C has taken many steps to help City employees understand and follow procurement requirements. However, at the time of this status report it is unclear if P&C is utilizing the information provided to them by the Comptroller's Office. The Auditor's Office will continue to follow up on this recommendation.

Target Date: TBD

#6   The Purchasing & Contracting Department should:

a) Develop a tracking system to ensure all participants complete annual training, as required.

b) Ensure internal training policies and Administrative Regulation 95.55 reflect the same training requirements for the program.

In Process   Since this audit was published, the Procurement Card Program (P-Card) has been moved out of the Purchasing & Contracting Department and now is administered by the Comptroller's Office. Comptroller's staff indicated that bi-annual training will be scheduled using the Human Resource Department's e-Reg system, a training registration system. Also, attendance is verified via sign-in sheets.   Additionally, Administrative Regulation 95.55, has been updated to reflect the current P-Card program requirements. Once the bi-annual training has been completed this recommendation will be deemed as implemented.

Target Date: TBD

#11   The General Services Department—Fleet Services should ensure employees regularly update Fleet Focus to ensure the status of purchases is current.

In Process   No change in status from prior report. Fleet Service's staff with Procurement Cards are required to update Fleet Focus with pertinent transactions. In FY 15, a single source parts vendor is being implemented which will significantly reduce P-Card transactions requiring Fleet Focus updates.

Target Date: January 2015

13-005   **HOTLINE INVESTIGATION REPORT OF CASH HANDLING AT RECREATION CENTERS**

(AH)

#3   We recommend that Park and Recreation enforce their policy that checks are restrictively endorsed upon receipt to ensure that checks can only be deposited in the recreation center's bank.

In Process   The Department has implemented online registration at all recreation centers as of February 21, 2015. The last wave of citywide recreation programs (dance, therapeutic, senior and portable pools) to convert to online registration is anticipated in June 2015. During the roll-out of online registration in 2014 and 2015, all Recreation Center Directors and their supervisors received additional fiscal controls training, including the requirement to endorse checks upon receipt.

Target Date: April 2015

#5   We recommend that Park and Recreation revise their procedures to require recreation councils to receive copies of cancelled checks that cleared the bank and require the Park and Recreation area manager to review copies of cancelled checks in the verification of the monthly bank statement reconciliation process.

In Process   Due to the extensive number of cancelled checks processed and the amount of staff time it was agreed to with the OCA staff that a representative sampling across all recreation centers could be reviewed. As such the Department will develop an Accountability Committee which will review specific records such as cancelled checks, bank statements, and financial reports to ensure they reconcile. The Department will write a Process Narrative that outlines the role and duties of this committee.

Target Date: September 2015

#6   We recommend that Park and Recreation:

- adopt one format for permit logs that lists all permits in numerical order instead of by location; and

- adopt one format for registration form logs that lists all registration forms in numerical order.

In Process   The Department has implemented online registration at all recreation centers as of February 21st. The last wave of citywide recreation programs (dance, therapeutic, senior and portable pools) to convert to online registration is anticipated in June 2015. The online registration system includes a report that lists all permits issued and provides registration logs. With the implementation of on-line registration, the Department will recommend that the numbered hard copy permits be eliminated to strengthen fiscal controls. The on-line system generates numbered permits as they are issued and cannot be duplicated. The system also tracks changes to permits and links the customer receipt to each permit. The electronic permits and receipts are stored in the on-line system more than five years.

Target Date: April 2015

#11   We recommend that Park and Recreation revise their procedures to require the Area Manager to ensure that the reconciled balance for the monthly bank statement is reconciled with the total asset balance on the monthly financial statement.

In Process   Due to the extensive number of cancelled checks processed and the amount of staff time it was agreed to with the OCA staff that a representative sampling across all recreation centers could be reviewed. As such the Department will develop an Accountability Committee which will review specific records such as cancelled checks, bank statements, and financial reports to ensure they reconcile. The Department will write a Process Narrative that outlines the role and duties of this committee.

Target Date: September 2015

13-006   PERFORMANCE AUDIT OF THE ECONOMIC DEVELOPMENT PROGRAM

(MH)

#4   The City should establish and further develop formal and ongoing internal and external coordinating mechanisms specifically related to the City's economic development strategy. This effort should occur in consultation with City Council's Economic Development and Strategies Committee to take advantage of the Committee's oversight and coordinating role with regard to economic development.

In Process   Economic Development staff is working on drafting a proposal, however, completion is pending until the new Department Director, who was hired in March 2015 can review and approve the proposal.

Target Date: July 2015

13-007   PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S CHEMICAL PURCHASES

(AH)

#1   The Purchasing and Contracting Department evaluate all market strategies presented above and identify which, if any, would allow the City to achieve further savings for chemical purchases. Additionally, if any of the market strategies require a change in the San Diego Municipal Code, the Purchasing and Contracting Department should work closely with the Office of the City Attorney to present those revisions to City Council for approval in order to ensure that the City can take advantage of these additional processes.

In Process   No change since last reporting period, department modified the implemented target date from July 2015 to November 2015. Process is underway by Purchasing & Contracting and Public Utilities to establish long term contracts that adjust yearly based on market conditions, assuring the City achieves maximum savings opportunities for chemicals.

Target Date: November 2015

13-008   **PERFORMANCE AUDIT OF THE GENERAL SERVICES DEPARTMENT – FACILITIES MAINTENANCE DIVISION**

(SA)

#1   The Department of Public Works should determine the desired level of facilities maintenance for City assets based on the replacement value of those assets, and Facilities' budget requests should reflect that desired level.

In Process   Public Works Department is currently gathering desired service level expectations for facilities citywide through input from Asset Owning departments and on-going condition assessments being conducted by multiple departments. Condition assessment results will be available in late fall 2014. In the development of the FY2016 budget, Facilities will continue to strive for appropriate funding levels based on replacement value. PW-Facilities will present condition assessment results for over 349 General Fund Facilities to the Infrastructure Committee in Spring 2015. Recommended Services Levels for General Fund Facilities will be included in the report/presentation.

Target Date: July 2015

#4   Facilities Maintenance should work with City departments to identify the most effective and efficient operating model and funding structure for facilities maintenance Citywide.

In Process   The Public Works Department has made good progress towards implementing this recommendation. The Department provided evidence that they have shifted their funding model to be more in line with the industry standard of dedicating two percent of a facility's replacement cost to preventive maintenance and repair expenses. This increase in funding for facilities maintenance is reflected in the Department's five-year budget planning document and in the FY 2014 and FY 2015 Adopted Budgets. The Department was also successful in obtaining funding in the FY 2014 and FY 2015 Adopted Budgets to fund a multi-year condition assessment, which will be used to develop a comprehensive operating model. The condition assessment has begun. In addition, the Department has developed a prioritized list of projects for the Deferred Capital 3 bond approved by Council in January 2014. The final step to complete this request is convert of Facilities from a General Fund Division to an Internal Service Fund (ISF) Division. We anticipate accomplishing this in the FY17 Budget.

Target Date: July 2016

#5	Facilities should improve the RIME system as necessary to include all relevant criteria and use the objective system to prioritize maintenance requests.
In Process	No change since last reporting period, department modified the implemented target date from TBD to October 2015. The Department reported that they are in the process of redefining how RIME prioritizes facilities maintenance requests. In addition, they revised the Facilities Maintenance Division organizational structure, grouping teams by trade such as electrician, plumber, painter, and etcetera. Supervisors of each team will be more involved in determining the priority of each work request than under the prior structure. The Department has also successfully attained funding for the first year of a five-year planned condition assessment Citywide. Having accurate and comprehensive information on the condition of City assets will help Facilities Maintenance make more informed decisions when prioritizing work requests.

Target Date: October 2015

13-009 **PERFORMANCE AUDIT OF THE REAL ESTATE ASSETS DEPARTMENT**

(SA)

#1	The Real Estate Assets Department should update its Portfolio Management Plan to insure that it meets the City's changing needs.
In Process	READ will be updating the department's Portfolio Management Plan by the end of 2015.

Target Date: December 2015

#2	The Real Estate Assets Department should prepare a market and financial analysis for the City Administration and City Council to reduce leased office space and move a portion of the City's workforce out of downtown to less expensive office space.
In Process	READ is currently using an outside consultant to provide an analysis of office space needs for the Engineering Department, which is the primary expansion need for downtown City space. READ is actively researching alternative space for DSD for divisions that would be better placed in other areas of the community.

Target Date: Fall 2015

#3	The Real Estate Assets Department (READ) should improve its performance goals by establishing measures, targets, outcomes and outputs for each goal. READ should also annually report its performance and achievements to the City Administration and City Council.
In Process	The Real Estate Assets Department (READ) reports tracking nine key performance indicators and reporting on them annually through the budget process. These indicators include: CIP projects assisted, appraisals completed, inspections completed, delinquency rates, average

remaining term on leases, adherence to budget, real estate cost as a percentage of total City budget, total square footage per employee by location, and number and value of surplus property sales per year. READ will report on these indicators in future budget documents.

Target Date: June 2017

#4   The Real Estate Assets Department should work with the City Administration and the City Council to draft a policy on rent subsidies to nonprofit organizations that establishes eligibility criteria for recipients, recovers the City's facilities maintenance and upkeep costs for the subsidized space, and fee to recover the costs of preparing, processing, and monitoring leases.

In Process   READ is currently in the process of updating all Balboa Park leases to include the payment of administrative rent. We will continue to work with the Mayor's office to identify the appropriate Council Committee responsible for assisting with the drafting clearer guidelines and policies for rent subsidies to nonprofit organizations.

Target Date: December 2015

13-010   PERFORMANCE AUDIT OF THE CITY'S OVERTIME CONTROLS

(SP) (ML)

#3   The City Administration should ensure City Departments revise overtime approval forms to provide guidance for employees and the supervisors approving overtime.

In Process   The overtime approval form is a City Comptroller form, not a Personnel Department form. This recommendation was transferred to the City Comptroller for implementation. During initial research of this item it was discovered that there are various renditions of Overtime Approval Forms used across the City for authorization of overtime work. The Comptroller's Office will need to further research this item to identify its requirements and determine available options.

Target Date: December 2015

13-011   PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S VALVE MAINTENANCE PROGRAM

(AH) (MG)

#4   The Public Utilities Department should implement a risk-based approach to valve and hydrant maintenance. This implementation should entail:

- The development of criteria to determine which valves and hydrants are the most critical. Criteria to be considered should include type of area served, potential for the associated main to break, potential for damage and injury resulting from appurtenance failure, and the water shut-off area if the valve fails to operate.

- The recording of this information in the Sewer and Water Infrastructure Management (SWIM) and System Planning and Locator Application for Sewer and Hydrographics (SPLASH) systems so it is easily accessible to PUD's valve maintenance group when scheduling maintenance activities.

- The development of policies and procedures to schedule maintenance according to the criticality tiers developed. These policies and procedures should be developed in conjunction with other audit recommendations.

- An analysis to determine if the valve maintenance section is properly staffed to meet requirements of the risk based approach.

In Process   In FY 2014, WCM division completed a risk based assessment study for valve maintenance. The study recommended maintaining the valves on a three and five-year cycle based on the following criteria: installation date, the valve type, critical customers and community impact. To ensure successful implementation of our new risk based valve maintenance program, the division implemented an accelerated preventative maintenance program in January 2015, which provides for maintenance activities on all valves within the next three years. During this three-year period, the Division is gathering necessary valve field data in order to update our databases. At the end of the three-year period (December 2017), the Division will then transition into the established risk based 5 and 3 year valve maintenance program. The risk based scoring information has been moved into SPLASH Cert (Test Environment). The GIS group is currently testing and validating data; once the scoring is completed it will be added to SWIM. This information will not be needed until Jan 2, 2018 because of the decision to implement a 3 year accelerated valve maintenance program.

In preparation to implement the three year valve maintenance program, the division filled the 5 vacancies within the valve maintenance section, hired an additional five limited positions, purchased 6 hand held gate runners, and ordered 6 truck mounted gate runners that will be delivered by March 31, 2015. In addition, the Public Utilities Department rolled out a public outreach program to inform our customers of the program via local media, social media and direct mail. A Standard Operating Procedure for the three year valve maintenance program has been created and rolled out to the valve maintenance staff.

Target Date: January 2018

#5   Upon implementation of a risk-based approach to valve and hydrant maintenance, the Public Utilities Department should work with the City's Information Technology provider to produce reports for each maintenance priority cycle. For example, one report should identify maintenance progress made for valves and hydrants on a one-year high priority maintenance cycle, while another report would identify progress made for valves and hydrants on a ten-year low priority maintenance cycle.

These reports should include the number of unique valves and hydrants maintained during the reporting period and should detail maintenance progress made by geographic area, consistent with Recommendation #2, above.

In Process   As per the department update for Recommendation 4, the WCM division implemented an accelerated valve maintenance program in January 2015. Accelerated program progress reports are being produced that include the number of valves maintained during the reporting period and detail on the maintenance progress made by geographic area. The risk based valve maintenance program will be implemented on Jan 2, 2018. At that time reports

will be produced for each maintenance priority cycle. In FY 2014 Asset Management program worked on an automated process in SPLASH to calculate risk scores for valves based on the four scoring criteria recommended by the risk based maintenance study. The scoring criteria includes: installation date, the valve type, critical customers and community impact.

Reports for the three year maintenance program have been created. These reports include the number of valves maintained during the reporting period and will detail the maintenance progress made by geographic area. These reports will be provided to management and supervisors to track the productivity and efficiency of the program.

Target Date: January 2018

14-001   PERFORMANCE AUDIT OF THE PARK AND RECREATION DEPARTMENT'S PLAYGROUND MAINTENANCE PROGRAM

(SP) (LB)

#2   In order to improve assessment of its playground maintenance program, the Park and Recreation Department (PRD) should: Clarify performance indicators in its Park Maintenance Standards related to playground inspection and repair. Specifically, PRD should: (1) Clearly define "response" and which division staff (on-site or Citywide Park Maintenance Services staff) is responsible for meeting the designated timelines. (2) Clearly define playground equipment categories for repair (i.e. "small/minor" and other categories established by the Department). (3) Develop a rubric for the types of repairs considered "emergency," "non-emergency," and "non-safety," and use the rating system on all inspection forms and service requests. Additionally, communicate the rubric with staff involved in playground maintenance operations. Annually evaluate Park Maintenance Standards related to playground response and repair, and report outcomes to the San Diego Park and Recreation Board.

In Process   Department staff presented a report to the Park and Recreation Board on November 20, 2014, and the Public Safety and Liveable Neighborhoods Committee on playground inspections and assessments on February 28, 2015. The report contemplates performance measures for playground repairs. The Department plans to track these measures via the Department's Manager Plus system, which is a service request module that tracks park maintenance requests including response times. Implementation for this program occurred in January 2015 after extensive staff training in fall 2014. Currently, the Department is evaluating its park maintenance standards to be consistent with the standards outlined in the above listed reports. Completing this last item should result in completion of this Audit recommendation.

Target Date: July 2015

#3   In order to improve efforts to assess playground equipment, the Park and Recreation
                Department (PRD) should: Inventory playground equipment and surfacing at City
                playgrounds every three years. At minimum, the inventory should include: (1) The type of
                playground equipment and surfacing; (2) The condition of the playground equipment and
                surfacing; and (3) The equipment/surfacing manufacturer or substitute vendors. The
                inventory should be updated with new equipment as equipment is replaced. Develop or
                adopt a template for assessing the condition of playground equipment and surfacing.
                Comprehensively assess the condition of at least 20 percent of all playground assets and
                surfacing each year, with 100 percent of playground assets and surfacing being inspected at
                least once every 5 years. Continue efforts with the Enterprise Asset Management System
                (EAM) and, when EAM becomes live, expand assessments to include calculating the useful
                life and value of playground inventory.

In Process   The Department agrees with this finding. It is important to distinguish a playground
                inspection versus a condition assessment. Playground inspections are conducted routinely
                (daily, biweekly, quarterly) to ensure safe maintenance practices and to identify hazards.
                Condition assessments are conducted as needed to evaluate age, play value, need for
                replacement, and accessibility. The Department assumes that this OCA recommendation
                pertains to condition assessments, not inspections which was outlined in the original report.

                For Item #1, the Department created a playground inventory within Manager Plus. This
                inventory lists all 256 playgrounds and contains much of the desired information (type of
                play equipment, type of surfacing, and equipment manufacturer). Manager Plus does not
                contain condition assessment information; this information will be folded into the larger
                data collection for condition assessments throughout the City under the Public Works
                database. However, Manager Plus will contain a service record for a specific playground, and
                the service record will grow with time.

                For Item #2, the Department agrees that whenever a playground is renovated or given new
                equipment, it will be inputted into Manager Plus.

                For Item #3, the Department has developed a template for assessing the condition of play
                equipment and playground surfacing. In 2014, funding was provided to the Department to
                begin a comprehensive conditions assessment. However, the funding is not enough to do
                the entire park system. Additional funding will be required and could take many years to
                complete.

                For Item #4, the Department is working with the Enterprise Asset Program Manager and
                hopes to be included in a future-year phase of Enterprise Asset Management
                implementation. Ideally, staff can merge data from the park condition assessments and
                Manager Plus into a future EAM module once it is activated. Due to the need for funding to
                accomplish these recommendations no completion date has been established at this time.

                                                                    Target Date: June 2019

| 14-002 | PERFORMANCE AUDIT OF THE INDUSTRIAL WASTEWATER CONTROL PROGRAM |

(SM) (AH)

#1   The Public Utilities Department establish policies and procedures to track all billable IWCP related costs so that fee levels and appropriate cost recovery rates can be determined effectively.

In Process   Implementing most of the Industrial Wastewater Control Program (IWCP) audit recommendations relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and fee model, which was initially anticipated to be completed by January 2014 according to the original management response to this audit. However, the Public Utilities Department now reports that the COSS and fee study will not be completed until December 2015 at the earliest.

In addition, PUD is in the process of revising its billing structure to address issues identified in the audit.

Once approved by the City Council and the Participating Agencies, this change in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. January 2014 was the original target date for implementation of the new fee and billing structure as established by the management response. However, according to the department, when date commitments were first made, there was no real understanding of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects the earliest possible date for implementation of the new fees is July 1, 2016. Implementing a new fee and billing structure by this date will require the City Council and Participating Agencies to approve the new fee structure as proposed.

Target Date: December 2015

#2   The Public Utilities Department establish policies and procedures to periodically review fee levels and present fee proposals to the City Council. These reviews and fee studies should include calculation of the rate of cost recovery achieved by current fees. Reviews should be conducted on an annual basis, and detailed fee studies should be conducted not less than every three years, in accordance with Council Policy 100-05 and Administrative Regulation 95.25.

In Process   Implementing most of the Industrial Wastewater Control Program (IWCP) audit recommendations relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and fee model, which was initially anticipated to be completed by January 2014 according to the original management response to this audit. However, the Public Utilities Department now reports that the COSS and fee study will not be completed until December 2015 at the earliest.

In addition, PUD is in the process of revising its billing structure to address issues identified in the audit.

Once approved by the City Council and the Participating Agencies, this change in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. January 2014 was the original target date for implementation of the new fee and billing structure as established by the management response. However, according to the department, when date commitments were first made, there was no real understanding of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects the earliest possible date for implementation of the new fees is July 1, 2016. Implementing a new fee and billing structure by this date will require the City Council and Participating Agencies to approve the new fee structure as proposed.

Target Date: December 2015

#3   The Public Utilities Department perform a fee study to determine fee levels that achieve full cost recovery for all IWCP activities, including all labor and materials required for application review and permitting, inspections, monitoring, and sample analysis, as well as overhead and on-personnel expenses. The Public Utilities Department should work with the Office of the City Attorney to ensure that methodologies used to calculate fees are adequately documented and meet all applicable legal requirements, including those established by Proposition 26.

In Process   Implementing most of the Industrial Wastewater Control Program (IWCP) audit recommendations relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and fee model, which was initially anticipated to be completed by January 2014 according to the original management response to this audit. However, the Public Utilities Department now reports that the COSS and fee study will not be completed until December 2015 at the earliest.

In addition, PUD is in the process of revising its billing structure to address issues identified in the audit.

Once approved by the City Council and the Participating Agencies, this change in fees and billing structure will require extensive reprogramming and testing of the IWCP billing

system prior to implementation. January 2014 was the original target date for implementation of the new fee and billing structure as established by the management response. However, according to the department, when date commitments were first made, there was no real understanding of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects the earliest possible date for implementation of the new fees is July 1, 2016. Implementing a new fee and billing structure by this date will require the City Council and Participating Agencies to approve the new fee structure as proposed.

Target Date: July 2016

#4   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. The revised agreements should include mechanisms to adjust fees in response to changes in the cost of service.

In Process   Implementing most of the Industrial Wastewater Control Program (IWCP) audit recommendations relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and fee model, which was initially anticipated to be completed by January 2014 according to the original management response to this audit. However, the Public Utilities Department now reports that the COSS and fee study will not be completed until December 2015 at the earliest.

In addition, PUD is in the process of revising its billing structure to address issues identified in the audit.

Once approved by the City Council and the Participating Agencies, this change in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. January 2014 was the original target date for implementation of the new fee and billing structure as established by the management response. However, according to the department, when date commitments were first made, there was no real understanding of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects the earliest possible date for implementation of the new fees is July 1, 2016. Implementing a new fee and billing structure by this date will require the City Council and Participating Agencies to approve the new fee structure as proposed.

Target Date: December 2015

#5   Upon completion of the fee study, we recommend the Public Utilities Department, in consultation with the City Attorney's Office, should develop a proposal for consideration by the City Council to update fees for Industrial Users within the City of San Diego. This proposal should include fees that achieve appropriate cost recovery under the guidelines of Council Policy 100-05 and Administrative Regulation 95.25. The revised fee schedules should include mechanisms to adjust fees in response to changes in the cost of service.

In Process   Implementing most of the Industrial Wastewater Control Program (IWCP) audit recommendations relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and fee model, which was initially anticipated to be completed by January 2014 according to the original management response to this audit. However, the Public Utilities Department now reports that the COSS and fee study will not be completed until December 2015 at the earliest.

In addition, PUD is in the process of revising its billing structure to address issues identified in the audit.

Once approved by the City Council and the Participating Agencies, this change in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. January 2014 was the original target date for implementation of the new fee and billing structure as established by the management response. However, according to the department, when date commitments were first made, there was no real understanding of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects the earliest possible date for implementation of the new fees is July 1, 2016. Implementing a new fee and billing structure by this date will require the City Council and Participating Agencies to approve the new fee structure as proposed.

Target Date: July 2015

#7   The Public Utilities Department should establish a centralized billing process and standardized billing policies and procedures for all IWCP fees and charges. These policies and procedures should be documented in a process narrative, and should:

a. Establish responsibilities and timelines for generating and sending invoices for all IWCP fees and charge;

b. Establish responsibilities and timelines for performing a periodic reconciliation of all IWCP revenue accounts;

c. Establish guidelines and procedures for recording labor time, if necessary to determine invoice amounts;

d. Establish guidelines and procedures for calculating invoice amounts; and

e. Ensure that appropriate Separation of Duties controls are enforced.

In Process   Implementing most of the Industrial Wastewater Control Program (IWCP) audit recommendations relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and fee model, which was initially anticipated to be completed by January 2014 according to the original management response to this audit. However, the Public Utilities Department now reports that the COSS and fee study will not be completed until December 2015 at the earliest.

In addition, PUD is in the process of revising its billing structure to address issues identified in the audit.

Once approved by the City Council and the Participating Agencies, this change in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. January 2014 was the original target date for implementation of the new fee and billing structure as established by the management response. However, according to the department, when date commitments were first made, there was no real understanding of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects the earliest possible date for implementation of the new fees is July 1, 2016. Implementing a new fee and billing structure by this date will require the City Council and Participating Agencies to approve the new fee structure as proposed.

Target Date: July 2016

#8   The Public Utilities Department should perform a comprehensive review of all PIMS settings and invoice calculating features to ensure that accurate invoices are automatically generated by PIMS and sent in a timely manner.

In Process   Implementing most of the Industrial Wastewater Control Program (IWCP) audit recommendations relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and fee model, which was initially anticipated to be completed by January 2014 according to the original management response to this audit. However, the Public Utilities Department now reports that the COSS and fee study will not be completed until December 2015 at the earliest.

In addition, PUD is in the process of revising its billing structure to address issues identified in the audit.

Once approved by the City Council and the Participating Agencies, this change in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. January 2014 was the original target date for implementation of the new fee and billing structure as established by the management response. However, according to the department, when date commitments were first made, there was no real understanding of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects the earliest possible date for implementation of the new fees is July 1, 2016. Implementing a new fee and billing structure by this date will require the City Council and Participating Agencies to approve the new fee structure as proposed.

Target Date: July 2016

14-003   PERFORMANCE AUDIT OF THE UTILITIES UNDERGROUNDING PROGRAM

                (SA) (AH)

#3   The Utilities Undergrounding Program should spend any cash balance above the targeted
                amount identified in Recommendation #2.

In Process   The Department continues to make strides in reducing the cash balance within the program
                through internal project delivery and implementing process enhancements. In FY15, the
                UUP established a Service Level Agreement with the Development Services Department -
                Neighborhood Code Compliance to address code compliance issues which the Audit
                showed impeded the progress and timing of project completion. This year upon the request
                of staff, the Public Works Department (PW) will conduct a pilot to design and construct 3
                projects with the intention of executing more surcharge projects by PW in the future.
                Completing entire undergrounding projects by City staff is expected to enhance the
                program efficiency, potentially achieve cost savings, and eventually increase output of
                projects. It is anticipated that results will be available in 2016. In addition, the UUP has
                provided support to the Council-formed Utilities Undergrounding Advisory Committee and
                intends to implement the Committee's recommendations to further enhance the
                undergrounding process. The reduction of the surcharge balance to the targeted level
                would be gradual as the UUP continues to take steps to improve the numerous
                undergrounding processes and enhance project delivery.

                                                                      Target Date: December 2016

14-004   AUDIT OF MISSION BAY AND SAN DIEGO REGIONAL PARKS IMPROVEMENT FUNDS,
                FISCAL YEAR 2012

                (DK) (JZ)

#2   The Park and Recreation Director should request clarification from the City Attorney's office
                to determine if the Council's authorization of general annual allocations in the CIP budget is
                sufficiently detailed to meet the Charter requirement that Council should approve the
                SDRPIF Capital Improvements priority. If not, appropriate steps should be taken to obtain
                the necessary approval.

In Process   The Department presented proposed Regional Park Improvement Fund projects to Council
                in July 2014, and the Council approved the projects at that time. The Financial Management
                Department has nearly completed a Process Narrative that will outline this process. The PN
                should be completed by March 2015. Another batch of proposed projects is slated to appear
                before the Infrastructure Committee meeting in April 2015.

                                                                      Target Date: March 2015

14-005 PERFORMANCE AUDIT OF PUBLISHING SERVICES

(ADLG) (KC)

#2 In order to ensure the most accurate workload data is included in the Preliminary Statements of Work, Statements of Work, and Requests for Proposals in any future Managed Competitions, we recommend the Business Office take additional steps to ensure that workload levels are adequately vetted. For example, the Business Office should consider providing outside consultant support to the Preliminary Statement of Work and Statement of Work teams, as provided for in the Managed Competition Guide.

In Process The Performance & Analytics Department agrees to implement this recommendation, which is also a recommendation in the Huron report dated June 5, 2014, on future managed competitions. The Department did not include a Target Implementation Date because there is an extensive process involved with implementing those recommendations, including meet and confer with the impacted recognized employee organizations, consistent with the City's obligations under MMBA.

Target Date: TBD

#4 In order to ensure that City programs and services that are placed through the Managed Competition process are operating in the most economical, efficient, effective, and transparent manner, we recommend that the Business Management Reports that are produced by the Business Office and the department management, respectively, be made public and presented to the City Council and/or the Budget and Finance Committee on a regular basis.

In Process The Department of Performance & Analytics is currently working on a proposal to streamline and improve the Managed Competition process which may include modifications related to monitoring roles and responsibilities as well as the dissemination of monitoring documents. The Department did not include a Target Implementation Date because there is an extensive process involved with implementing those recommendations, including meet and confer with the impacted recognized employee organizations, consistent with the City's obligations under MMBA.

Target Date: TBD

14-006 PERFORMANCE AUDIT OF THE POLICE PATROL OPERATIONS

(SA)

#1 The San Diego Police Department should analyze dispatch data to identify potential improvements to operations. It should use the results of these analyses to refine its staffing model and to evaluate patrol response to various types of incidents.

In Process   The PD anticipates the opportunity to enhance operations with the implementation of the new Computer Aided Dispatch (CAD) system. The selection of the new CAD system vendor is anticipated to occur in May and the vendor selection panel is currently in the process of assessing the potential new systems, including their reporting and data analysis tools. The new system is expected to have the capability to generate enhanced out-of-service time and workload calculations, which will improve our ability to analyze dispatch data, refine the current sworn staffing model, and further evaluate service levels. The new system is anticipated to go-live toward the end of 2016.

Target Date: December 2016

#2   The San Diego Police Department should establish a comprehensive performance measurement system. Goals should include output targets such as timeliness of service or clearance rates for specific types of incidents and crimes, respectively.

In Process   The PD anticipates expanding its performance measures with the implementation of the new CAD system, which is anticipated to go-live toward the end of 2016. At that time, the Department will have an enhanced ability to better record and analyze output targets, such as response times, out-of-service time, proactive time, clearance rates, etc. Chief Zimmerman has recently been meeting with staff from the Department of Performance & Analytics in an effort to refine the Police Department's current goals and performance measures.

Target Date: December 2016

#3   The San Diego Police Department should survey residents regularly to solicit input on community priorities, and it should engage stakeholders by reporting on performance standards.

In Process   The Police Department (PD) has made progress towards implementation by presenting the calendar year 2014 crime briefing report to the City Council. The report is available publicly to various stakeholders and includes information on key performance indicators such as violent crimes per 1,000. PD reports that it plans to work with the Performance & Analytics Department to incorporate questions into the citywide resident satisfaction survey to solicit input on community priorities. The revised implementation date is 6/30/16.

Target Date: June 2016

14-011   **PERFORMANCE AUDIT OF IT WEB SERVICES**

(SA) (AH)

#1   We recommend that the Chief Operating Officer, in conjunction with the Mayor's Office, develop a strategic vision for online services. This should include developing specific goals and objectives for increasing online services offered, with clear roles and responsibilities for City departments, and milestones that are incorporated into the City's strategic planning documents.

In Process   A project is underway and $500,000 was budgeted in FY 15 to redesign the City of San Diego website to provide improved online access to City services, departments, and resources. The first phase of the project will be completed in December 2015 with a modernized website usable by mobile devices. Revisions or new solutions to over 80 separate online services will follow in subsequent phases.

The new City Strategic Plan is being aligned with the technology roadmap for online services that is being developed by the Dept of Information Technology and City departments. The updated technology roadmap will include standards for online payments, mobile access, and leverage opportunities to consolidate online applications and services. This recommendation should now be transferred to the IT dept.

Target Date: September 2015

#2   The Office of the Chief Operating Officer (COO) should direct City departments to identify services that lend themselves to online delivery, and the COO should generate a Citywide report of prioritized potential services. Then, the COO should work with departments to conduct internal efforts to evaluate and adapt the potential services for online delivery.

In Process   See response to recommendation #1, above. The technology roadmap for online services has identified potential services for online delivery. The priorities, budget, and technical dependencies are in development and a full technology roadmap for online services will be completed by the end of FY 15. This recommendation should now be transferred to the IT Dept.

Target Date: September 2015

14-013   **PERFORMANCE AUDIT OF ADD-ON PAYS**

(LB) (MG)

#3   To ensure that the San Diego Police Department's (SDPD) Educational Incentive Pay (EIP) program is tracking re-qualification dates accurately, the department should assess the value of using automated systems for that purpose. To ensure that employees do not continue to receive Intermediate or Advanced Peace Officer Standards and Training (POST) add-on pay if they do not meet the requalification requirements, SDPD should use add-on pay expiration dates in SAP.

In Process   To ensure re-qualification dates related to the Educational Incentive Pay (EIP) Program are accurately tracked, PD Training staff is currently working closely with the Human Resources Department and the Department of IT on the implementation of a new Learning Management System (LMS), SAP SuccessFactors. This new system will replace the City's current LMS, the Learning Solutions module in SAP. SAP SuccessFactors will enable departments to provide personalized learning plans via a web interface, develop e-learning content, and maintain awareness of compliance timelines. Once this system is implemented within the Police Department, a process will be developed to place expiration dates in SAP to ensure re-qualification requirements are met regarding POST Add-On pay.

#5   In order to continue processing add-on pays appropriately in the future, the San Diego Fire-Rescue Department (SDFR) should formalize their practices into policies and procedures.

In Process   According to the department a document has been drafted and is in the review/edit stage. Fire-Rescue Payroll Policy & User Manuals for Add-On Pays have been developed. Three separate manuals referencing add-on pays associated with MEA, L911 and L145 represented employees have been drafted. Staff is finalizing revisions to the manuals to incorporate feedback by the Office of the Comptroller and Personnel Department. Final draft to be completed by the end of March.

Target Date: March 2015

14-014   **PERFORMANCE AUDIT OF GRAFFITI CONTROL PROGRAM**

(AH)

#1   The Chief Operating Officer should centralize all graffiti abatement intake, work order management, vendor contract administration, and data tracking operations in the Transportation and Storm Water Department's Street Division. This should include the provision of adequate staff resources to perform these functions. If the Chief Operating Officer determines that the program should be centralized in a different location, this determination should be based on a comprehensive assessment of the receiving department's capabilities for intake and routing of graffiti complaints, collection and tracking of data for performance reporting, and customer service.

In Process   Based upon the Chief Operating Officer's direction, the Transportation & Storm Water Department has started the process of centralizing the Graffiti Program via a pilot process. This process was initiated shortly after the March 2014 Audit. To date the following are key steps that have been taken to centralize the functions:

1. Graffiti Hotline has been transferred to Street Division's Public Works Dispatch Center;

2. the City's Graffiti webpage is being updated to direct requests to the Streets Division (this is to be completed by March 2015;

3. Also by March the Customer Service Form will be modified to collect data that is consistent with the Graffiti Online Form. Staffing is being evaluated and may be requested in the FY16 budget.

Target Date: March 2015

#2   The Transportation and Storm Water Department (TSWD) should work with the Department of Information Technology to ensure that all online reporting capabilities transferred to TSWD are designed to enter graffiti complaint information directly into SAP in a manner similar to TSWD's existing online reporting channels.

In Process   Based upon the Chief Operating Officer's direction, the Transportation & Storm Water Department has started the process of centralizing the Graffiti Program via a pilot process. This process was initiated shortly after the March 2014 Audit. To date the following are key steps that have been taken to centralize the functions:

1. Graffiti Hotline has been transferred to Street Division's Public Works Dispatch Center;

2. The City's Graffiti webpage is being updated to direct requests to the Streets Division (this is to be completed by March 2015);

3. Also by March the Customer Service Form will be modified to collect data that is consistent with the Graffiti Online Form. Staffing is being evaluated and may be requested in the FY16 budget.

                                          Target Date: March 2015

#3   The Development Services Department's Neighborhood Code Compliance section (NCC) and the Transportation and Storm Water Department's Street Division should develop a process narrative establishing responsibilities and procedures for 1) NCC to report graffiti abatement requests to the Street Division; and 2) the Street Division and the vendor (if applicable) to refer private property with unabated graffiti to NCC to initiate code compliance cases.

In Process   Graffiti complaints from all reporting sources will be routed to Street Division via the Graffiti Hotline and internet. In FY2016, DSD will transfer one CCO to Street Division and the Division will handle the enforcement on commercial properties. In the interim, the vacant CCO position will be hired and operationally managed by Street Division. Until the CCO is filled by Street Division, NCC will continue to handle code compliance issues on commercial properties. All requests for abatement on private property will be documented and routed to Urban Corps by Street Division. These procedures and filling the CCO will be completed by the last quarter of FY15.

                                          Target Date: July 2015

#5   If the City will continue to utilize a vendor to perform graffiti abatement, the Chief Operating Officer should ensure that adequate resources continue to be provided for contract administration. In addition, the scope of services performed by the vendor should include the provision of an electronic work order management system to facilitate effective routing of complaints between the City and the vendor and to facilitate collection and monitoring of performance information by the City. The Transportation and Storm Water Department should provide training to the vendor to ensure Performance Audit of the Graffiti Control Program that all data is collected and recorded consistent with Transportation and Storm Water Department standards, developed pursuant to Recommendation #6.

In Process   The staff has already begun work on this effort and it is anticipated to be completed in late 2015. The Department revised their target date from September 2015 to November 2015.

                                          Target Date: November 2015

#6 The Transportation and Storm Water Department (TSWD) revise its existing Standard Operating Procedure (SOP) for graffiti removal to include performance measures for graffiti abatement and include those performance measures in quarterly reporting to the City Council. Performance measures should include target response times for graffiti removal as well as total instances of graffiti removed and square footage. The SOP should also include direction on how to track work order information and log the information into SAP. The SOP should describe how to determine and record the following:

- The date the request was submitted to TSWD (the 'Report Date')
- The date the request was entered into SAP (the 'Notification Date')
- The start and end date/time for graffiti removal in the field
- Whether the graffiti was removed using paint or hydroblasting
- How to measure and record quantity of graffiti removed.

In Process The department will include performance measure information and work order tracking information in the SOPs that are being developed. The current TSW service request intake process documents the date and time a request is submitted/created and start and end date/time. The proposed performance indicators for the FY 2016 budget, including graffiti abatement response time, were presented at the Budget & Government Efficiency Committee meeting of 2/25/15. The amount of graffiti removed will be tracked by the Department. Other information suggested by this recommendation will be included in the SOP expected to be completed by March 30, 2015.

Target Date: March 2015

#7 The Transportation and Storm Water Department (TSWD) should work with the Department of Information Technology and third-party providers of graffiti reporting channels (such as the Street Report app) to ensure that graffiti complaint reports reach TSWD, and all customers are provided service request tracking information.

In Process Currently, the Department is tracking graffiti requests and is able to provide status to customers. The Department is also in the process of implementing a customer service app "SeeClickFix" which will enable customers to send pictures and location information and track the progress of their requests. The Department expects to complete this application by first quarter of 2016.

Target Date: September 2015

#8 The Transportation and Storm Water Department should ensure that graffiti reporting channels accept anonymous complaints and complaints made in Spanish.

In Process   No change in status from prior report. The Transportation and Storm Water Department is in the process of updating the Street Division complaint intake website to include information on how to make an anonymous complaint. In addition, documentation was provided showing that the Street Division does accept complaints made in Spanish.

However, at the time of the audit, the Urban Corps contract required acceptance of complaints made in Spanish, and Neighborhood Code Compliance (NCC) stated that they also accept complaints made in Spanish. OCA tested this by making graffiti complaints in Spanish to NCC and Urban Corps. These complaints were not addressed, and Urban Corps and NCC could not produce work order records indicating that the reports were correctly received. In order to implement the recommendation that all intake channels accept complaints made in Spanish, the City should document policies and procedures that establish 1) a process for NCC to intake graffiti complaints in Spanish; and 2) a process for oversight of the Urban Corps contract to ensure compliance with contract requirements regarding intake of graffiti complaints in Spanish.

Target Date: TBD

#9   The City Administration should ensure that all abatement crews have access to and utilize Graffiti Tracker to better coordinate efforts with law enforcement.

In Process   Staff met with SANDAG and other cities in the area to discuss the current technology and success and challenges with the Graffiti Tracker program. A mobile application is now available for customers, as opposed to using solely specialized Graffiti Tracker cameras. SDPD and Urban Corps currently utilize Graffiti Tracker. The Street Division will purchase smart phones, assign to all graffiti crew members, and provide the necessary training on the use of the mobile Graffiti Tracker application. This is expected to be completed by April 30, 2015.

Target Date: April 2015

#11   The Chief Operating Officer should direct the San Diego Police Department, Neighborhood Code Compliance, Transportation and Storm Water Department, and the City Attorney's Office to coordinate regular task force meetings with Urban Corps, San Diego Gas and Electric, AT&T, the Metropolitan Transit System, Downtown San Diego Partnership, and other groups responsible for graffiti abatement. This task force should identify ways to leverage existing graffiti control resources to enhance and coordinate graffiti abatement, law enforcement, and outreach and education efforts targeting residents and community organizations

In Process   Upon the Chief Operating Officer's direction the TSW staff has attended and will be participating in a SANDAG Graffiti Tracker working group that includes Urban Corps, Sherriff, MTS, San Diego County, and other cities and utilities. Staff is coordinating with SANDAG on the upcoming group meeting. Additionally, staff has met with several utilities and departments to improve coordination and routing of abatement requests. Staff will provide documentation as to the recommendations from the group by June 2015 in order to close out this recommendation.

#12   If the results of the task force recommended previously in this report indicate that additional resources are required to achieve the City's graffiti control policy goals, the Chief Operating Officer should direct the San Diego Police Department, the Transportation and Stormwater Department, Neighborhood Code Compliance, and the City Attorney's Office to prepare a unified proposal to allocate greater resources to graffiti control efforts, including outreach, law enforcement, and abatement. This proposal should be presented to the City Council for consideration.

In Process   The TSW department is evaluating this now for possible inclusion in the FY16 budget.

Target Date: TBD

#13   If the City will continue to utilize a vendor to perform field graffiti abatement services, the Transportation and Storm Water Department should revise the existing Standard Operating Procedure for graffiti removal to include quality assurance procedures, including sampling and spot checks of work performed and periodic review and verification of the vendor's compliance with performance standards developed pursuant to Recommendation #6.

In Process   TSW will revise the contract with Urban Corps to include performance standards and will conduct random checks to ensure quality and verification of the work performed.

Target Date: September 2015

#14   If the City will continue to utilize a vendor to perform field graffiti abatement services, the Chief Operating Officer should direct the Transportation and Storm Water Department and the Purchasing and Contracting Department to renegotiate the contract with the vendor to include performance standards for response times and require the vendor to staff the graffiti hotline, conduct community outreach, utilize Graffiti Tracker, and meet with City graffiti control staff on a regular basis to coordinate efforts.

In Process   The TSW department is currently renegotiating the contract with UC and working with Purchasing to incorporate the performance measures recommended by the Auditor into the contract. This is expected to be completed by the end of FY15.

Target Date: July 2015

14-016   HOTLINE INVESTIGATION REPORT OF PUBLIC UTILITIES WAREHOUSE SUPPLY PURCHASES

(AH)

#4   The Purchasing and Contracting Department should: Act on the referral from the Public Utilities Department for debarment of Vendor #1 and Vendor #2; Complete a thorough review of Citywide transactions conducted by Vendor #1 and Vendor #2 to determine if there are any additional transaction irregularities with other City Departments.

In Process   Public Utilities has provided a debarment recommendation to Purchasing & Contracting for one vendor. The recommendation for this vendor is under review and awaiting next steps. None of the identified vendors have any active contracts with the City.

Target Date: November 2015

14-019   PERFORMANCE AUDIT OF REAL ESTATE ASSETS DEPARTMENT

(SA) (DK)

#1   The Mayor's Office should work with the Park and Recreation Department and the Real Estate Assets Department to develop a comprehensive plan, including a timeline and funding appropriation, to remove residential use from Sunset Cliffs Natural Park, ensure compliance with the 2005 Master Plan, and to resolve the apparent conflict between the private tenancies at Sunset Cliffs and the restriction on dedicated parks for public park use in Charter Section 55.

In Process   The removal of the Sunset Cliffs structure has been included in a capital improvement project (CIP) that is expected to be in design in FY16. Based upon the timeline of the CIP it is anticipated the demo will occur later in the CIP in FY18.

Target Date: Fiscal Year 2018

#2   To strengthen controls over month-to-month residential leases, we recommend that the Real Estate Assets Department: Conduct a market rate rent study on its single-family residential month-to-month leases; Adjust lease rates based on the market rate study; and Notify City Council of the rent rates for any single-family residential month-to-month leases lasting more than three years. READ should develop a policy to review rent rates and report to Council every three years.

In Process   READ is coordinating with PUD on the scope of an overall market rent appraisal for agricultural lands that include many of the subject residential leases. Any single family month to month leases will be adjusted as required and City Council will be updated on leases lasting longer than three years.

#3   The Real Estate Assets Department should develop a process to ensure all residential leases are in compliance with the warranty of habitability for its single-family dwellings.

In Process   READ has assisted PUD with an ongoing program to inspect and repair all residential housing on PUD property. All homes on PUD property are anticipated to be completed by the end of March 2015. Once finished, the remaining six homes will be scheduled as appropriate.

Target Date: March 2015

#4   The Real Estate Assets Department should develop a process to ensure that all inhabited City-owned residential properties have a lease.

In Process   It is the practice of READ that, upon termination of a Master Lease, all remaining tenants must either vacate the premises or enter into a new agreement. This recommendation is the result of a single occurrence where the City tried to work with the remaining tenant who was elderly in an attempt to be sensitive to his special needs. This was an anomaly.

No implementation date could be provided at this time. The department stated this is an ongoing legal process.

Target Date: TBD

15-001   **PERFORMANCE AUDIT OF THE OFFICE OF HOMELAND SECURITY**

(SP)

#1   In order to improve coordination between San Diego-Office of Homeland Security (SD-OHS) and City departments, SD-OHS should work with the City Attorney to update the applicable provisions in the Municipal Code to reflect SD-OHS' current operations and responsibilities. Furthermore, SD-OHS should work with the Chief Operating Officer to develop an Administrative Regulation or similar directives to departments regarding requirements for timely and complete emergency plans.

In Process   In January 2015, OHS completed review and update of applicable Municipal Code content, and submitted to legal review. In February 2015, OHS initiated a review of relevant City-level emergency plans in order to consolidate all emergency planning and training requirements for City departments into one AR.

Target Date: May 2015

#2	In order to improve coordination between SD-OHS and City departments, SD-OHS should work with the City Attorney to update the applicable provisions in the Municipal Code to reflect SD-OHS' current operations and responsibilities. Furthermore, SD-OHS should work with the Chief Operating Officer to develop an Administrative Regulation or similar directives to departments regarding requirements for timely and complete emergency plans.

In Process   In December 2014, OHS completed re-alignment of its internal functions and task assignments to the five Mission Areas identified in the Federal Emergency Management Agency's National Preparedness Goal. In January 2015, OHS developed and assessed additional performance measures to address its emergency preparedness and grant administration duties, and all five Mission Areas. In February 2015, OHS submitted its additional performance measures to the FY16 Budget process.

Target Date: April 2015

#3	In order to improve coordination between SD-OHS and City departments, SD-OHS should work with the City Attorney to update the applicable provisions in the Municipal Code to reflect SD-OHS' current operations and responsibilities. Furthermore, SD-OHS should work with the Chief Operating Officer to develop an Administrative Regulation or similar directives to departments regarding requirements for timely and complete emergency plans.

In Process   In October 2014, OHS developed and published a list of available emergency training to Council Offices. In January 2015, OHS, in coordination with the HR Dept, developed and posted permanently available Disaster Service Worker (DSW) refresher training and references to the City's website, and implemented quarterly DSW email newsletters to citywide employees. In February 2015, OHS began development of an emergency operations overview course for citywide employees that addresses broader City of San Diego emergency response principles and plans.

Target Date: April 2015

15-003   **PERFORMANCE AUDIT OF THE CITY'S WASTE REDUCTION AND RECYCLING PROGRAMS**

(AH) (ADLG)

#1	In order to improve recycling rates and compliance with the Citywide Recycling Ordinance for commercial and multi-family facilities, the City should include CRO enforcement and minimum diversion requirements in all franchise agreements, with liquidated damages for non-compliance. Franchised haulers should be required to provide all customers with a minimum level of recycling service or submit documentation to the City justifying any exemptions that are granted. The City should revise the current franchise agreements and establish a target diversion rate requirement of between 50 and 60 percent by 2020. The revised franchise agreements should include incremental increases in the diversion rate to achieve the 50-60 percent goal by 2020.

In Process   In March 2015, ESD started meeting with the City's franchise haulers to discuss the structure of the schedule and thresholds for the proposed required minimum diversion rates, appropriate levels of liquidated damages and/or potential termination for not meeting the new diversion requirements, and other changes being considered. The Zero Waste Plan will be taken into consideration in finalizing negotiations of the proposed amendments. The amendments will be taken to Committee and Council. ESD currently anticipates to complete this task by January 1, 2016.

Target Date: January 2016

#3   The Environmental Services Department should present results of a study examining the potential for a districted exclusive collection system as an alternative to the current non-exclusive franchise system so that policymakers can make an informed decision about the ideal franchise system for the City to utilize. This study should include analysis and comparisons of a districted exclusive vs. non-exclusive franchise system in the following areas: a. Potential for stimulating private investment and innovation in recycling infrastructure to improve diversion rates, extend the life of Miramar Landfill, and achieve other Zero Waste goals; b. Impact on customer prices; c. Impact on customer service; d. Impact on street conditions and street maintenance costs; e. Impact on air quality, greenhouse gas emissions, noise, and traffic; f. Impact on the City's ability to stabilize franchise and AB 939 fee revenues and monitor the accuracy of franchisee payments; g. Impact on long-term solid waste hauling competition; h. Analysis by the Office of the City Attorney regarding Proposition 26 and Proposition 218 implications.

In Process   ESD is in the process of developing a RFP to retain a consultant to perform the study. The RFP is expected to be issued by July 2015. The study is expected to be completed and presented at Committee by November 2016.

Target Date: November 2016

#4   If the results of the study show that a districted exclusive collection system is more viable, then the City should consider sending letters of intent to the franchised haulers, as required by the California Public Resources Code, so that a districted franchise system can be implemented as quickly as possible provided that policymakers select a districted exclusive system as the best franchise option for the City.

In Process   Implementation of this recommendation is contingent on the completion of Recommendation #3. If Recommendation #3 is completed as expected, ESD will present the findings to Committee and Council to consider the issuance of the five year notice.

Target Date: November 2016

#7   The Environmental Services Department should allocate additional resources to Citywide Recycling Ordinance (CRO) enforcement for City-serviced residential properties so that bins can be checked at least once every five years. Resources allocated to CRO enforcement for City-serviced residential properties should be periodically evaluated using the data captured pursuant to Recommendation #8, below, to determine whether they are optimal from a cost-effectiveness standpoint.

In Process   Two additional Code Compliance Officers, who would implement this recommendation, are included in the Mayor's Proposed FY 2016 Budget.

                                                                               Target Date: June 2015

#11   The Chief Operating Officer should direct the Environmental Services Department to monitor City departments' compliance with the Citywide Recycling Ordinance (CRO) and report to City Council on the status annually. Additionally, the Environmental Services Department should educate and assist other City departments in meeting recycling requirements.

In Process   The COO directed ESD to expand the efforts of education and assistant City Departments to comply with the CRO requirements, develop a monitoring plan and report out the City Council in October 2016.

                   This recommendation will be deemed as implemented when ESD completes the tasks identified above the report is reported to Council. OCA will continue to follow up on this recommendation..

                                                                               Target Date: October 2016

#12   The City should include compliance with minimum Citywide Recycling Ordinance (CRO) requirements as a condition in contracts for future leases of commercial space.

In Process   ESD provided proposed language to Real Estate Assets Department (READ) on December 31, 2014. READ is currently considering the language and consulting the City Attorney's Office on it. ESD is engaging READ to ensure the language is incorporated into new leases ASAP. The implementation date is TBD by READ.

                                                                               Target Date: June 2015

15-005   **PERFORMANCE AUDIT OF THE SAN DIEGO FIRE-RESCUE DEPARTMENT'S OVERTIME COSTS**

                   (SM) (LB)

#1   The Fire-Rescue Department should perform a staffing analysis annually in order to determine the optimal number of Fire-Suppression employees to hire in order to control overtime. This annual review should be done to coincide with the City's budgeting process and should consider:

- A comparison between the cost of hiring additional employees and the cost of overtime based on workforce composition and associated fringe rates;

- Projections of attrition;

- The average absence rate and the economic benefits of the corresponding relief factor calculation for each Fire-Suppression classification;

- Other activities that take employees away from their posts, such as serving as an instructor for trainings, attending training, and other special assignments; and

- Determination of all activities that contribute to overtime, including:

- Scheduled overtime;

- Scheduled and unscheduled leave time;

- All special assignments;

- Deployments; and Other factors.

In Process The department has dedicated significant effort to perform comprehensive analyses of suppression staffing. A staffing and overtime analysis has been completed in conjunction with the FY16 budget process which takes into consideration, attrition, academy hires, and the various types of leaves (non-productive time) anticipated to occur. An on-going analysis involves the determination of a suppression-focused absence rate and potential relief factor which is scheduled to be completed by the end of March and remains in line with the City's budget process.

Target Date: March 2015

#2 The Human Resources Department should confer with the Fire-Rescue Department and the Financial Management Department to assess the financial impact to the City of continuing the practice of not capping annual leave accruals. The Human Resource Department should then use that information to discuss with the Office of the Mayor whether it should discontinue this practice and plan how to deal with the issue of high annual leave liability.

In Process Recommendations have been developed and will require meet and confer with the impacted labor organization, consistent with the City's obligations under MMBA. The City and Local 145 current MOU is a 5 year contract to expire June 2018. Recommendations regarding the Annual Leave balances will be brought forward during future negotiations for the next contract period.

Target Date: June 2018

#3 The Fire-Rescue Department should identify ways to integrate TeleStaff timekeeping with SAP timekeeping to ensure the reliability of payroll. If the Fire-Rescue Department is not able to integrate the two systems, it should implement an automated way to reconcile the two data sets based on data summary reports.

In Process An exception payroll report has been created by the ERP Technical Team to automate manual time entry reconciliation between Telestaff and SAP. The department is partnering with the ERP Technical Team to test the report and system enhancements and is on target for a March implementation.

Target Date: March 2015

15-009	**PERFORMANCE AUDIT OF THE COMMUNITY PARKING DISTRICT PROGRAM**

(RT)

#1   To fully manage program administration and to ensure the continuity of program operations, we recommend that Economic Development:

- Develop formal, documented guidance that fully details the processes used to account for parking meter revenues and implement parking-projects for the Community Parking District program to enable a successful transfer of institutional knowledge to future staff assigned to administer this program.

In Process   Economic Development staff is working on updating the draft Process Narrative.

Target Date: Fall 2015

#2   To fully measure and manage program outcomes, Economic Development should:

- Adopt, and monitor appropriate Community Parking District performance measures to support the information monitoring needs of key program stakeholders, including City Council, City Management, Community Parking Districts, and other interested parties; and

- Periodically report the performance of the Community Parking District program to key program stakeholders, including City Council, City Management, Community Parking Districts, and other interested parties.

In Process   Economic Development staff is working on updating the draft Process Narrative.

Target Date: Fall 2015

#3   Economic Development should establish written procedures that encompass:

- Monitoring of (revenues and) expenditures from CPD funds to enable key program stakeholders, including City Council, City Management, Community Parking Districts, and other interested parties to monitor CPD performance;

- Strengthened monitoring procedures to enable Economic Development staff to have access to the status of City-implemented projects in progress in order to plan and report on those accomplishments in the respective CPD annual plans.

- Process and quality assurance procedures to monitor program activities and outputs, and enable communication between City departments to resolve compliance and quality issues with the staff and managers regarding City's use of 55% share of parking meter revenue.

In Process   Economic Development staff is working on updating the draft Process Narrative.

Target Date: Fall 2015

December 2014

ATTACHMENT D

Open Audit Recommendations – Not Implemented

This schedule includes a chronological listing of all open recommendations as of December 31, 2014 including new recommendations that were issued in the last three months of the current reporting period but were not expected to be implemented already, and no evidence of implementation was provided yet. It also includes recommendations where no evidence was provided to support any meaningful movement towards implementation, and/or no update information was provided. These recommendations are listed as **Not Implemented.**

14-014   **PERFORMANCE AUDIT OF GRAFFITI CONTROL PROGRAM**

(AH)

#4   The Mayor should determine whether field graffiti abatement activities can be performed most efficiently and effectively by Street Division crews or a third-party vendor. Once a determination is made, the Chief Operating Officer should take action to centralize field abatement crews by utilizing either Street Division crews or a vendor to perform all field activities.

Not Implemented   The centralized program pilot will need to be fully implemented for at least a full year to provide sufficient data to make the recommendations. If this is the course it will require a review via the City's Managed Competition Process so providing a timeline is difficult based upon this uncertainty.

Target Date: December 2015

#10   The Chief Operating Officer should increase publicity of the Spray and Pay rewards program and make Spray and Pay awards proactively to residents who provide information on graffiti vandalism that leads to a conviction.

Not Implemented   The new Communications Department will be engaged to enhance publicity of graffiti reporting programs.

Target Date: March 2016

15-010   **FLEET SERVICES DIVISION FRAUD RISK ASSESSMENT REPORT**

(AH)

#1   The Public Works Department should evaluate the need for interior and exterior security cameras as identified to protect the Fleet Services Division's assets.

Not Implemented   The department did not have enough time to implement the recommendation for this reporting period. We will continue to follow up on this recommendation.

Target Date: TBD

#2   The Public Works Department should coordinate with the Park and Recreation Department to ensure that the necessary repairs are made as identified.

Not Implemented	The department did not have enough time to implement the recommendation for this reporting period. We will continue to follow up on this recommendation.

Target Date: TBD

#3	The Public Works Department should consider evaluating the costs and benefits of acquiring a software bridge between FleetFocus and SAP once the other changes to the Fleet Parts function have been implemented.
Not Implemented	The department did not have enough time to implement the recommendation for this reporting period. We will continue to follow up on this recommendation.

Target Date: June 2016

#4	The Public Works Department should perform a review of FleetFocus system access rights to ensure that the lowest level of access necessary for an individual to perform their job duties is granted.
Not Implemented	The department did not have enough time to implement the recommendation for this reporting period. We will continue to follow up on this recommendation.

Target Date: June 2016

#5	The Fleet Services Division should complete a wall-to-wall inventory of parts at the four primary Fleet Services Division locations and the Kearny Villa Fire Repair Facility as planned to ensure current, complete, and accurate inventory records by the end of the 2014 calendar year.
Not Implemented	The department did not have enough time to implement the recommendation for this reporting period. We will continue to follow up on this recommendation.

Target Date: June 2016

#6	The Fleet Services Division should perform the revised cyclical inventory count procedures at the four primary Fleet Services Division locations by the beginning of the 2015 calendar year.
Not Implemented	The department did not have enough time to implement the recommendation for this reporting period. We will continue to follow up on this recommendation.

Target Date: June 2016