Office of the City Auditor

City of San Diego

Audit Committee Meeting

November 9th, 2009

Item # 1

Performance Audit of the City's Street Maintenance Functions

Economy · Efficiency · Effectiveness

Introduction

- Audit part of the Fiscal Year 2009 City Auditor Work Plan
- General Services Department: Street Division ranked as high risk (83rd Percentile) within the FY 2008 and 2010 Citywide Risk Assessments

Audit Objectives

1. Evaluate the effectiveness of the City in gathering and utilizing quality information for street maintenance and oversight activities. (Current report)

2. Determine the existence and assess the adequacy of internal controls performed by City forces when coordinating work that requires damage of City streets.*

3. Assess the effectiveness of City management in assuring that the City receives the full value for resources allocated to street resurfacing projects.*

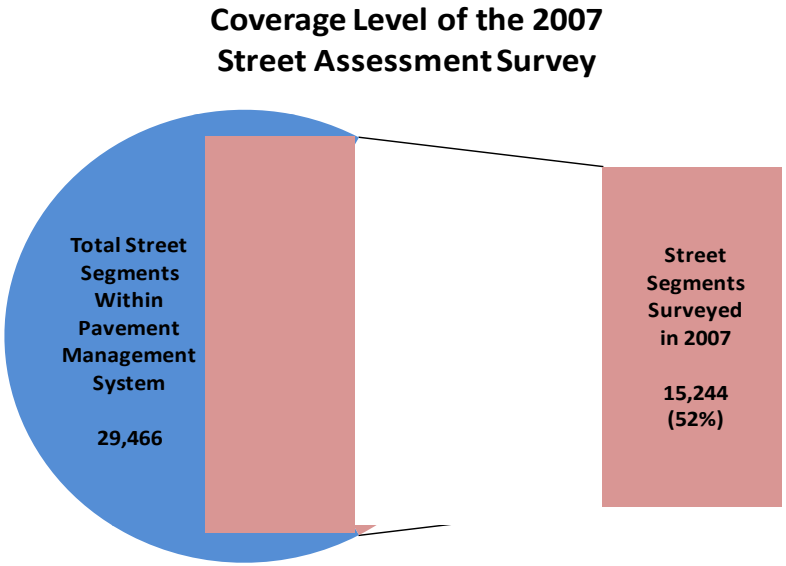
* Currently performing audit fieldwork related to these objectives. Succeeding audit reports will be generated addressing these objectives.

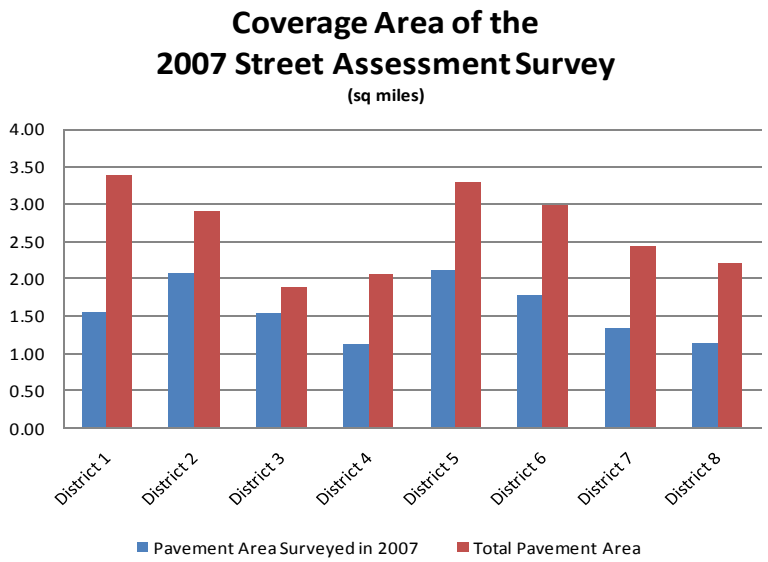
Background

- Street Division maintains over 21 square miles (2,800 linear miles) of paved surface area
- Roads within the San Diego region are comparatively poorer than those of other urban areas
- As of January 2008, the Street Division estimated a $592 million backlog of street repair needs
- City is heavily reliant on debt financing for the performance of street resurfacing work
- City expenditures for street resurfacing have increased significantly in recent years ($58 million from FY 2007 through FY 2009)

Finding 1 - Incomplete Street Condition Information

- 48% of street condition data was obtained prior to the latest street assessment survey





Finding 2 - Updating of Street Condition Information

- Street Division staff does not update condition information upon the completion of street maintenance activity
- Degradation rates are not automated within the pavement management system
- Streets Division cannot provide up-to-date and accurate information regarding the condition of City Streets
- Streets Division is dependent on outside consultants to perform condition assessments on a periodic basis

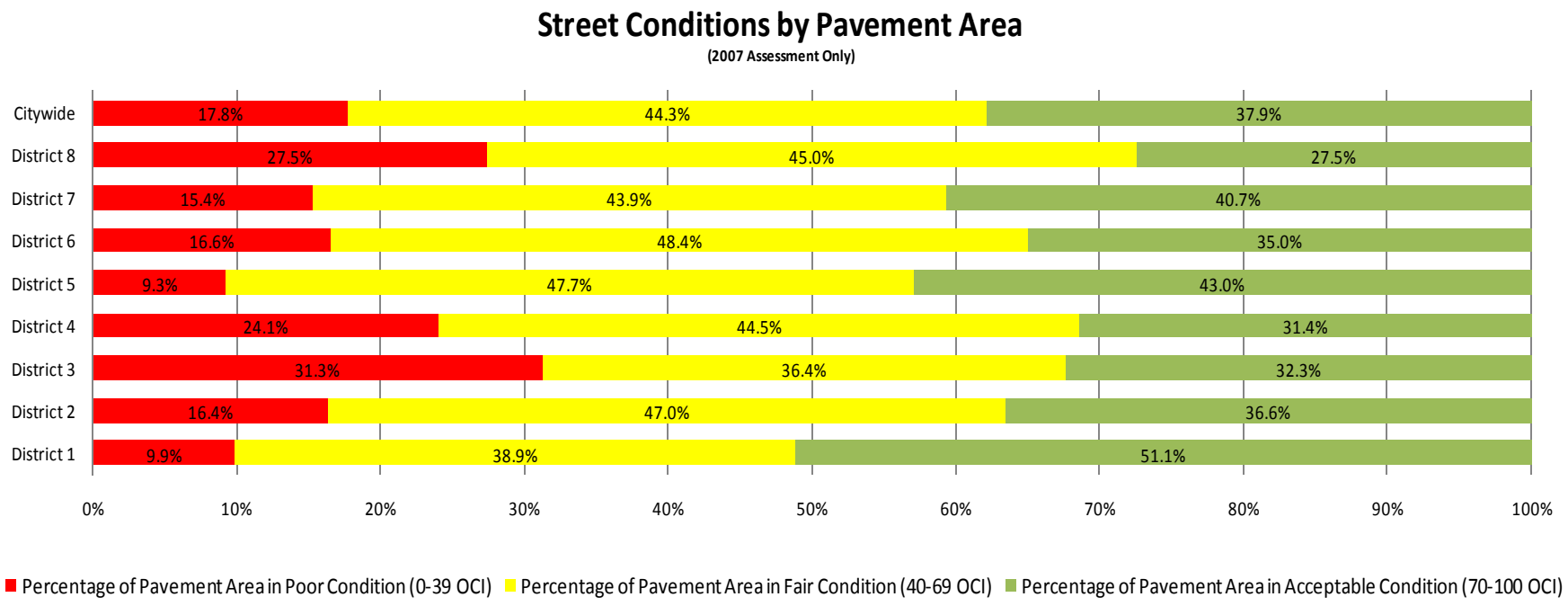
Finding 3 - Lack of Policies and Procedures for Street Selection

- Street Division has no formalized policies and procedures for the identification and selection of streets for maintenance activity

- Uncertainty in this process could cost the City significantly more over time

Finding 4 - Variation of citywide street conditions

- Significant Amounts of City Streets are in Below Acceptable Condition



Audit Recommendations

- We made the following four recommendations:
  1. Comprehensive citywide assessment need
  2. Update condition ratings
  3. Automate degradation rates
  4. Formalize policies and procedures

- City Management agreed with 3 recommendations and partially agreed with 1 recommendation (No. 3 above)

Conclusion

- All audit reports and our contact information are available through the City Auditor's web site at: http://www.sandiego.gov/auditor

- Q & A