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# Audit Recommendation Follow-Up Report

*STATUS UPDATE AS OF  
June 30, 2017*

Office of the City  
Auditor

City of San Diego





## THE CITY OF SAN DIEGO

DATE: October 30, 2017  
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 June 30, 2017. We will continue reporting on open recommendations semiannually for periods ending around June 30<sup>th</sup> and December 31<sup>st</sup>.

We have provided a short summary of data, highlighted three 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 November 8, 2017 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. All of their valuable time and efforts are greatly appreciated.

cc: Honorable Mayor Kevin Faulconer  
Honorable City Councilmembers  
Scott Chadwick, Chief Operating Officer  
Stacey LoMedico, Assistant Chief Operating Officer  
Rolando Charvel, Chief Financial Officer  
Scott Clark, Interim City Comptroller  
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 42 of the outstanding recommendations. Additionally, we issued 8 reports and added 34 new recommendations, and the Administration agreed to implement 100 percent of the recommendations.

There are two recommendations that we deemed as not implement – n/a for the reason stated in the report and one that the department will not implement. These recommendations can be found in Attachment A, and will be discussed at an Audit Committee meeting. We will request the Audit Committee consider dropping these three recommendations.

Lastly, we asked all departments with outstanding recommendations to provide a current target implementation date; however, there are recommendations in this report with dates that are past due. We have included Attachment C – Recommendations Deemed as In Process With Revised or Past Due Target Dates so that past due recommendations and changes in target dates that were due and occurred during this reporting period can be easily identified.

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 June 30, 2017. We contacted departments directly to gather recommendation status information, reviewed all outstanding recommendations, and placed the recommendations into the following status categories:

<b>Implemented</b>	City staff provided sufficient and appropriate evidence to support all elements of implementing the recommendation;
<b>In Process</b>	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;
<b>Will Not Implement</b>	The Administration disagreed with the recommendation, did not intend to implement, and no further action will be reported; and
<b>Not Implemented – N/A</b>	Circumstances changed to make the recommendation not applicable.

As of our last recommendation follow-up report for the period ending December 31, 2016, there were 126 open recommendations. Since then, we have issued four performance audits, one IT audit and three hotline reports which added 34 new recommendations for a total of 160 outstanding recommendations for the period ending June 30, 2017. The table below summarizes this activity:

Activity for the Period Ending June 30, 2017	Number of Recommendations
Recommendations In Process as of December 31, 2016	126
Recommendations Issued January 1, 2017 through June 30, 2017	34
<b>Total Outstanding Recommendations as of June 30, 2017</b>	<b>160</b>

During this reporting cycle, we verified that departments and related entities have implemented 42 recommendations out of 160 (26 percent) since our last report. The results of our review for this reporting cycle are as follows for the 160 recommendations:

Number of Recommendations	Status of Recommendations
42	Implemented
68	In Process - With Revised or Past Due Target Dates
47	In Process – Not Due
2	Not Implemented – N/A
1	Will Not Implement
<b>160</b>	<b>Total</b>

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

- **Exhibit 1** - Summarizes the status of the 160 recommendations by audit report in chronological order.
- **Exhibit 2** - Summarizes the distribution of the 42 recommendations **Implemented** by Department/Agency.
- **Exhibit 3** - Summarizes the distribution of the 68 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency.
- **Exhibit 4** - Summarizes the distribution of the 47 recommendations **In Process - Not Due** by Department/Agency.
- **Exhibit 5** - Breaks down the 160 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 June 30, 2017.

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 June 30, 2017 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 With Revised or Past Due Target Dates**

This schedule includes all recommendations as of June 30, 2017 that are **In Process** of implementation based on the status information provided; however, target dates have been revised since the last reporting period or the dates are past due with no revised date.

**Attachment D – Recommendations Deemed as In Process - Not Due**

This schedule includes all recommendations as of June 30, 2017 that are **In Process** of implementation based on the status information provided and target dates are not due.

## FUTURE RECOMMENDATION FOLLOW-UPS

The Office of the City Auditor will conduct semi-annual follow-ups, with reporting periods ending June 30<sup>th</sup> and December 31<sup>st</sup>. For the next report, we will continue to request that departments establish target implementation dates for new audit recommendations, and we will provide information on the recommendations that become past due or the target implementation date has changed. 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 160 recommendations by audit report in chronological order.

### EXHIBIT 1: Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process	Not Implemented <sup>1</sup>
11-026	Performance Audit Of The Take-Home Use Of City Vehicles	2		1
12-015	Performance Audit Of The Development Services Department's Project Tracking System		3	
13-003	Performance Audit Of The Procurement Card Program	1		
13-005	Hotline Investigation Report Of Cash Handling At Recreation Centers	2		
13-009	Performance Audit Of The Real Estate Assets Department		1	
13-011	Performance Audit Of The Public Utilities Department's Valve Maintenance Program		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
14-006	Performance Audit Of The Police Patrol Operations		1	
14-014	Performance Audit Of Graffiti Control Program	1	1	

<sup>1</sup> This column includes any recommendations deemed Not Implemented – N/A and when a department Will Not Implement.

Report No.	Report Title	Implemented	In Process	Not Implemented <sup>2</sup>
14-016	Hotline Investigation Report Of Public Utilities Warehouse Supply Purchases		1	
14-019	Performance Audit Of Real Estate Assets Department		2	
15-001	Performance Audit Of The Office Of Homeland Security		1	
15-003	Performance Audit Of The City's Waste Reduction And Recycling Programs		4	
15-009	Performance Audit Of The Community Parking District Program	1	2	
15-010	Fleet Services Division Fraud Risk Assessment Report	2	1	
15-011	Performance Audit of the Utilities Undergrounding Program	3	2	
15-012	The City Needs to Address the Lack of Contract Administration and Monitoring on Citywide Goods and Services Contracts		2	
15-013	Performance Audit of the Park and Recreation Department's Golf Division	1		
15-016	Performance Audit of Citywide Contract Oversight		9	
15-017	Performance Audit of the Real Estate Department, Airports Division		1	
15-018	Performance Audit of the Fire-Rescue Department, Lifeguard Services Division		1	
16-005	Performance Audit of the City's Business Improvement District Program		1	
16-006	Performance Audit of the Code Enforcement Division	3	6	
16-008	Internal Control Issues: San Diego Public Library		1	

<sup>2</sup> This column includes any recommendations deemed Not Implemented – N/A and when a department Will Not Implement.

Report No.	Report Title	Implemented	In Process	Not Implemented <sup>3</sup>
16-011	Performance Audit of the Street Preservation Ordinance		2	
16-012	Hotline Investigation of Vendor Fraud		1	
16-013	Hotline Investigation of Landscape Contracts	2		
16-016	Citywide Contract Oversight II - Contract Review	2	2	1
16-017	Audit of San Diego Public Library		4	
17-003	Performance Audit of the San Diego Housing Commission – Affordable Housing Fund	5	1	
17-004	Hotline Investigation of Park and Recreation Department Activity Fee Collection Abuse	1		
17-005	Performance Audit of the San Diego Housing Commission	3	2	
17-006	Performance Audit of The City's Programs Responsible For Improving Pedestrian Safety	2	13	
17-007	Agreed-Upon Procedures Related to the Central Stores Physical Inventory - FY16	1		
17-008	Fraud Hotline Investigation of Abuse in the Public Utilities Department's Selection Phase of the Hiring Process		2	
17-009	Performance Audit of Street Light Repair	3	4	
17-010	Performance Audit of the Affordable / In-Fill Housing and Sustainable Buildings Expedite Program		5	
17-011	Hotline Investigation of Personal Use of City Vehicles at the Public Utilities Department	3		
17-013	Performance Audit of The San Diego Convention Center	2	4	
17-017	Fraud Hotline Report of P-Card Abuse at the Department of Information Technology	1		

<sup>3</sup> This column includes any recommendations deemed Not Implemented – N/A and when a department Will Not Implement.



Report No.	Report Title	Implemented	In Process	Not Implemented <sup>4</sup>
17-018	Performance Audit of City Gas and Electric Utility Billing		3	
17-019	Performance Audit of the Special Event Permit Application Process	1		
17-020	Performance Audit of The City's Management of Its Advisory Boards		14	
17-021	Hotline Investigation of Recreation Activity Permit Calculation Errors and Abuse		5	
17-022	Hotline Investigation of a City Vendor		4	
<b>GRAND TOTAL</b>		<b>42 (26%)</b>	<b>115 (72%)</b>	<b>3 (2%)</b>

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<sup>4</sup> This column includes any recommendations deemed Not Implemented – N/A and when a department Will Not Implement.

**Exhibit 2** summarizes the distribution of the 42 recommendations **Implemented** by Department/Agency as of June 30, 2017.

**EXHIBIT 2: Number of Recommendations Implemented by Department/Agency**

Number of Recommendations Implemented	Department/Agency	Number of Recommendations Implemented	Department/Agency
1	Assistant Chief Operating Officer	1	Park & Recreation – Golf Course
3	Code Enforcement Division - Development Services Department	1	Planning Department-Facilities Financing Section
1	Deputy Chief Operating Officer Infrastructure/Public Works	3	Public Utilities Department
3	Development Services	1	Purchasing & Contracting
1	Development Services and San Diego Housing Commission	2	San Diego Convention Center Corporation
1	Economic Development	3	San Diego Housing Commission
5	Fleet Services	1	Special Events
7	Park & Recreation	8	Transportation & Stormwater

Exhibit 3 summarizes the distribution of the 68 recommendations In Process - With Revised or Past Due Target Dates by Department/Agency as of June 30, 2017.

**EXHIBIT 3: Number of Recommendations In Process - With Revised or Past Due Target Dates by Department/Agency**

Number of Recommendations Outstanding	Department/Agency	Number of Recommendations Outstanding	Department/Agency
6	Code Enforcement Division - Development Services Department	2	Personnel
4	Chief Operating Officer	1	Public Works
8	Development Services	1	Public Works – Field Engineering
2	Economic Development	12	Purchasing & Contracting
3	Environmental Services	4	Real Estate Assets
1	Independent Budget Analysis and Library	1	Real Estate Assets - Airports
2	Fleet Services	1	San Diego Convention Center Corporation
3	Library	2	San Diego Housing Commission
1	Library and Comptroller	6	San Diego Police Department
1	Office of Homeland Security	1	Street Division and Fleet Services
3	Office of the Mayor	3	Transportation & Stormwater

**Exhibit 4** summarizes the distribution of the 47 recommendations **In Process - Not Due** by Department/Agency as of June 30, 2017.

**EXHIBIT 4: Number of Recommendations In Process - Not Due by Department/Agency**

Number of Recommendations Outstanding	Department/Agency	Number of Recommendations Outstanding	Department/Agency
2	Chief Operating Officer, Chief Financial Officer, Environmental Services	7	Office of the Mayor
4	City Clerk	1	Office of the Mayor and Communications Department
1	Communications Department	2	Office of the Mayor and Office of the City Attorney
2	Development Services	5	Park and Recreation
1	Economic Development	9	Public Utilities Department
1	Environmental Services	4	Purchasing & Contracting
1	Environmental Services, Transportation and Storm Water, Park & Recreation, Economic Development, and Chief Financial Officer	2	San Diego Convention Center Corporation
1	Fire-Rescue Lifeguard Division and Real Estate Assets Department	4	Transportation & Stormwater

These exhibits do not include the two recommendations determined as Not Implemented - N/A and the one recommendation reported by the department that they Will not Implement.

**Exhibit 5** breaks down the current 160 open recommendations and the 169, 137, 123, 140 and 152 prior reports recommendations by their status and the length of time a recommendation remains open from the original audit report date for both the current and prior report.<sup>5</sup>

We are no longer utilizing the *Not Implemented* status. All open recommendations are either categorized as *Implemented, In Process, Not Implemented - N/A or Will Not Implement*.

<sup>5</sup> Timing is rounded to the month.

**EXHIBIT 5a: Current Report Audit Recommendations Implementation Aging for June 30, 2017**

Timeframe	Implemented	In Process	Not Implemented- N/A	Will Not Implement	Total
0 - 3 Months	1	26	0	0	27
4 - 6 Months	3	4	0	0	7
6 - 12 Months	18	27	0	0	45
1 to 2 Years	7	18	0	1	26
Over 2 Years	13	40	2	0	55
<b>Total</b>	<b>42</b>	<b>115</b>	<b>2</b>	<b>1</b>	<b>160</b>

**EXHIBIT 5b: Prior Report Audit Recommendations Implementation Aging for December 31, 2016 period**

Timeframe	Implemented	In Process	Not Implemented- N/A	Total
0 - 3 Months	9	36	0	45
4 - 6 Months	17	9	0	26
6 - 12 Months	8	14	0	22
1 to 2 Years	3	31	0	34
Over 2 Years	5	36	1	42
<b>Total</b>	<b>42</b>	<b>126</b>	<b>1</b>	<b>169</b>

**EXHIBIT 5c: Prior Report Audit Recommendations Implementation Aging for June 30, 2016 period**

Timeframe	Implemented	In Process	Not Implemented	Not Implemented- N/A	Total
0 - 3 Months	7	17	1	0	25
4 - 6 Months	8	3	1	0	12
6 - 12 Months	5	12	0	0	17
1 to 2 Years	6	32	1	0	39
Over 2 Years	12	31	0	1	44
<b>Total</b>	<b>38</b>	<b>95</b>	<b>3</b>	<b>1</b>	<b>137</b>

**EXHIBIT 5d: Prior Report Audit Recommendations Implementation Aging for December 31, 2015 period**

Timeframe	Implemented	In Process	Not Implemented	Not Implemented-N/A	Total
0 - 3 Months	6	14	0	0	20
4 - 6 Months	1	3	0	0	4
6 - 12 Months	3	24	1	0	28
1 to 2 Years	6	24	0	1	31
Over 2 Years	5	35	0	0	40
<b>Total</b>	<b>21</b>	<b>100</b>	<b>1</b>	<b>1</b>	<b>123</b>

**EXHIBIT 5e: Prior Report Audit Recommendations Implementation Aging for June 30, 2015 period**

Timeframe	Implemented	In Process	Not Implemented	Not Implemented-N/A	Will Not Implement	Total
0 - 3 Months	4	12	3	0	0	19
4 - 6 Months	2	13	0	0	0	15
6 - 12 Months	2	18	2	0	0	22
1 to 2 Years	12	27	0	0	0	39
Over 2 Years	18	25	0	1	1	45
<b>Total</b>	<b>38</b>	<b>95</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>140</b>

**EXHIBIT 5f: Prior Report Audit Recommendations Implementation Aging for December 31, 2014 period**

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
<b>Total</b>	<b>44</b>	<b>98</b>	<b>8</b>	<b>2</b>	<b>152</b>

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

**EXHIBIT 6: Audit Recommendation Activity for the Period Ending June 30, 2017**

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Activity for the Period Ending June 30, 2017	Number of Recommendations
<b>Open Recommendations Carried Forward from Period Ending December 31, 2016</b>	
Recommendations In Process as of December 31, 2016	126
Recommendations issued January 1, 2017 through June30, 2017	34
<b>Total Outstanding Recommendations as June 30, 2017</b>	<b>160</b>
<b>Recommendations Resolved for Period Ending June 30, 2017</b>	
Recommendations Implemented	42
Recommendations Not Implement – N/A	2
Recommendations Will Not Implemented	1
<b>Recommendations Resolved for Period Ending June 30, 2017</b>	<b>45</b>
<b>Carry Forward Open Recommendations</b>	<b>115</b>

June 2017

# 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 consider dropping the following recommendation because it has been deemed no longer applicable for the reasons stated below.

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

(AH)

#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.

**Not  
Implemented –  
N/A**

The City Administration does not plan to implement this recommendation, stating that having the ability of public safety employees to respond to any emergency situation outweighs any analysis of the commuting cost of take home vehicles.

At the time of the audit, some Fire-Rescue and SDPD employees were assigned take home vehicles but were not required to respond to off-hours call-backs, and we made this recommendation to address costs associated with take-home assignments that did not require off-hours response. However, since the audit, Fire-Rescue and SDPD have implemented updated departmental take-home vehicle policies, and assignment listings provided by both departments show that all employees with take-home vehicle assignments are also required to respond to off-hours emergencies. Given that all SDPD and Fire-Rescue take-home assignments all require off-hours response, we agree that tracking commute costs is not necessary.

**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.

**Not  
Implemented –  
N/A**

Transportation and Stormwater indicated that maintaining a target fund balance is an ongoing operational activity rather than a one-time implementation effort. Since the time of issuing this recommendation, managing the Program with the target fund balance as one of the primary goals has been integrated into the operational practices of the Program. In accordance with City Council Policy, the Department reports twice per year to the City Council on the status of the Program and fund balance. The Departments continuous efforts to spend down the fund balance are shared with the City Council during the discussions of the status reports.

16-016

**PERFORMANCE AUDIT OF SELECTED CONTRACTS**

(SM) (KC)

#7

The Director of Park and Recreation, in consultation with the Office of the City Attorney, should review all line item assessments in invoices submitted by landscape vendors with open contracts with the City of San Diego pertaining to "Contractor's cost of handling" or related "Markup" to determine whether the charges were allowable under the terms of the contract and consider means to recoup any unallowable charges.

**Will Not  
Implement**

Park and Recreation (P&R) conducted an analysis on the three contracts for a three year period in response to a Hotline Investigation. As a result, P&R decided not to implement this recommendation. After having discussions with the City Attorney's Office, P&R determined there is a low probability of recouping any of the charges. The resources that it would take to review 2,700 invoices would not be an efficient use of staff resources and would yield little return.

June 2017

# ATTACHMENT B

## Recommendations Deemed As Implemented

This schedule includes all recommendations as of June 30, 2017 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 B  
RECOMMENDATIONS DEEMED AS IMPLEMENTED**

**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.

**Implemented**        In lieu of updating Council Policy 200-19, Fire-Rescue and SDPD have each developed take-home vehicle policies which clearly define the purpose of take-home vehicle assignments, and require the justification for each assignment to be reviewed annually. In addition, each policy requires the department to compile listings of all take-home vehicle assignments, along with the justification for each assignment. Fleet Services provided current listings to OCA.

#11                    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.

**Implemented**        According to Fleet Services, the Fleet Focus system upgrade project is in its final stages. Fleet Services provided evidence showing that system data is being maintained for over 12,000 vehicles and equipment. In addition, the FY 18 budget includes a Business Systems Analyst position. According to Fleet Services, this position will help ensure data integrity and reporting capabilities.

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

(DK) (SM)

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

**Implemented**        Fleet Operations has implemented a process to identify parts needed, received, and issued using the upgraded Fleet Focus software. OCA staff visited Fleet Operations to review the parts ordering, tracking and issuing process. Additionally, Fleet has also instituted inventory processes to further ensure the accountability of parts.

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

(AH)

#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.

**Implemented** The Park and Recreation Department management has established a new Accountability Committee to periodically and systematically review recreation council financial data, including cancelled checks and bank statements. These actions are sufficient to consider this recommendation implemented.

#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.

**Implemented** The Park and Recreation Department management has established a new Accountability Committee to periodically and systematically review recreation council financial data, including bank statements and financial records. These actions are sufficient to consider this recommendation 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.

**Implemented** Since the implementation of the Get It Done mobile app for reporting various service needs to the City, TSW has received significantly more graffiti complaints than previously. Therefore, although TSW studies indicate that maintenance would be done most efficiently if centralized with City crews, a vendor is still retained to abate some graffiti due to the increased workload.

However, TSW has significantly improved the technology supplied to City and vendor abatement crews, including mobile tablets which allow crews to access photos of the graffiti being reported, and upload work order completion data in the field, replacing paper work orders. These improvements appear to have mitigated many of the inefficiencies created by using both City and vendor crews by improving communication. As a result, City and vendor crews were able to abate approximately 37 percent more graffiti per month, at the same expense and using the same FTE as previously. These efficiency gains satisfy the intent of the recommendation.

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

(AE)

#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 (CPD) program to enable a successful transfer of institutional knowledge to future staff assigned to administer this program.

**Implemented** Economic Development documented procedures through a Process Narrative, entitled "Implement Changes to CPD Parking Projects and Meter Pricing" and a Process Flow Diagram, entitled "Implement Changes to CDP Parking Projects and Meter Pricing" which details the processes used to account for parking meter revenues and implement parking projects for the Community Parking District program.

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

(AH)

#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.

**Implemented** The Fleet Operations Department evaluated the costs and benefits of acquiring a software bridge between Fleet Focus and SAP. The Department implemented an improved interface between SAP and Fleet Focus for monthly rental, assignment, and usage billing. An upgrade to all modules of Fleet Focus is planned. However, the Department determined, in consultation with the City's Strategic Technology Advisory Committee, that based on available City resources and City priorities a software bridge would not be pursued. We consider this recommendation implemented.

#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.

**Implemented** Our fieldwork confirmed that the Department performed a wall-to-wall count of the inventory of parts at the four primary Fleet Services Division locations and the nine parts rooms housed at the police substations. As a result of the August 2016 wall-to-wall inventory count, which concluded in January 2017, the total value of parts inventory for all locations was determined to be \$2.6 million, and \$209,592 was written off.

15-011

## PERFORMANCE AUDIT OF THE UTILITIES UNDERGROUNDING PROGRAM

(SP)

#2

The Transportation & Storm Water Department should periodically, but no less than annually, conduct a verification of a sample of Utility Undergrounding Program project reimbursements for direct and overhead costs to the SDG&E recorded costs to determine the accuracy of the costs based on the supporting documentation maintained by SDG&E.

**Implemented**

The Transportation and Storm Water Department (TSW) has implemented the recommendation. In May and June 2017, TSW completed cost verification for a sample of utility undergrounding projects. Moreover, the department developed and formalized a Standard Operating Procedure for its SDG&E Invoice Verification Process, which became effective July 1, 2017.

#3

The Transportation & Storm Water Department in conjunction with the Chief Operating Officer should formally request that the Project Tracking Invoice prepared by SDG&E include for all project phases:

- Estimated Start and Finish Dates that match the dates SDG&E uses in its own internal project management software; and
- Actual Start and Finish Dates that match the dates SDG&E uses in its own internal project management software.

**Implemented**

The Transportation and Storm Water (TSW) Department implemented the recommendation. TSW requested that SDG&E, and SDG&E agreed to, provide estimated and actual start and finish dates, as well as, percentage completion status for all projects, and all project phases, listed in the monthly Invoice Tracking Sheet. Both parties agreed that the dates used will match the dates in SDGE's SPSS project management software.

#6

The Transportation & Storm Water Department should: Comply with Council Policy 600-08 for twice yearly utility undergrounding reports to City Council and include:

- Scheduling analysis including, at minimum, an evaluation of project timeliness in comparison to the timelines prescribed in the Municipal Code; and
- Cost variance analyses including, at minimum, an evaluation of project actual costs in comparison to project estimates.

**Implemented**

The Transportation and Storm Water Department completes reports to City Council on the status of underground conversion projects and associated funds. These reports provide estimated project costs and actual project expenditures for projects. While the estimated costs and project expenditures presented are not for the same projects, the information provided in the report provides enough detail for decision makers to inquire about project status, anticipated expenditures, and actual expenditures, which is the underlying intent of the recommendation. Should decision makers desire additional information, the information can be requested.

**15-013 PERFORMANCE AUDIT OF THE PARK AND RECREATION DEPARTMENT’S GOLF DIVISION**

(NK)

#1 The Golf Division should finalize the functional and technical requirements for the reservation and point-of-sale system and prioritize the acquisition and implementation of the system. The system should include the following capabilities:

- Integration of credit card processing;
- Integration of the Golf Division’s and pro shop lessee’s point-of- sale systems; and
- Online tee time reservations.

**Implemented** Golf Division's implementation of a new point of sale system satisfies the intent of OCA's recommendation. The Golf Division documents show that it has integrated what was a previously fragmented system, where golf starters would have separately processed the sale and credit card transaction. This system was inefficient and led to errors. The transition to the new system also allows for on-line reservations at City golf courses.

Golf Division reported that one aspect of the recommendation cannot be implemented. Due to liability, labor, and IT security issues, it is not possible to integrate the point of sale systems for the Torrey Pines Golf Course, and the Torrey Pines pro shop, which is managed by a lessee. Even though integration of the systems is not possible, auditors determined that Golf Division's implementation satisfies the intent of the recommendation by improving the point of sale process and reducing the likelihood of transaction errors.

**16-006 PERFORMANCE AUDIT OF THE CODE ENFORCEMENT DIVISION**

(AH)

#2 CED should configure PTS to generate adequate management reports to track CED performance in meeting initial response time goals. This should include reports on response times by case priority and assigned investigator. If configuring PTS to produce these reports is not feasible, CED should establish a more efficient interim process for monitoring and reporting performance in meeting response time goals, to be used until PTS is replaced.

**Implemented** CED developed an interim process to track responses to Priority 1 and Priority 2 cases, which is to be used until Accela is implemented and response times can be tracked and reported on electronically. Although the interim process is manual, it has been effective in ensuring that high-priority cases are responded to with appropriate urgency. For example, during the audit, we found that the average response time for Priority 1 and 2 cases was 11 business days, and only 33 percent of Priority 1 and 2 cases were responded to within CED's response time goals. Using the new tracking system, 92 percent of Priority 1 and 2 cases were responded to within response time goals over the past year, and almost all Priority 1 cases are responded to within one business day.

As we continue to audit the implementation of Accela, we will review and determine if management reports were included in the configuration.



#8 Establish policies and procedures for: a) staff to input investigator action data into PTS; and b) supervisors and managers to periodically review and verify the accuracy of investigator action entries into PTS.

**Implemented** CED implemented a revised procedures manual in late 2016. The procedures manual directs staff to input investigator action information into PTS. There are also various references as to what specific information should be entered in PTS throughout the manual. In addition, the manual states that supervisors will review and employees will be held accountable for complying with the requirements in the procedures manual, including requirements for entering investigator actions in PTS. The manual will be updated with new procedures upon the implementation of the Accela tracking system.

#9 Revise the methodology used for the '% of Code Enforcement Cases Meeting Action Deadlines' metric to ensure accuracy. For example, CED could use actual completion dates in PTS to calculate this metric, and build a buffer into the calculation to allow investigators time to enter investigator action data into PTS once they are completed. If it is not feasible to correct the methodology and report on this metric, CED should discontinue the use of this metric, and should monitor and report on additional performance metrics per Recommendations #10 and #11.

**Implemented** CED has discontinued the use of the '% of Investigator Actions Completed On-Time' metric and has replaced it with performance measures for the percent of high priority Code Enforcement cases being inspected on-time and the percent of Code Enforcement cases opened on the day of receipt. CED reported that 92 percent of high priority cases were inspected on-time and 100 percent of cases were opened on the day of receipt in FY 2017.

## 16-013 HOTLINE INVESTIGATION OF LANDSCAPE CONTRACTS

(AH)

#1 Review the identified questioned costs, seek repayment from the identified contractor(s), and refund the MAD funds, as indicated. This review should include current invoices and prior-year invoices related to the identified contractor(s), as permitted by the statute of limitations.

**Implemented** Park and Recreation Department management reviewed the identified questioned costs and recovered some of the identified questioned costs. In consultation with the City Attorney's Office, Department staff determined that some of the charges were allowable based on vague contract terms, and other charges were not allowable. In any event, preauthorization, a reasonable expectation for payment, or satisfaction with level of service do not indicate that contract terms do not apply. In response to our report, the Department has made improvements to future contracts and provided additional training to staff. Therefore, this recommendation has been implemented.

#8 Review the identified pest control invoices as contract administration deficiencies and develop an action plan to address the (identified issues in the confidential report) related to contract compliance, liability, and procurement policies.

**Implemented** Department staff participated in a training conducted by the Purchasing and Contracting Department regarding Contract Administration. This training addresses the contract administration deficiencies identified in the confidential version of our Fraud Hotline report. This recommendation has been implemented.

**16-016 PERFORMANCE AUDIT OF SELECTED CONTRACTS**

(SM) (KC)

#4 Park and Recreation should develop a contract administration training for landscape contract administrators. The training should provide guidance to landscape contract administrators that provide specific direction on allowable charges and allowable procurement methods. The training should focus on methods to control costs and encourage competitive bidding and good stewardship of taxpayer dollars. Specifically, the training should provide guidance in the areas of purchase rules for goods and services.

**Implemented** Purchasing & Contracting has implemented a procurement training for City staff and has issued a procurement manual and subsequent training. Park & Recreation has also provided additional trainings to staff providing more specific direction on procurement processes related to landscape contracts. We reviewed the trainings that are provided to P&R landscape contract administrators, and the trainings combined meet the requirements of the recommendation.

#9 The Park and Recreation Director should review inventory practices and direct all of his staff to implement an inventory system at all store facilities. The inventory system should include physical inventory procedures, and should be designed to detect loss and unexpected shortages of critical items. If using an electronic inventory software is not practical at all facilities, then the department should develop and document a process to conduct physical inventory procedures on a periodic basis. The department should monitor and periodically review inventory procedures.

**Implemented** Park & Recreation (P&R) has developed several controls to create an inventory control program. Since the audit report was issued in April 2016 the department has reduced access to inventory, as well as reduced the amount of supplies in the distribution area. It has also created a semiannual physical inventory process that includes preparing a report that documents the results of the inventory, including any supply loss. This recommendation is fully implemented.

**17-003 PERFORMANCE AUDIT OF THE SAN DIEGO HOUSING COMMISSION – AFFORDABLE HOUSING FUND**

(CK) (MG)

#1 We recommend that the Development Services Department conduct ongoing training to ensure that inclusionary fees are accurately assessed on developments with multiple buildings and inclusionary fees are assessed and collected prior to the issuance of the first building permit.

<b>Implemented</b>	Development Services Department has included language in Information Bulletin 189, Partial Permits, stating the inclusionary Affordable Housing Fee is paid on or before issuance of the first residential building permit for the development. Inclusionary Housing Fees are a regular item on the Associate Planners Meeting agenda.
#3	We recommend that the Development Services Department consult with the City Attorney's Office to determine if inclusionary fees not assessed (totaling \$5,960) should be recouped.
<b>Implemented</b>	The City Attorney assessed the legal questions raised by the report's findings. Taking that analysis into account, Facilities Financing and Development Services determined that the City should not seek to obtain additional payments or issue refunds for the over-, under-, and not-assessed linkage and inclusionary fees identified in the audit.
#4	The Development Services Department and the San Diego Housing Commission establish a written service level agreement to determine mutual timelines as to when SDHC should provide the updated inclusionary rates to DSD, and when DSD will update the rates in the system so they will take effect after July 1st of each fiscal year.
<b>Implemented</b>	The Development Services Department and the San Diego Housing Commission have entered into a written Memorandum of Understanding to establish timelines for SDHC to provide the updated inclusionary rates to DSD. The Memorandum also includes when DSD will update the rates in the system so they will take effect after July 1st of each fiscal year.
#5	We recommend that the Development Services Department consult with the City Attorney's Office to determine if the under-assessed inclusionary fees (totaling \$1,565) should be recouped.
<b>Implemented</b>	The City Attorney assessed the legal questions raised by the report's findings. Taking that analysis into account, Facilities Financing and Development Services determined that the City should not seek to obtain additional payments or issue refunds for the over-, under-, and not-assessed linkage and inclusionary fees identified in the audit.
#8	We recommend Facilities Financing consult with the City Attorney's Office to determine if the over/under-assessed linkage fees identified should be refunded/recouped.
<b>Implemented</b>	The City Attorney assessed the legal questions raised by the report's findings. Taking that analysis into account, Facilities Financing and Development Services determined that the City should not seek to obtain additional payments or issue refunds for the over-, under-, and not-assessed linkage and inclusionary fees identified in the audit.
<b>17-004</b>	<b>HOTLINE INVESTIGATION OF PARK AND RECREATION DEPARTMENT ACTIVITY FEE COLLECTION ABUSE</b>
	(AH)
#1	We recommend that the Park and Recreation Department develop procedures to ensure that all participants in City-sponsored programs pay all required fees.

**Implemented** The Park and Recreation Department management has established a new Accountability Committee to periodically and systematically review class and activity registrations to ensure they are accurate, complete, and include appropriate fees. These actions are sufficient to consider this recommendation implemented.

**17-005 PERFORMANCE AUDIT OF THE SAN DIEGO HOUSING COMMISSION**

(CK) (LB)

#1 To help maximize the number of affordable housing units produced, the San Diego Housing Commission should establish targets and performance measures and annually report on those results. When setting production goals, the San Diego Housing Commission should also consider the number of units that are at risk of conversion to market rate.

**Implemented** The San Diego Housing Commission (SDHC) set production targets for the creation of affordable housing units in its 2016-2020 Strategic Plan. SDHC has also reported on its progress toward meeting this target in its Strategic Plan Annual Update, which was presented to the Board of Commissioners most recently in September 2017. Moreover, SDHC has taken measures that incentivize the preservation of "at-risk" housing developments. For example, SDHC's October 2016 Notice of Funding Availability (NOFA) for Affordable Rental Housing Development, which allows developers to apply for financing from SDHC, gives a higher priority to preservation projects.

#3 The San Diego Housing Commission should develop loan servicing guidelines that include review timelines, reconciliation procedures, and dispute procedures.

**Implemented** The San Diego Housing Commission has developed a loan servicing document; Multifamily Loans Asset & Portfolio Management Guidelines and is conducting compliance monitoring of its multifamily assets.

#5 The San Diego Housing Commission should conduct periodic analysis, no less than annually, of the cost-benefit of the loan servicing activities. If the loan servicing activities are not cost-effective, alternatives such as streamlined reconciliation procedures or a simplified payment structure should be considered.

**Implemented** Loan servicing activities are an essential part of Housing Commission's core responsibilities to provide affordable, safe, and quality homes for low- and moderate-income families and individuals in the City of San Diego. Documentation was provided to deem this recommendation as implemented.

In addition, the Housing Commission will be implementing new loan servicing software in December 2017 and new homebuyer underwriting software in spring 2018. These new software systems will streamline loan servicing activities; enhance staff productivity and customer service; and produce cost savings that can be directed to other important Housing Commission activities.

As a public agency that invests loans composed of public funds, the Housing Commission is required to service our loans. Once full implementation of the software has been completed, the Housing Commission will continue to explore best practices for continuous improvement. These could include outsourcing some activities at a lower cost that would not incur additional risk to the Housing Commission or the City of San Diego.

17-006

**PERFORMANCE AUDIT OF THE CITY'S PROGRAMS RESPONSIBLE FOR IMPROVING PEDESTRIAN SAFETY**

**(AH) (DN)**

#2

The Transportation and Storm Water Department (TSW) should establish a goal of proactively evaluating a minimum number of the highest-pedestrian collision locations each year, based on the methodology developed as part of Recommendation #1, and should program and request funding for warranted pedestrian safety infrastructure improvements at each location in accordance with Council Policy 800-14. Performance towards meeting this goal should be publicly reported on an annual basis, such as on the City's Open Data Portal or a future Vision Zero San Diego website (see Recommendation #18).

At each high-pedestrian collision location, TSW should identify and program all improvements, including those warranted under the Pedestrian Crosswalk Guidelines, as well as other improvements that are necessary to increase pedestrian safety, based on TSW's professional judgment.

If any of the warranted improvements cannot be funded in a given year, these improvements should be placed on the Transportation Unfunded Needs List and considered for funding in future years in accordance with Council Policy 800-14.

**Implemented**

The Transportation and Storm Water Department has set a goal of proactively evaluating five high-pedestrian-crash intersections per year, which will be identified using the methodology developed per Recommendation #1. This methodology incorporates the number of fatal and severe injury pedestrian crashes, as well as the total number of pedestrian crashes, to rank each intersection.

TSW will program and request funding for comprehensive pedestrian safety improvements at each of these locations. TSW has completed its evaluation for the first year and has programmed comprehensive improvements at five intersections. Some improvements have already been made, some have been funded and will be completed in FY 18, and some are awaiting funding and have been placed on TSW's unfunded needs list, with the intent of seeking funding as it becomes available.

TSW's performance towards meeting the goal of proactively evaluating and improving five high-pedestrian-crash locations each year is being reported on the City's Vision Zero website, available at:

<https://www.sandiego.gov/mayor/initiatives/vision-zero>

[https://www.sandiego.gov/sites/default/files/july\\_2017\\_update\\_on\\_audit\\_recommendation\\_2.pdf](https://www.sandiego.gov/sites/default/files/july_2017_update_on_audit_recommendation_2.pdf)

[https://www.sandiego.gov/sites/default/files/transportation\\_storm\\_water\\_department\\_instruction\\_1.pdf](https://www.sandiego.gov/sites/default/files/transportation_storm_water_department_instruction_1.pdf)

In addition, TSW has evaluated the other high-pedestrian-collision intersections identified in the audit and has installed, or is scheduled to install, improvements including high visibility crosswalks, pedestrian countdown timers, and audible pedestrian signals at these locations.

#3 The Transportation and Storm Water Department (TSW) should establish a written policy to ensure that, in the event that TSW receives funding for one specific type of pedestrian safety infrastructure improvement (such as pedestrian countdown timers), TSW should utilize the analysis from the methodology developed as part of Recommendation #1, in conjunction with Council Policy 800-14, to ensure that these improvements are placed at the high-pedestrian collision locations where they will have the greatest impact on pedestrian safety.

**Implemented** The Transportation and Storm Water Department has implemented a procedure to identify and prioritize high-pedestrian-crash locations for infrastructure improvements. This procedure includes that when TSW receives funding for a particular pedestrian safety improvement, such as pedestrian countdown timers, that the methodology developed under Recommendation #1 will be a factor in where these improvements are placed, in conjunction with Council Policy 800-14. This will help ensure that these improvements are made at locations where pedestrian collisions, injuries, and fatalities have most frequently occurred.

The procedure is available on the City's Vision Zero website at:  
[https://www.sandiego.gov/sites/default/files/transportation\\_storm\\_water\\_department\\_instruction\\_1.pdf](https://www.sandiego.gov/sites/default/files/transportation_storm_water_department_instruction_1.pdf)

17-007 **AGREED-UPON PROCEDURES RELATED TO THE CENTRAL STORES PHYSICAL INVENTORY – FY16**

(DK)

#2 We recommend that Purchasing and Contracting take the appropriate steps to ensure that the timelines set forth in the City's applicable Administrative Regulation and Process Narrative are met. Further, Purchasing and Contracting should work with the client departments and the Office of the City Comptroller to ensure the proper and timely accounting treatment for removing obsolete items.

**Implemented** During the FY 2017 Agreed-Upon Procedures Related To The Central Stores Physical Inventory Audit, Macias, Gini & O'Connell stated: The City was recommended to strengthen procedures to properly liquidate obsolete inventory in a timely manner from the results of the FY 2016 Inventory agreed-upon procedures. Per discussion with the Deputy Director of Purchasing and Contracting during the entrance conference held on June 19, 2017, the annual review for identifying obsolete items during FY 2017 was initiated earlier compared to prior years. Based on our review of the supporting documentation provided, we noted most of the responses received from the City departments were obtained before the entrance conference date. We verified the obsolete items confirmed by the City's departments were removed from the inventory records by Central Stores staff.

17-009

**PERFORMANCE AUDIT OF STREET LIGHT REPAIR**

(AE)

#2

In order to improve street light repair efficiency by increasing the percentage of operational vehicles and expediting the purchase of budgeted new vehicles, the Director of Transportation and Storm Water should provide workload information and vehicle needs to the Director of Fleet Operations to assist in developing priorities for vehicle availability and acquisition.

**Implemented**

Street Division has established regular dialog with Fleet Services and is monitoring vehicle status which meets the spirit and intent of this recommendation. Although availability was down during the month June to 72%, Street Department staff stated availability had varied monthly and been as high as 80%. Also, Street Division had turned in 2 vehicles due to age for acquisition of new vehicles. Since vehicle age directly impacts repairs and vehicle availability, vehicle replacement is a key component of addressing this issue. The OCA has included an audit of Fleet Service Vehicle Acquisition, which should address the underlying issues related to Street Department replacement vehicles.

#3

The Street Division Deputy Director should develop written policies and procedures for all street light repair operations to ensure: standardized repair operations that include a prioritization methodology and geographic considerations; and document retention procedures that comply with City retention policy.

**Implemented**

The Street Division developed written standard operating procedures for street light repair and pole replacement operations, which included standardized repair operations including prioritization methodology and geographic considerations; and document retention requirements that comply with City policy.

#7

In order to improve street light management and maintenance, the Deputy Chief Operating Officer Infrastructure/Public Works, in conjunction with the Transportation and Storm Water Department and the Environmental Services Department, should develop and document a street light management plan or memorandum of understanding that includes an overall vision for the long term management of street lights, and clear responsibilities for future planning related to street light installation, energy efficiency for streetlight retrofits, and maintenance of street light infrastructure.

**Implemented**

The Deputy Chief Operating Officers for Infrastructure/Public Works, Neighborhood Services, and Internal Operations signed a Memorandum of Understanding (MOU) dated June 30, 2017. The MOU identified seven city departments as internal stakeholders involved in planning, installation, monitoring, and maintenance of the city streetlights. The MOU also identified specific streetlight management responsibilities for inventory, evaluation and prioritization lighting needs, maintenance and repair, capital projects and field inspection, energy efficiency initiatives, maintenance assessment district /park lighting, fixture and pole standards, pole attachments, banner districts, and funding/accounting. The MOU will be reviewed at least every five years.

**17-011 HOTLINE INVESTIGATION OF PERSONAL USE OF CITY VEHICLES AT THE PUBLIC UTILITIES DEPARTMENT**

(AH)

#1 We recommend that the Public Utilities Department conduct an independent investigation to determine if City policies were violated and take the appropriate corrective action with respect to the identified City employees.

**Implemented** The Public Utilities Department reported that formal fact finding investigations were conducted and that the appropriate corrective actions were taken with respect to the identified City employees.

#2 We recommend that the Public Utilities Department, in coordination with the City Attorney's Office, and Office of the City Comptroller:

- a. determine if action can be taken to recover any substantiated costs related to the improper payment of wages associated with the hours of personal use of City vehicles for both current and former City employees; and
- b. evaluate the tax consequences of the personal use of City vehicles and ensure that the City complies with IRS income reporting requirements for current and former identified employees.

**Implemented** The Public Utilities Department, in coordination with the Office of the City Attorney evaluated the recovery of wages and took action to issue corrected W-2 forms for two former City employees related to the personal use of City vehicles. The total amount reported as additional income related to the personal use of City vehicles was \$26,200.

#3 We recommend that the Public Utilities Department, in coordination with the City Attorney's Office, and Human Resources Department:

- a. review and strengthen internal control policies and procedures regarding City vehicle use; and
- b. consider using GPS data to monitor City vehicle use for compliance with City policy.

**Implemented** The Department has taken action to strengthen internal control policies and procedures regarding City vehicle use. In coordination with the Office of the City Attorney and City management, the Department has considered using GPS data to monitor City vehicle use on an ongoing basis as part of a revised City policy.

**17-013 PERFORMANCE AUDIT OF THE SAN DIEGO CONVENTION CENTER**

(SP)

#3 In order for the San Diego Convention Center Corporation to prepare for capital funding needs, it should prioritize expected capital project needs by order of importance within each year.



**Implemented** The San Diego Convention Center Corporation (SDCCC) has implemented the recommendation. As of March 2017, SDCCC has prioritized projects by order of importance for each year beginning FY 2018 to FY 2027. SDCCC will update its 10-Year plan annually.

#5 San Diego Convention Center Corporation (SDCCC) should update its internal invoice payment authorization procedures to reflect appropriate practice.

**Implemented** The San Diego Convention Center Corporation has updated its Approval and Authorization to Pay Invoices policy. Effective March 2017, the policy reflects current practice and describes the acceptable methods of authorization and the appropriate documentation that should be included for approvals.

**17-017 FRAUD HOTLINE REPORT OF P-CARD ABUSE AT THE DEPARTMENT OF INFORMATION TECHNOLOGY**

(AH)

#1 We recommend that the Assistant Chief Operating Officer take the appropriate corrective action with respect to the employees identified in the confidential report.

**Implemented** Evidence was provided to demonstrate that appropriate corrective action was taken by the Administration.

**17-019 PERFORMANCE AUDIT OF THE SPECIAL EVENT PERMIT APPLICATION PROCESS**

(SP)

#1 To ensure all applicants for a Special Event Permit are consistently billed for the Special Event Permit Application fee in a timely manner, the Special Events and Filming Department should develop and implement an invoicing policy and operating procedure that includes a standard billing timeframe.

**Implemented** The department developed, and as of July 2017 formalized, an invoicing and operating procedure that includes a standard time frame for billing special event permit applicants. The policy includes application and late fees for application submittal. It also establishes that the department has a goal of invoicing applicants, on average, within 10 business days.

June 2017

# ATTACHMENT C

## Recommendations Deemed As In Process With Revised Target Dates or Past Due Dates

This schedule includes all recommendations as of June 30, 2017 that are **In Process** of implementation based on the status information provided; however, target dates for implementation were revised from the last reporting period.

**ATTACHMENT C  
RECOMMENDATIONS DEEMED AS IN PROCESS – WITH REVISED TARGET DATES**

**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. Project Tracking System (PTS) changes have been completed, the remainder of this item will be completed with the Accela Replacement implementation.

Priority 1	Issue Date: June 29, 2012	Original Target Date: Disagreed	Current Target Date: <del>May 2017</del> December 2017
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#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**

No change since last reporting period. Project Tracking System (PTS) changes have been completed, the remainder of this item will be completed with the Accela Replacement implementation.

Priority 1	Issue Date: June 29, 2012	Original Target Date: April 2017	Current Target Date: <del>May 2017</del> December 2017
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#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**

No change since last reporting period. Project Tracking System (PTS) changes have been completed, the remainder of this item will be completed with the Accela Replacement implementation.

Priority 2	Issue Date: June 29, 2012	Original Target Date: December 2017	Current Target Date: <del>May 2017</del> December 2017
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13-009

**PERFORMANCE AUDIT OF THE REAL ESTATE ASSETS DEPARTMENT**

(SP)

#4

The Real Estate Assets Department (READ) 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**

According to the department, revising Council Policy 700-10 impacts other council policies and will require more review and time before completion. The department anticipates presenting this item before the Smart Growth and Land Use Committee in Spring 2018.

Priority 3	Issue Date: December 20, 2012	Original Target Date: June 2013	Current Target Date: <del>March 2017</del> <del>April 2017</del> June 2018
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**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** No change since last reporting period. The CAD replacement project is progressing according to the timeline described in the last report and cutover to the new system is expected in October 2017. It is anticipated the new system will allow improved reporting and analysis capabilities, and staffing/service delivery will be reviewed as the improved data becomes available.

Priority 3	Issue Date: September 23, 2013	Original Target Date: June 2017	Current Target Date: <del>June 2017</del> October 2017
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**14-014 PERFORMANCE AUDIT OF GRAFFITI CONTROL PROGRAM**

(AH)

#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.

**In Process** Communications worked with TSW and SDPD to develop a Spray and Pay Communications Plan which includes strategies to publicize the Spray and Pay Rewards Program via flyers and social media. OCA is awaiting additional information on these outreach methods, as well as evidence that Spray and Pay awards are being made proactively to residents who report graffiti vandalism and their report leads to a conviction. The Office of the City Attorney and SDPD are working to develop a process to proactively notify persons of their eligibility for a Spray and Pay reward.

Priority 2	Issue Date: March 05, 2014	Original Target Date: September 2014	Current Target Date: <del>January 2017</del> May 2017
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**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** No change since last reporting period. The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 -Debarment. City Council approved the revisions in August 2016, and the implementing A.R. is in development.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	March 18, 2014	N/A January 2017	<del>January 2017</del> June 2017

**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** Rick Engineering has completed a first draft conceptual design for the removal of the Sunset Cliffs Natural Park rental properties. Their sub-consultant for historical analysis is in the early stages of reviewing the documentation for the two potentially historically significant structures. A presentation to the Sunset Cliffs Natural Park Council is upcoming this fall to update the community on the status of the project.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	May 7, 2014	June 2017	<del>Fiscal Year 2018</del> June 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**

Rent study has been done, further information has been requested from the Public Utilities Department (PUD) in order to determine how some of the rates affect farm worker housing. READ anticipates working with PUD in order to implement new rates as appropriate by the end of the 2017 calendar year.

Priority 3	Issued Date: May 7, 2014	Original Target Date: August 2014	Current Target Date: <del>December 2016</del> <del>February 2017</del> December 2017
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**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**

The proposed draft AR is currently routing for final City approval.

Priority 3	Issue Date: July 9, 2014	Original Target Date: June 2015	Current Target Date: February 2017
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**15-003**

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

(AH)

**#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**

R3 Consulting Group, Inc. was selected to perform the study. The Notice to Proceed was issued in March 2017, and the consultant is conducting the study. The study is anticipated to be presented at Committee by March 2018.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	August 11, 2014	March 2016	<del>November 2017</del> March 2018

#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** No change since last reporting period. Implementation of this recommendation is contingent on the completion of Recommendation #3 and approval to proceed.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	August 11, 2014	June 2016	<del>November 2017</del> March 2018

#7 The Environmental Services Department (ESD) 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 Code Compliance Officer positions were included in the adopted FY 2018 budget. ESD has begun the process to fill these positions.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 11, 2014	June 2015	<del>July 2017</del> October 2017

#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** Real Estate Assets continues to work with the CAO on templates, but in the meantime has issued a memo to all agents directing them to work with the CAO on all new or amended agreements where the primary use is commercial space in order to incorporate appropriate language regarding the Citywide Recycling Ordinance.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 11, 2014	January 2015	<del>July 2016</del> July 2017



15-009 PERFORMANCE AUDIT OF THE COMMUNITY PARKING DISTRICT PROGRAM

(AE)

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

- Adopt, and monitor appropriate Community Parking District (CPD) 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**

As of 10/23/17, a new implementation date of 4/1/2018 needed to be set. A Meeting with all Parking Districts is needed to create new metrics with a goal set for the reporting period. The new metrics will be created that are measurable with goals. The new goals will be revised to measurable metrics, due to the needs of each parking district and the available of parking spots, meters and bike racks vary year to year. The goals will be discussed to be changed by the project and result based instead of numeric goals.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	November 7, 2014	June 2016	<del>June 2017</del>
			January 2018
			April 2018

15-010 FLEET SERVICES DIVISION FRAUD RISK ASSESSMENT REPORT

(AH)

#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.

**In Process**

We determined that the Fleet Operations Department has not yet implemented cyclical inventory count procedures as planned. The Department plans to implement the procedures during Fiscal Year 2018. The OCA will conduct follow-up procedures to verify the implementation of this recommendation and will provide a status update in the next Recommendation Follow-Up report.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	December 23, 2015	May 2016	<del>May 2016</del>
			February 2017
			June 2018

**15-011 PERFORMANCE AUDIT OF THE UTILITIES UNDERGROUNDING PROGRAM**

(SP)

#4 The Transportation & Storm Water Department in conjunction with the City Attorney's Office should review, reconcile, and amend the Municipal Code and Council Policy to ensure consistency as needed and provide project timeline expectations.

**In Process** According to the Transportation and Storm Water Department (TSW), the changes to the Municipal Code and Council Policy have been put on hold due to legal proceedings; the outcomes of which may impact updates. Moreover, TSW notes that the new Master Plan will also impact project timelines. The anticipated implementation date is June 30, 2018, although the results of the legal proceedings will dictate estimates.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	January 15, 2015	June 2016	<del>June 2017</del> June 2018

#5 The Transportation & Storm Water Department should implement the use of project management software.

**In Process** The department indicated the target implementation date has been revised to 6/30/2018. Additional time is needed to fully implement this recommendation due to unforeseen complexities of implementing a software solution. Staff's limited knowledge of this type of software implementation, and efforts focused on other Program commitments to increase undergrounding production has impacted resources. However, staff continued their work on implementing this recommendation and have obtained a consultant to establish a recommended solution. This work has been completed, and a detailed plan for the development and implementation of the work management software in FY 2018 has been established in coordination with the Department of IT. The Department expects to have this recommendation implemented by June 30, 2018.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	January 15, 2015	January 2016	<del>June 2017</del> June 2018

**15-012 THE CITY NEEDS TO ADDRESS THE LACK OF CONTRACT ADMINISTRATION AND MONITORING ON CITYWIDE GOODS AND SERVICES CONTRACTS**

(SG) (AE)

#1 The Purchasing & Contracting Director should take immediate action to ensure contract administration responsibilities are assigned to appropriate personnel for all Citywide contracts and provide those individuals with the tools to properly monitor each contract. This should include but is not limited to providing a copy of contract with all terms and conditions listed, pricing agreements, and the responsibilities involved with contract administration.



15-016

## PERFORMANCE AUDIT OF CITYWIDE CONTRACT OVERSIGHT

(SG) (MG)

#1

To ensure accurate contractual information and supporting documentation are available to Citywide contract administrators and users, the Chief Operating Officer should establish policies and procedures to require:

- a) All City contracts utilize an SAP Outline Agreement to centralize contract information and utilize centralized controls, access and reporting in the Citywide financial system;
- b) The City should track total contract awards in SAP in accordance with the full value of the awarded contract to facilitate accurate controls and reporting;
- c) The configuration of contract terms is standardized in SAP, in accordance to contractual terms, to facilitate better control and reporting across all contract, including the Target Value, Total Award Value, and Contract Validity Dates; and
- d) Supporting contracting documentation is centralized and stored electronically in SAP, i.e. attaching all contracts and related documentation to an SAP Outline Agreement.

Additionally, the Chief Operating Officer should establish responsibility for training contracting staff in Purchasing & Contracting and Public Works Contracting Group to ensure that information is tracked uniformly in SAP according to the developed policies and procedures.

**In Process**

No change since last reporting period. Purchasing and Contracting and the Department of IT continue to make significant progress on the multi-phase implementation of the P2P Overhaul project.

To date, P&C has successfully completed 2 of the 7 project phase releases, which have resulted in early wins, including streamlining of:

- Master data design and usage;
- Business process and approvals processes;
- Supplier communications; and
- Procurement reporting.

The overall Road Map for the overhaul project was completed in September 2015, and the Ariba solution was added to the Road Map in January 2016. Specific project plans are developed for each phase of the project within the Road Map—a practice that is consistent with industry standards for phased software deployment. Based on the best available current information, two key phases pertaining to Ariba implementation (referenced in the audit report) are scheduled to be delivered by the end of FY 2017. Importantly, these phases will address many of the issues identified in the audit report, including catalog procurement, contract compliance, and contract management.

Management continues to work diligently with SAP/Ariba to provide the best possible solution for the City's needs. The team is focused on ensuring the smoothest possible transition to the new procurement system.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	<del>TBD</del> January 2017	<del>January 2017</del> June 2017

#2

The Chief Operating Officer should establish procedures detailing requirements for contract administrators, defining the responsibilities they have to complete prior to approving invoices for payment and submitting them to Comptrollers for processing. Specifically, the procedures should include:

- a) Develop analytical procedures to ensure that payments are made in compliance with contractual costs and fees.
- b) Attach the pertinent documentation supporting the payment approval in the SAP Invoice as defined in the contract's Quality Assurance Surveillance Plan to ensure the payment can be verified as appropriate.
- c) Establish responsibility for training contract administrators on procedures that must be accomplished prior to recommending or approving invoices for payment.
- d) Establish responsibility for monitoring the contract administrators' responsibilities prior to recommending or approving invoices for payment.
- e) An annual review of the City's contract administration invoice approval process to ensure it is working as intended and effective; additionally, the policies and procedures should be updated as necessary resulting from this review.

**In Process**

No change since last reporting period. P&C is working on developing clear processes and staff resources. Additionally, the contract amendment process will be detailed and explained in the forthcoming P&C Manual (being drafted). Further P&C has established a Contract Compliance Unit, which is tasked with training and assisting City departments with contract administration issues.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	November 2015	<del>November 2016</del> June 2017

#3

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

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

**In Process**

No change since last reporting period. P&C is working on developing clear processes and staff resources. Additionally, the contract amendment process will be detailed and explained in the forthcoming P&C Manual (being drafted). Further P&C has established a Contract Compliance Unit, which is tasked with training and assisting City departments with contract administration issues.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	November 2015	<del>November 2016</del> June 2017

#4

The Purchasing & Contracting Department should clearly define the contract amendment and close-out processes for goods, services and consultant contracts, including amendment and close-out tasks and responsible parties. Specifically, Purchasing & Contracting should:

- a) Develop contract amendment and contract close-out policies and procedures around the process to ensure that it is performed uniformly across contract types, but with adjustable scope based on contract size and type.
- b) Identify aspects of the process that can be automated in the Citywide Financial System where possible.
- c) Provide training to Citywide Contract Administrators on the new policies and procedures developed for the contract amendment and close-out processes.

**In Process**

No change since last reporting period. P&C is working on developing clear processes and staff resources on the Contract Closeout Process. Additionally, the contract amendment process will be detailed and explained in the forthcoming P&C Manual. P&C has drafted the manual and is collaborating with the Communications Department on the final production of the document.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	<del>N/A</del> November 2016	<del>November 2016</del> June 2017

#5

The Public Works Department should clearly define the CIP and CIP related contract change order and closeout processes, including closeout tasks, clearly defined roles and responsibilities for all involved parties, and timelines.

**In Process**

No change since last reporting period. CMFS is working with Docket Liaison to create an electronic version of our divisions' Change Orders (CCO). CMFS met with the team to define the criteria requirements, they were very positive about our request and identified our needs to be covered in their requirements to hire their new vendor. The vendor to replace the systems has been secured and the Docket Liaison is working on the details for the successful replacement of the SIRE system for processing of 1472s and PA2625. At this time the new software (On-Base) is still believed to be the best path to convert the CCOs from paper to electronic. However, further meetings will be scheduled with the Docket Liaison to confirm this prior to working with the On-Base software vendor.

We have clearly identified to our staff and the contractors the importance of the date listed on our Notice of Completion (NOC). This date correlates back to our CIP contracts and to the start of the warranty. This date is also the same date as on another official document that Resident Engineers execute on the final "Statement of Working Days." This was an important and significant milestone for clarification and consistency with all of our CIP contracts.

CMFS presented the first rough draft of the check list for Close-Out Process to the Construction Industry at our next Technical Committee schedule for November 2016. No comments have been received from the Contracting community. We anticipate time savings once we can process the Close out Change Order electronically and we will then finalize the check list when that update is made.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	<del>N/A</del> November 2016	<del>November 2016</del> December 2017

#6

The Public Works Department should continue to pursue the automation of these processes to increase the efficiency and effectiveness of their operations. Specifically, the department should:

- a) Complete the refined requirements for automating their construction project management process (from cradle to grave), ensuring the software is process driven, effective at document storage & management and user friendly to mitigate current inefficiencies, and pursue the acquisition of the Construction Management Software.
- b) Develop a robust implementation plan that includes a detailed user acceptance strategy to ensure the system is fully utilized in the daily process of construction project management.

**In Process**

The target date for completion is June 2017....CMFS is staying with VPM, the existing CM software, but we are working with the developer/programmer to update for division/department's current needs (SWPPP and electronic payments – adding more bells and whistles). We have recently (August 2016) established process with our PW-IT team to automatically set-up VPM accounts for ALL CIP in PWs. We currently have a small pilot team (from the Mobility Committee) working on VPM for a few CIPs to make sure it meets the current demands of our CMs. The part still needed to be implemented (Bells & Whistles) are the SWPPP portion (JURP) which we already have a system in-place via City Hub but it is not functioning effectively so we are moving it to VPM system for all CIPs and for the potential of electronic payments receipts, we are still required to make the final payments in SAP.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	June 2017	<del>June 2017</del> December 2017

#7

No change since last reporting period. The Chief Operating Officer (COO) should require the completion of a standardized performance evaluation upon contract completion for both CIP and non-CIP contracts. Specifically, the COO should develop policies and procedures for vendor performance evaluations that:

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

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

**In Process**

P&C is working on developing clear processes and staff resources. Additionally, the contract amendment process will be detailed and explained in the forthcoming P&C Manual (being drafted). Further P&C has established a Contract Compliance Unit, which is tasked with training and assisting City departments with contract administration issues.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	<del>N/A</del> November 2016	<del>November 2016</del> June 2017

#8

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

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

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



**In Process**

No change since last reporting period. The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 - Debarment. City Council approved the revisions in August 2016, and the implementing A.R. is in development.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	<del>N/A</del> January 2017	<del>January 2017</del> June 2017

#9

The Chief Operating Officer should develop a debarment appeals policy and procedure to bring before the City Council for approval.

**In Process**

No change since last reporting period. The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 -Debarment. City Council approved the revisions in August 2016, and the implementing A.R. is in development.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	July 2016	<del>January 2017</del> June 2017

15-017

**PERFORMANCE AUDIT OF THE REAL ESTATE DEPARTMENT, AIRPORTS DIVISION**

(SP) (SA)

#3

The Airports Division should review, update and develop as necessary written policies and procedures that govern the day-to-day airport operations including, but not limited to:

- a. The process and frequency for updating and tracking leaseholds;
- b. The process and frequency for reviewing and implementing rent adjustments;
- c. The process and frequency for completing leasehold inspections;
- d. The process and frequency for updating airport fees, such as commercial landing fees, vehicle parking fees, transient aircraft parking fees, fuel flowage fees, and monthly tie-down and hangar rental fees, in order to ensure adherence to Council Policies, Administrative Regulation, and any applicable laws and regulations. The Airports Division should consult with the City Attorney’s Office regarding any adjustments to airport fees.

**In Process**

While this audit recommendation is in process, the Airports Division has made substantial progress on developing policies and procedures that address the recommendation. For example, its development and implementation of its Annual Business Plan and its Operations Policies and Procedures Manual prioritizes the tracking and review of leaseholds and rent adjustments, as well as updating airport fees. In July 2017, Airports updated its schedule of fees and charges. The Airports Division is awaiting review and approval from Internal Operations Branch Leadership of its Airports Real Property Manual that includes more detailed process and frequency guidance for completing leasehold inspections, tracking leases, and maintaining market value. It is also awaiting review by the City Attorney's Office for its Minimum Standards for Commercial Aeronautical Services and Non-Commercial Flying Club Activities Draft. The Minimum Standards is designed to provide entry requirements (e.g. qualifications, level of service, facilities, insurance, etc.) for persons/entities desiring to provide Commercial Aeronautical Services to the public.

Priority 3	Issue Date: May 26, 2015	Original Target Date: May 2016	Current Target Date: <del>December 2016</del> March 2017
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**16-005**

**PERFORMANCE AUDIT OF THE CITY'S BUSINESS IMPROVEMENT DISTRICT PROGRAM**

(NK) (AE)

**#3**

The Economic Development Department, in conjunction with BID association management, should develop metrics to evaluate BID performance. Performance reporting should incorporate BID budget priorities in order to measure data against individual BID association missions; and be reported as part of annual reporting. For each metric, the Economic Development Department, in conjunction with BID association management, should determine whether the City or the BID association will be responsible for collecting the data. The determination should be based on the access to and the reliability of the data.

**In Process**

There is a need for more discussion in regards to the metrics that will be measurable by parking districts and our department. The suggestion to add goals to the metrics will need to be discussed in order to determine the appropriate goals. Instead of a numeric goal of created parking spots, for example, will not be as measurable and will reflect possible failure due to uncontrolled factors. The metrics will be revised to reflect a project based goal, such as, projects proposed, in process, and completed. Each district has different factors that can affect the completion of projects, such as a vote to no complete due to an impact on the community.

Priority 3	Issue Date: September 9, 2015	Original Target Date: N/A January 2017	Current Target Date: <del>January 2017</del> July 2017
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**16-006 PERFORMANCE AUDIT OF THE CODE ENFORCEMENT DIVISION**

(AH)

#4 Revise policies and procedures to establish managers' and supervisors' responsibilities for reviewing investigator response times.

**In Process** The ability to obtain data reports to more easily monitor response times will occur after transition to Accela. At least two months of monitoring post-transition is required to determine appropriate method. Upon this determination, CED Procedures Manual will be updated to reflect managers' and supervisors' responsibilities in this area.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	October 15, 2015	June 2016	<del>November 2016</del> May 2017 December 2017

#6 The Code Enforcement Division should revise its Procedures Manual to establish a systematic framework for assessing fines, penalties, and re-inspection fees. This framework should:

- Identify specific points in the code enforcement process where fines and penalties should be assessed. These points may vary by violation type, whether there have been multiple violations on the property, and/or whether a health and safety risk is present;
- Establish responsibilities and processes for supervisors to review and monitor investigators' adherence to the framework; and
- Provide for exceptions to be made in appropriate circumstances with supervisor approval.

**In Process** CED has prepared a draft Penalty Policy (supplement to the Procedures Manual) that addresses typical remedies, fines, and penalties for various violation types, consistent with the SDMC and CED Procedures Manual. The draft Penalty Policy is currently under review by the City Attorney's Office. Accela reporting will be used by supervisors to monitor adherence to the framework.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 15, 2015	June 2016	<del>November 2016</del> May 2017 September 2017

#7 CED should update its Procedures Manual to specify the types of violations and specific situations in which an ACW or equivalent notice should be sent prior to the first inspection. The Procedures Manual should also establish responsibilities and processes for supervisors to monitor and ensure investigators are sending ACWs or equivalent notices prior to the first inspection in appropriate circumstances.

**In Process** CED has prepared a draft Penalty Policy (supplement to the Procedures Manual) that addresses typical remedies, fines, and penalties for various violation types, consistent with the SDMC and CED Procedures Manual. The draft Penalty Policy is currently under review by the City Attorney's Office. CED has also developed a process for Alternative Compliance, as specified in the prior response.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 15, 2015	June 2016	<del>October 2016</del> May 2017 August 2017

- #10      Revise performance metrics to include measures of response times and time to achieve compliance, including:
- a) Percentage of initial inspections completed on time or average response time, by case priority;
  - b) Average days to achieve voluntary compliance, or percentage of cases achieving voluntary compliance within a specified timeframe; and
  - c) Average days to achieve forced compliance, or percentage of cases achieving forced compliance within a specified timeframe.

**In Process**      The ability to obtain data reports will occur after transition to Accela. CED has requested automated reporting via Accela to respond to these specific recommendations. At least two (2) months of monitoring post-transition is required to determine adequate reporting capability.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 15, 2015	April 2016	<del>April 2017</del> May 2017 December 2017

#11      Configure PTS to generate reports on these metrics for CED managers, elected officials, and the public. If configuring PTS to produce these reports is not feasible, CED should develop a more efficient alternative process for calculating and reporting on these metrics, to be used until PTS is replaced.

**In Process**      Department indicated until Accela is implemented this recommendation is deemed In Process.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 15, 2015	April 2016	<del>April 2017</del> May 2017 January 2018

#12

The Development Services Department's Code Enforcement Division should actively participate in the configuring of Accela, ensuring that the system includes the following features necessary for efficient code enforcement management:

- a) The capability to assign priorities to each case, and assign initial inspection due dates for high-priority cases.
- b) The capability for Code Enforcement Division management and staff to generate reports for essential performance metrics on-demand, including those listed below. The system should produce reports on these metrics by case priority, investigator, and inspection district.
  - 1. Percent of initial inspections completed on time
  - 2. Average days to achieve voluntary compliance
  - 3. Average days to achieve non-voluntary compliance
  - 4. Percent of cases achieving voluntary compliance
- c) Mobile access for investigators, to reduce the need to travel to the Development Services Department to enter case information.
- d) The capability to upload relevant case documentation such as photographs, correspondence, administrative citation and penalty notices, thus eliminating the need for hardcopy files.
- e) e) The capability to invoice and track administrative citations and penalties.

**In Process**

Code Enforcement actively participated in the Analysis phase of the Accela process and continues to be involved to ensure the system meets the needs of the division, including those specified in Recommendation #12. The ability to obtain data reports will occur after transition to Accela. CED has requested automated reporting via Accela to respond to these specific recommendations. At least two (2) months of monitoring post-transition is required to determine adequate reporting capability.

Priority 1	Issue Date: October 15, 2015	Original Target Date: April 2017	Current Target Date: <del>April 2017</del> <del>May 2017</del> December 2017
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16-008

**INTERNAL CONTROL ISSUES: SAN DIEGO PUBLIC LIBRARY**

(AE)

#1

The Library Director, in consultation with the Internal Controls Section of the Office of the City Comptroller, should undertake efforts to develop, prioritize, and implement an internal control system based on a comprehensive assessment of risks to the San Diego Public Library (SDPL) system. Policies and procedures should be established or updated as needed to implement internal control activities. Specifically, SDPL should assess system-wide risk, establish applicable internal controls, and develop or update policies, as needed, in the following areas: Physical security; Environmental and facility controls; Inventory; Loss protection; Purchasing of materials and supplies; Contract administration; Revenue collection; Timekeeping; and Any other areas of key operational risk identified by SDPL management.



**In Process**

No change since last reporting period. A decision was made by the Administration to wait to proceed until the SDMC revisions were complete. The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 - Debarment. City Council approved the revisions in August 2016, and the implementing Administrative Regulation is in development.

Priority 3

Issue Date:  
March 30, 2016

Original Target Date:  
June 2016

Current Target Date:  
January 2017

**16-016**

**PERFORMANCE AUDIT OF SELECTED CONTRACTS**

(SM) (KC)

#1

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

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

**In Process**

No change since last reporting period. Purchasing and Contracting and the Department of IT continue to make significant progress on the multi-phase implementation of the P2P Overhaul project. To date, we have successfully completed 2 of the 7 project phase releases, which have resulted in early wins, including streamlining of:

- Master data design and usage;
- Business process and approvals processes;
- Supplier communications; and
- Procurement reporting.

The overall Road Map for the overhaul project was completed in September 2015, and the Ariba solution was added to the Road Map in January 2016. Specific project plans are developed for each phase of the project within the Road Map—a practice that is consistent with industry standards for phased software deployment. Based on the best available current information, two key phases pertaining to Ariba implementation (referenced in the audit report) are scheduled to be delivered by the end of FY 2017. Importantly, these phases will address many of the issues identified in the audit report, including catalog procurement, contract compliance, and contract management. Management continues to work diligently with SAP/Ariba to provide the best possible solution for the City’s needs. The team is focused on ensuring the smoothest possible transition to the new procurement system.





Priority 2	Issue Date: May 26, 2016	Original Target Date: December 2016	Current Target Date: <del>December 2016</del> July 2017
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#2

The City Independent Budget Analyst and Library Director, should jointly evaluate and bring forth to City Council proposed revisions to CP 100-08, Library Matching Equipment Fund; Resolution 301122, Library Matching Programs Fund; and Resolution 292453, Electronic Resources Matching Fund in order for Council to consider a percent of the City's matching amount for library equipment, programs, and electronic resources donations are placed in a "pool" to be distributed among the branches provided the least amount of resources. The Office of the City Attorney should be consulted regarding any legal issues resulting from the changes proposed.

**In Process**

A recommended matching fund policy was drafted and was reviewed by IBA and City Executive Management. Recommended changes are being incorporated and the new recommended policy will be ready for review 8/10. This will need to be vetted by City Exec, Mayor's Office, Friends of the Library before going to review by Council.

Priority 2	Issue Date: May 26, 2016	Original Target Date: January 2017	Current Target Date: <del>January 2017</del> <del>July 2017</del> August 2017
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#4

The San Diego Public Library (SDPL) Director should:

- Create a sharing mechanism to ensure best methods of implementing community outreach are available to all library managers.
- Develop and document an outcome-based planning and evaluation model.
- Establish measurable goals and objectives for all types of library programming.
- Prepare and implement SDPL guidance that requires program review quarterly and a basis for determining whether to continue programming that does not meet the established goals and objectives.

**In Process**

Several staff attended two different trainings for outcomes based programming models. This staff has formed a committee to start assessing all existing programs as well as to develop standards for implementing new programs.

Priority 2	Issue Date: May 26, 2016	Original Target Date: January 2017	Current Target Date: <del>January 2017</del> August 2017
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#5

The San Diego Public Library (SDPL) Director should:

- Develop and document a staffing model for the SDPL based upon statistics as additional input to optimally deploy authorized staff.
- Make appropriate staffing modifications based upon authorized positions and the needs identified in the staffing model.
- Prepare and formalize SDPL guidance requiring use of the staffing model to align staff and budget for SDPL personnel requirements.
- Periodically assess staff time spent on routine tasks and analyze staffing model results—at least biannually—to make appropriate staffing adjustments.

**In Process**

One study recommendation was submitted July 29 to Personnel as part of the Salary Review process. This is a title change and consolidation of two classifications to create one classification with ranging responsibilities that are more reflective of library work.

Priority 2

Issue Date:  
May 26, 2016

Original Target Date:  
January 2017

Current Target Date:  
~~January 2017~~  
December 2017

17-003

**PERFORMANCE AUDIT OF THE SAN DIEGO HOUSING COMMISSION – AFFORDABLE HOUSING FUND**

(CK) (LB)

#2

The Development Services Department implement controls within Accela such as a default to the total number of units within the development to calculate the inclusionary fee. Additionally, we recommend DSD initiate a control within Accela to ensure that the Inclusionary Affordable Housing Fee will be assessed and collected within the first building permit phase of all future phased developments.

**In Process**

No change since last reporting period. This recommendation came after the issuance of the contract with Accela and is therefore outside the contract's scope of work. The Department has the ability to modify the database controls and will move forward with program modifications once Accela is live and has been stabilized.

Priority 2

Issue Date:  
July 21, 2016

Original Target Date:  
May 2017

Current Target Date:  
~~May 2017~~  
July 2017

17-005

**PERFORMANCE AUDIT OF THE SAN DIEGO HOUSING COMMISSION**

(CK) (LB)

#2

The San Diego Housing Commission should establish an evaluation methodology that includes performance measures and benchmarks to demonstrate that the San Diego Housing Commission's projects provide the best option for achieving cost-effectiveness in affordable housing expenditures. The San Diego Housing Commission should report the results no less than annually to the San Diego Housing Commission Board and also to the San Diego Housing Authority.

**In Process**

Beginning in 2015, the Housing Commission engaged consultants specializing in construction estimating to provide a Statement of Probable Cost (often referred to as a "cost estimate") for real estate developments requesting a residual receipt loan. These third-party cost validations are now included in the San Diego Housing Commission Board reports for developments requesting a residual receipt loan.

The recommendation is "in process" pending the annual report to the Board and Authority on the results pertaining to performance measures and benchmarks.

Priority 2	Issue Date: September 13, 2016	Original Target Date: June 2017	Current Target Date: June 2017
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#4

The San Diego Housing Commission should report loan collection results annually to the San Diego Housing Commission Board and the San Diego Housing Authority.

**In Process**

The San Diego Housing Commission has revised the "Status of Loan Portfolio" quarterly informational report submitted to the Housing Commission Board of Commissioners to include loan payments on all loans within the loan portfolio. The status report for the fourth quarter of Fiscal Year 2017 was presented as an information only item to the Housing Commission Board on October 6, 2017. This recommendation will be deemed as implemented when it is presented to the San Diego Housing Authority.

Priority 2	Issue Date: September 13, 2016	Original Target Date: October 2016	Current Target Date: <del>October 2016</del> June 2017
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17-006

**PERFORMANCE AUDIT OF THE CITY’S PROGRAMS RESPONSIBLE FOR IMPROVING PEDESTRIAN SAFETY**

(AH) (DN)

#5

The San Diego Police Department (SDPD) should set a measurable goal to increase enforcement of the driver violations that are most likely to result in pedestrian injuries and fatalities in the City. This goal should be included in the City's Vision Zero Strategic Plan. To ensure that the enhanced enforcement of certain traffic violations is as effective as possible at improving pedestrian safety, the City should:

- Use a combination of data analysis and SDPD's expertise to determine the violations that SDPD should prioritize.
- Use a method to ensure the public is aware of the violations being targeted.
- Publicly report SDPD's performance towards meeting its measurable goals on at least an annual basis.

**In Process**

Proactive enforcement, on the part of patrol officers, will augment the Traffic Division’s efforts and assist with increasing awareness through education and enforcement. The Traffic Division has issued an email to the Captains of the various SDPD divisions providing maps detailing locations in each division with high rates of pedestrian collisions, as well as certain pedestrian and driver violations that should be enforced at those locations. The email instructs Captains to have officers incorporate enforcement of violations committed by or against pedestrians at the mapped locations into their daily activities to the greatest extent possible.

However, citation data does not demonstrate that the current approach has been successful in increasing enforcement of violations related to pedestrian safety. Although the Traffic Division has set a measurable goal to increase the number of targeted pedestrian safety enforcement details it conducts by 10 percent, SDPD has not set a measurable goal for increasing day-to-day enforcement of the driver violations that are most likely to result in pedestrian injuries and fatalities in the City. OCA is working with the City Attorney’s Office to determine which specific strategies are allowable under the California Vehicle Code.

In addition to planned media press conferences and releases, the Traffic Division is currently working with data services and media relations to create a link on the SDPD website which will publicly report progress on pedestrian safety efforts. The Traffic Division is also working with the Communications Department to get SDPD data posted on the Vision Zero website, along with links to social media posts to inform the public of SDPD’s focus on pedestrian safety.

OCA will continue to follow up on the recommendation to monitor progress in focusing enforcement on the specific violations that cause pedestrian collisions, injuries, and fatalities.

Priority 1

Issue Date:  
September 15, 2016

Original Target Date:  
January 2017

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

#6 The San Diego Police Department should, at least on an annual basis, provide additional training and guidance (for example, in the form of videos) to its officers on the traffic violations that are most dangerous to pedestrians and how to focus enforcement on those violations.

**In Process** The Traffic Division created a video that partially addressed the recommendation. The video is being revised and still needs to be viewed by all SDPD officers. The video will introduce the pedestrian safety efforts SDPD is undertaking, including the most likely violations and locations contributing to the problem, and will be disseminated to all patrol commands. The video will include an introduction by the SDPD Chief expressing the seriousness of the problem and SDPD's commitment to the Vision Zero goal. A Department Order instructing all SDPD officers to view the video, and including specific instructions to SDPD officers on where and how to assist with the effort, is in the approval process.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	September 15, 2016	January 2017	<del>March 2017</del> November 2017

#7 The San Diego Police Department's Traffic Division should use data to determine the locations at which targeted traffic enforcement for pedestrian safety is most needed, and to identify specific violations to target in those locations. This analysis should be conducted on a periodic basis using data from at least a three-year period to better identify trends that may not be apparent when data from shorter time periods is used.

**In Process** The Traffic Division has analyzed three years of fatal and serious injury pedestrian and bicycle accidents, and has identified the most likely locations for accidents to occur, and the most common violations contributing to these accidents. Those violations include pedestrians leaving a place of safety (Jaywalking, etc.) and drivers not yielding the right of way to pedestrians. All area stations have been provided this information, including information on specific locations with high rates of pedestrian collisions, and have been instructed to conduct enforcement and educational details at these locations during proactive enforcement activity.

The Traffic Division plans to annually evaluate data to identify changes and/or trends using the prior three years of data. Language specifically outlining these programs and procedures has been added to the Traffic Division's Operations Manual.

The Traffic Division stated that its grant funded enforcement and educational details have focused on the areas identified since June of 2017. However, the Traffic Division still needs to provide documentation to OCA demonstrating the specific locations at which the enforcements are taking place. The Traffic Division also still needs to provide OCA examples of the emails sent to commanding officers detailing where each targeted enforcement detail will take place and which violations will be targeted.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	September 15, 2016	January 2017	<del>February 2017</del> December 2017

#8

The San Diego Police Department's Traffic Division should publicize its targeted enforcements for pedestrian safety and combine enforcement with education and outreach. These outreach plans should include the following:

- Actions to make targeted pedestrian safety enforcements highly visible to drivers and pedestrians in the targeted area. Examples of actions taken by other jurisdictions to make targeted enforcements highly visible include temporary signage and the use of volunteers to provide information verbally and hand out pamphlets. Signage may be placed at the targeted location in advance of the enforcement effort to increase the number of drivers and pedestrians made aware of the enforcement.
- A strategy to publicize the enforcement effort specifically focusing on earning media coverage to maximize the exposure of residents to enforcement and education efforts.

**In Process**

The Traffic Division stated that it has conducted two educational and enforcement details per month since June of 2017. These details are scheduled to continue for the remainder of the year. Initially, warnings and educational material were emphasized during these details. Citations are now being issued to offenders during these operations. Press releases have been released to inform the public about the Department's pedestrian safety efforts. Liberal usage of signage and deployment of the OTS mascot "Pete Walker" in the areas of concern are planned to maximize exposure. In addition, the Traffic Division updated its Operations Manual to include language assigning responsibility for ensuring media notifications are forwarded to the appropriate news agency and/or Department office for distribution. The Traffic Division also updated its Operations Manual to include language assigning responsibility for ensuring that electronic signage is used to make the enforcements highly visible. The electronic signage will advise motorists and pedestrians of the stepped up enforcement and will include a safety message. Photos of the efforts to make the enforcements highly visible still need to be provided to the OCA.

Priority 1	Issue Date: September 15, 2016	Original Target Date: January 2017	Current Target Date: <del>March 2017</del> December 2017
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#9

The San Diego Police Department should ensure there is training and guidance provided to officers on pedestrian safety which emphasizes that pedestrian safety enforcement operations are about saving lives and positively influencing behavior. This training should also include the importance of educating drivers and pedestrians on the importance of the safety efforts.

**In Process**

The concept of changing public behavior will be reinforced during all grant funded pedestrian enforcement detail briefings and debriefings by supervisors. The Traffic Division still needs to provide OCA with example emails sent to commanding officers including information on what is to be covered in the briefing and debriefing, in addition to specific information on where the enforcement will take place and which violations will be targeted.

Priority 1	Issue Date: September 15, 2016	Original Target Date: January 2017	Current Target Date: <del>March 2017</del> November 2017
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#10 The Chief Operating Officer should direct staff to develop a Citywide public education campaign designed to raise awareness of pedestrian safety issues and improve driver and pedestrian behavior.

**In Process** No change since last reporting period. The Communications Department (COMMD) is tasked with the development of a citywide public education campaign. COMMD staff will lead an interdepartmental effort to incorporate expertise and resources from various city departments. Data from the citywide crash analysis in addition to consultation with the San Diego Police Department (SDPD) and local stakeholders will be used to target areas in which the media campaign will be most effective.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	September 15, 2016	March 2017	March 2017

#11 The development of Recommendation #10's campaign should be a collaborative approach which includes the Communications Department, any other City departments that can contribute resources and expertise, and community partners, such as Vision Zero stakeholders and advocacy groups, where needed.

**In Process** No change since last reporting period. The Communications Department (COMMD) is tasked with the development of a citywide public education campaign. COMMD staff will lead an interdepartmental effort to incorporate expertise and resources from various city departments. Data from the citywide crash analysis in addition to consultation with the San Diego Police Department (SDPD) and local stakeholders will be used to target areas in which the media campaign will be most effective.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	September 15, 2016	March 2017	March 2017

#12 Recommendation #10's campaign should include a core message that can be customized to fit different neighborhood needs, such as examples of behaviors that have placed pedestrians at risk in specific neighborhoods, or the use of different languages to reach non-English speakers. These messages should be developed using available data on the locations and causes of pedestrian collisions in the City's neighborhoods. If funding is available, development should also utilize focus groups or other research methods to ensure the effectiveness of the campaign.

**In Process** No change since last reporting period. No update provided.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	September 15, 2016	March 2017	March 2017

#13 Data should be utilized to place Recommendation #10's campaign media in locations where it will have the greatest effect on awareness, behavior, and safety.

**In Process** No change since last reporting period. The Communications Department (COMMD) is tasked with the development of a citywide public education campaign. COMMD staff will lead an interdepartmental effort to incorporate expertise and resources from various city departments. Data from the citywide crash analysis in addition to consultation with the San Diego Police Department (SDPD) and local stakeholders will be used to target areas in which the media campaign will be most effective.

	Priority 2	Issue Date: September 15, 2016	Original Target Date: March 2017	Current Target Date: March 2017
#14	The Vision Zero Task Force should add identifying funding needs and opportunities to its general responsibilities.			
<b>In Process</b>	No change since last reporting period. The identification and review of potential grant funding opportunities is included in the FY17 Vision Zero Strategic Plan, as adopted in June 2016. Budget priorities for FY 18 will be discussed at the February 2017 Vision Zero Task Force meeting.			
	Priority 2	Issue Date: September 15, 2016	Original Target Date: February 2017	Current Target Date: February 2017
#15	The Vision Zero Task Force should annually determine what engineering, enforcement, and education initiatives the City should consider implementing to achieve its Vision Zero goals, and provide information on funding needs for consideration during the annual budget process.			
<b>In Process</b>	No change since last reporting period. No update provided.			
	Priority 2	Issue Date: September 15, 2016	Original Target Date: February 2017	Current Target Date: February 2017
#16	The Vision Zero Task Force should work to identify and recommend the City pursue additional grants or other funding sources that can be used to further its Vision Zero efforts.			
<b>In Process</b>	No change since last reporting period. The identification and review of potential grant funding opportunities is included in the FY17 Vision Zero Strategic Plan, as adopted in June 2016. Budget priorities for FY18 will be discussed at the February 2017 Vision Zero Task Force meeting.			
	Priority 3	Issue Date: September 15, 2016	Original Target Date: February 2017	Current Target Date: <del>February 2017</del> March 2017
<b>17-008</b>	<b>FRAUD HOTLINE INVESTIGATION OF ABUSE IN THE PUBLIC UTILITIES DEPARTMENT'S SELECTION PHASE OF THE HIRING PROCESS</b>			
	(AH)			
#5	We recommend that the Personnel Department review our findings and conduct an independent investigation to determine if interview process participants, including Appointing Authorities, violated City policies or Personnel regulations.			
<b>In Process</b>	The Personnel Department stated the an independent investigation has been complete and a draft report was still under review.			
	Priority 1	Issue Date: August 4, 2016	Original Target Date: June 2017	Current Target Date: June 2017



#8 We recommend that the Personnel Department include a discussion of documenting the basis for candidate selection from within ranked categories in the Appointing Authority interview training materials.

**In Process** No change since last reporting period. No update provided.

Priority 3 Issue Date: August 4, 2016 Original Target Date: April 2017 Current Target Date: April 2017

**17-010 PERFORMANCE AUDIT OF THE AFFORDABLE / IN-FILL HOUSING AND SUSTAINABLE BUILDINGS EXPEDITE PROGRAM**

(KC) (NO)

#2 The Development Services Department should utilize established managerial best practice frameworks-such as Project Time Management and the Critical Path Method- to prepare managerial reports on timeframes for individual cycle reviewers and develop a process to periodically use this information to determine whether specific deadlines should be changed to improve overall timely project completion.

**In Process** The DSD used the Critical Path method to evaluate the cycle review times and critical path for Expedite projects. It was determined that the environmental review cycle should be extended by a day, and that discipline review cycles could be manually shortened by Project Managers in PTS on the final review in order to accommodate additional "float" for the environmental review.

Management has not yet been able to evaluate this functionality in Accela, and will do so once E-plan Soft is integrated into Accela and the review cycles can be evaluated.

Priority 1 Issue Date: December 2, 2016 Original Target Date: March 2017 Current Target Date: March 2017

#3 The Development Services Department (DSD) should ensure that project data maintained is coherent and revise its Performance Measurement Report (PMR) methodology to track both the timeliness of each milestone and the timeliness of the project timeliness from beginning to when the permit is issued. DSD should also improve managerial quality control and review of the tracking data timeliness entries. DSD should articulate these steps in a written procedure and ensure that new staff are trained on the proper data collection methodologies.

**In Process** No change since last reporting period. The existing decade old PMR methodology is being evaluated by Management and staff, and as part of the Critical Path discussions. The PMR is an added manual task that is duplicitous of PTS. Management is investigating a path to PMR type Expedite reports in PTS /Accela in order to eliminate this redundant step in the overall Expedite program tracking.

Priority 1 Issue Date: December 2, 2016 Original Target Date: April 2017 Current Target Date: April 2017

#8 Expedite Program managers within the Development Services Department (DSD) should provide an annual report of program performance to the Smart Growth and Land Use Committee (SG&LU) and/or the full City Council. The report should include a discussion of program performance with respect to the number, type, timeliness, and Citywide distribution of projects participating in the Expedite Program.

**In Process** DSD is scheduled to present the annual report for the Expedite Program to SG&LU in September 2017.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	December 2, 2016	June 2017	June 2017

**17-013 PERFORMANCE AUDIT OF THE SAN DIEGO CONVENTION CENTER**

(SP)

#6 SDCCC should develop a policy on how to use any available City funds if SDCCC pays for all scheduled capital projects in any given year. The policy should prioritize capital needs and require that SDCCC consult the City in writing to agree on whether excess funds are to be used for rental credits, reserves for future year capital projects, or be returned to the City.

**In Process** According to the Convention Center Corporation, its Board of Directors agreed that City funding would be used to supplement approved capital and CIP prioritized projects. The Board also agreed that any excess City funds for any given year, not allocated to capital needs, will only be utilized after consultation with the City of San Diego. This recommendation will be considered implemented after auditor reviews the policy and after SDCCC shares the policy with appropriate City management. SDCCC anticipates that it will complete the recommendation by December 2017.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	January 18, 2017	March 2017	<del>March 2017</del> December 2017

June 2017

# ATTACHMENT D

## Recommendations Deemed As In Process And Not Due

This schedule includes all recommendations as of June 30, 2017 that are not due but are **In Process** of implementation based on the status information provided.

**ATTACHMENT D  
RECOMMENDATIONS DEEMED AS IN PROCESS – NOT DUE**

**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**                      On January 2, 2015 the Water Construction and Maintenance Division of the Public Utilities Department started implementing it's three year accelerated valve maintenance program. Originally, it was believed that there were approximately 74,828 valves in the system. As of June 30, 2017, WCM Division crews have found and performed preventative maintenance on 76,405 valves in which 1,577 were not officially documented within our database. There is a total of 382 map grids within the Thomas Brothers map book for the City of San Diego. WCM crews have performed preventative maintenance on all valves within 274 grid areas. Although, crews have surpassed the original amount that we thought was in the system, we believe that we have completed 72% of the valves that are in the distribution system. In addition, staff has gathered the necessary valve field data to update the database for the valves that were maintained and acquired the equipment and vehicles needed for the implementation of this maintenance program. At the end of three year period (Jan 2, 2018) the division will then transition into the established risk based 5 and 3 year maintenance program.

Priority 3	Issue Date: December 31, 2012	Original Target Date: December 2013	Current Target Date: January 2018
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#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**

No change since last reporting period. On January 2, 2015 the Water Construction and Maintenance Division of the Public Utilities Department implemented its three year accelerated valve maintenance program and is now utilizing reports which identifies the number of valves maintained during the reporting period and the maintenance progress by geographical 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.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	December 31, 2012	December 2013	January 2018

**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**

No change since last reporting period. Implementing the Industrial Wastewater Control Program (IWCP) audit recommendation relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and/or fee model, which is anticipated to be completed by March 2018.

The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis), assessment of current fees, and internal PUD review of any recommended changes.

Once revisions are made, they will be presented to the Participating Agencies, the Independent Rates Oversight Committee and City Council. Subsequent changes in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. The implementation of a new and accurate fee and billing structure is critical because of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects to implement the new fees by July 1, 2018.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 5, 2013	January 2014	July 2018

#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** No change since last reporting period. Implementing the Industrial Wastewater Control Program (IWCP) audit recommendation relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and/or fee model, which is anticipated to be completed by March 2018. The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis), assessment of current fees, and internal PUD review of any recommended changes. Once revisions are made, they will be presented to the Participating Agencies, the Independent Rates Oversight Committee and City Council. Subsequent changes in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. The implementation of a new and accurate fee and billing structure is critical because of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects to implement the new fees by July 1, 2018.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 5, 2013	January 2014	July 2018

#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** No change since last reporting period. Implementing the Industrial Wastewater Control Program (IWCP) audit recommendation relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and/or fee model, which is anticipated to be completed by March 2018.

The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis), assessment of current fees, and internal PUD review of any recommended changes.

Once revisions are made, they will be presented to the Participating Agencies, the Independent Rates Oversight Committee and City Council. Subsequent changes in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. The implementation of a new and accurate fee and billing structure is critical because of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects to implement the new fees by July 1, 2018.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 5, 2013	January 2014	July 2018

#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** No change since last reporting period. Implementing the Industrial Wastewater Control Program (IWCP) audit recommendation relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and/or fee model, which is anticipated to be completed by March 2018.

The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis), assessment of current fees, and internal PUD review of any recommended changes.

Once revisions are made, they will be presented to the Participating Agencies, the Independent Rates Oversight Committee and City Council. Subsequent changes in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. The implementation of a new and accurate fee and billing structure is critical because of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects to implement the new fees by July 1, 2018.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 5, 2013	January 2014	July 2018

#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** No change since last reporting period. Implementing the Industrial Wastewater Control Program (IWCP) audit recommendation relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and/or fee model, which is anticipated to be completed by March 2018.

The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis), assessment of current fees, and internal PUD review of any recommended changes.

Once revisions are made, they will be presented to the Participating Agencies, the Independent Rates Oversight Committee and City Council. Subsequent changes in fees and billing structure will require extensive reprogramming and testing of the IWCP billing system prior to implementation. The implementation of a new and accurate fee and billing







**15-018 PERFORMANCE AUDIT OF THE FIRE-RESCUE DEPARTMENT, LIFEGUARD SERVICES DIVISION**

(SM) (KC)

#3 When preparing future RFPs for beach concession contracts, Fire-Rescue Lifeguard Services, in conjunction with the Real Estate Assets Department, should review the fee terms of the concession contracts to ensure that the City receives a percentage of annual concession revenue consistent with other municipalities' contracts with concessionaires operating on public beaches. Additionally, when preparing the RFP, the departments should also review the level of operational support needed to ensure safe operations of concession activities.

**In Process** No change since last reporting period. Fire-Rescue, Lifeguard Division and Real Estate Assets will review fee terms with other municipalities for similar concession activities. Kayak concession agreements expire on March 31, 2018. We will complete a fee review by February 1, 2018 in preparation for concession agreement extensions.

Priority 3	Issue Date: May 27, 2015	Original Target Date: February 2018	Current Target Date: February 2018
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**17-006 PERFORMANCE AUDIT OF THE CITY'S PROGRAMS RESPONSIBLE FOR IMPROVING PEDESTRIAN SAFETY**

(AH) (DN)

#17 The City should consider either adding an Evaluation Subcommittee to the Vision Zero Task Force or developing a formal evaluation process to ensure that evaluation and monitoring is completed for the City's engineering, enforcement, and education Vision Zero initiatives. In order to effectively evaluate the City's progress:

- The evaluation process should include evaluation in terms of both outputs and outcomes which align with the City's Vision Zero goal to eliminate severe traffic collisions and fatalities, including pedestrians, by 2025.
- Where necessary, departments should establish additional processes to ensure necessary data is available for evaluation. For example, the San Diego Police Department's Traffic Division may need to establish a new process of collecting and tracking data on citations issued during targeted pedestrian safety enforcement operations.

The Vision Zero Task Force should benchmark with other municipalities that have Vision Zero efforts to help develop and implement evaluation methods.

**In Process** No change since last reporting period. No update provided.

Priority 2	Issue Date: September 15, 2016	Original Target Date: December 2017	Current Target Date: December 2017
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17-009

**PERFORMANCE AUDIT OF STREET LIGHT REPAIR**

(AE) (NK)

#1

In order to effectively analyze repair performance and identify operational factors affecting street light repair times, the Street Division Deputy Director should complete the following actions. Review and revise the categorization of street light repair data and develop measurable performance metrics to ensure the efficient repair of street lights. Develop a written quality assurance process for reviewing performance data to identify specific causes for missing any organizational goals. The process should also include actions required when goals are not met. Establish a written policy for creating data reliability controls and implementation procedures providing oversight.

**In Process**

The department indicated that prior to June 30<sup>th</sup>, staff developed and implemented a Performance Measures data table that includes the additional streetlight KPIs. The process, essentially consists of validating data from SAP. The department is still unclear on how this will look in the IAM system. Once the new system is online the department will create an SOP for how this is done, and a copy will be provided when it is complete.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	December 1, 2016	December 2017	December 2017

#4

The Street Division should formally assess the feasibility of using portable electronic devices in order to eliminate the need for paper work orders, and collect street light data through an automated process to improve efficiency.

**In Process**

Street Division assessed that the use of portable electronic devices would result in a significant increase to overall operational efficiency. The devices are scheduled to be deployed within Street Division on December 4, 2017 in conjunction with the IAM San Diego platform implementation in FY 2018.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	December 1, 2016	January 2018	January 2018

#5

In order to improve the operational efficiency of street light repairs and reduce the risk of theft, the Street Division Deputy Director should: create an inventory to account for street light repair parts and materials; establish inventory controls over parts and materials that encompass receipts, distribution, and periodic inventory of the items on hand; and develop inventory thresholds that will automatically trigger parts reordering in response to demand.

**In Process**

The memo establishes requirements for a monthly physical inventory count of common lighting components and poles used. The forms also include the minimum quantity on hand acceptable before reordering so stock can be replenished as needed on a monthly basis. Although not inclusive, a good work around until IAM is implemented in late 2017.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	December 1, 2016	December 2017	December 2017

#6 To ensure the City has accurate asset data used for street light repairs, the Street Division Deputy Director should: prioritize hiring of asset management positions; update street light asset information to include fixture and pole data needed to make street light repairs more efficient; and develop operational guidelines for updating street light asset data when the City makes modifications to assets, and if asset additions and removals occur.

**In Process** The electrical service order process is comprehensive, with the exception of identifying new MAD lights. TSW is programming funding to complete a network-wide streetlight inventory in FY19. Upon completion the inventory will be reconciled with ESD and Park & Rec to ensure that all MAD lighting is appropriately designated and billed.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	December 1, 2016	December 2018	December 2018

**17-010 PERFORMANCE AUDIT OF THE AFFORDABLE / IN-FILL HOUSING AND SUSTAINABLE BUILDINGS EXPEDITE PROGRAM**

(KC) (NO)

#1 The Development Services Department should ensure that the Accela software has the capability to track performance data specifically for the individual cycle review disciplines and staff in the context of the Expedite Program.

**In Process** No change since last reporting period. This recommendation came after the issuance of the contract with Accela and is therefore outside the contract's scope of work. The Department has the ability to add additional reporting capability and will move forward with a package of additional reports once the Accela is live and has been stabilized.

The Planning Department is presently preparing a package of code amendments related to Affordable Housing. As a part of that process, DSD will evaluate the expedite program and modify Accela's reporting capabilities consistent with our process under the new regulations.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	December 2, 2016	March 2017	July 2017

#6 The Development Services Department should propose revisions to update Expedite Program eligibility criteria for sustainable projects. The updated eligibility requirements and any associated incentives should align program eligibility with the City's holistic sustainability goals within the Climate Action Plan and other City policies. In addition, the updated eligibility requirements should consider current market conditions to ensure that the types of sustainable development to be incentivized may not already occur without the expedited permitting incentive. To ensure transparency and accountability, these revisions should be incorporated into a single, comprehensive Council Policy that contains all Expedite Program eligibility requirements for both sustainable buildings and affordable housing projects.

**In Process** Proposed changes to the SDMC for updating the Affordable/Infill and Sustainable Expedite regulations passed on 6/15 unanimously by the Planning Commission.



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

In Process No update provided

Priority 2 Issue Date: January 18, 2017 Original Target Date: December 2017 Current Target Date: December 2017

**17-018 PERFORMANCE AUDIT OF CITY GAS AND ELECTRIC UTILITIY BILLING**

(AE) (NK)

#1 The Chief Operating Officer should direct the Environmental Services Department Director and Chief Financial Officer to implement an internal control framework for utility rate analysis and utility billing review of City gas and electric utility accounts. The Environmental Services Department Director in coordination with the Chief Financial Officer should:

- Develop a written process that establishes responsibility among various departments and methodology for periodic review of utility rates assigned to City accounts and for review and payment of utility bills;
- Establish procedures to provide utility reports with appropriate information to the appropriate personnel for review;
- Provide training for personnel responsible for reviewing gas and electric utility rates and accuracy of utility invoices; and
- Establish oversight monitoring responsibility for ensuring the account rate analysis process operates as intended and appropriate utility invoice reviews are conducted.

In Process This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2 Issue Date: April 4, 2017 Original Target Date: March 2018 Current Target Date: March 2018

#2 The Director of Environmental Services Department should coordinate with SDG&E to:

- Establish a formal process clarifying roles and responsibilities related to utility rates and potential billing issues;
- Create a standardized mechanism to provide all required account and billing information necessary to request rate changes and resolve potential rate issues; and
- Develop acceptable timeframes for rate and billing resolutions.

In Process This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2 Issue Date: April 4, 2017 Original Target Date: March 2018 Current Target Date: March 2018

- #3 Environmental Services Department Director in coordination with Transportation and Storm Water Department, Park and Recreation Department, Economic Development Department, and the Chief Financial Officer should:
- Develop City-wide procedures for energizing street light accounts, including processes to ensure new lights are added to the appropriate account; and
  - Establish a requirement to review all street light bills to ensure lights are assigned to the correct account, once Street Division has established an accurate street light inventory.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 4, 2017	December 2018	December 2018

**17-020 PERFORMANCE AUDIT OF THE CITY'S MANAGEMENT OF ITS ADVISORY BOARDS**

(AH) (DN)

- #1 The City Clerk's Office, upon consultation with the City Attorney's Office, should develop and document a process on how to calculate the 45-day period specified in City Charter Section 43(c) for both unscheduled vacancies and expired terms, as well as which boards the rule applies to.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	June 1, 2017	January 2018	January 2018

- #2 The City Clerk's Office should notify the City Council of its authority to appoint after 45 days of the Mayor not taking action to appoint including a statement on this authority on every notification of unscheduled vacancy or expiring terms sent to City Council Offices, when Charter Section 43(c) applies to the available position. These notifications should also include a projected date on which the vacancy may reach the 45-day mark if the Mayor does not take action to appoint someone to the position.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	June 1, 2017	January 2018	January 2018

- #3 The City Clerk's Office should include a column showing the 45-day date of all vacancies on its Boards & Commissions Tracking Matrix, which is provided to Council Offices on a quarterly basis. (Priority 3)

**In Process** No updated provided.





<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.			
	Priority 2	Issue Date: June 1, 2017	Original Target Date: January 2018	Current Target Date: January 2018
#8	The City Administration, in consultation with the City Attorney's Office, should provide a live Brown Act training for all Advisory Board members on a periodic basis, and should ensure that the staff liaisons for the boards attend this live training at least once per year.			
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.			
	Priority 2	Issue Date: June 1, 2017	Original Target Date: January 2018	Current Target Date: January 2018
#9	The City Administration should develop or procure a standard Brown Act compliance document, as approved by the City Attorney's Office, and provide it to all new and existing Advisory Boards. This standard should be posted on the City's website. In addition, the City Administration should ensure that each Advisory Board is provided with a website or with access to a designated page on the City's website, and document procedures and responsibilities for posting meeting agendas, minutes, and other applicable documents online.			
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.			
	Priority 2	Issue Date: June 1, 2017	Original Target Date: January 2018	Current Target Date: January 2018
#10	The Mayor's Office should follow through with its planned steps for reviewing the City's Advisory Boards for reorganization and standardization, and present recommendations to the City Council for consideration.			
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.			
	Priority 2	Issue Date: June 1, 2017	Original Target Date: October 2017	Current Target Date: October 2017
#11	The Mayor's Office should develop a standard format for reports to City Council regarding new Advisory Boards prior to their establishment. This report should include analysis of whether the functions of the proposed board could be incorporated into an existing board. This report should also include estimates of the City staff hours/cost to administer the proposed new Advisory Board.			
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.			
	Priority 2	Issue Date: June 1, 2017	Original Target Date: October 2017	Current Target Date: October 2017

#12 The Mayor's Office, in coordination with the Office of the Council President, should develop a standard, form-based annual report template and require each Advisory Board to complete and submit this report to the City Council on an annual basis. The form should include:

- The mission and duties of the Advisory Board, as established by the Mayor and City Council, and stated in the Municipal Code;
- A brief summary of the actions taken by the Advisory Board that year;
- The number of Advisory Board meetings held (including the number of meetings cancelled and the reason for any cancellation);
- Whether the Advisory Board has experienced any issues with quorum;
- The number of vacant positions on the Advisory Board;
- The number of members serving on expired terms;
- Any concerns the board would like to bring to City Council's attention; and
- An estimate of the City staff hours/cost to administer the board.

The Mayor's Office, in consultation with the Office of the Council President and the City Attorney's Office, should determine how the requirement that all Advisory Boards complete this report and provide it to the Mayor, the City Council, and the City Clerk's Office on an annual basis, and appear at City Council or Council Committee meetings upon request, can best be implemented. In addition, the City Administration should document a procedure designating each Advisory Board's department liaison as responsible for providing the board's annual report to the Mayor's Office, the City Council, and the City Clerk's Office, once submitted by the Advisory Board.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	June 1, 2017	October 2017	October 2017

#13 The City Clerk's Office should document a procedure to update its matrix on an annual basis to account for the annual reports, once received, and note if any reports were not submitted. The matrix should include links to the annual reports and should be sent to City Council.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	June 1, 2017	January 2018	January 2018

#14 The Mayor's Office, in coordination with the Office of the Council President, should develop and implement a formal review process/policy for City Advisory Boards. This review of all Advisory Boards should be completed at least once every two years, and should include consideration of the potential to reorganize or consolidate existing Advisory Boards, revise Advisory Board membership requirements to facilitate recruitment, and sunset Advisory Boards that are obsolete or redundant.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.



**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2 Issue Date: June 12, 2017 Original Target Date: July 2018 Current Target Date: July 2018

#5 We recommend that the Park and Recreation Department:

- Address the apparent conflict between the Department's long-standing policy allowing outside employment at non-assigned work locations and the prohibition as described in Administrative Regulation 95.60, section 3.5(c)(1).

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority Issue Date: June 12, 2017 Original Target Date: September 2017 Current Target Date: September 2017

**17-022** **HOTLINE INVESTIGATION OF A CITY VENDOR**

(AH)

#1 We recommend that the Assistant Chief Operating Officer:

- Review the detailed information provided in the confidential version of our report and initiate permanent debarment proceedings with respect to the named vendor, as appropriate.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2 Issue Date: June 26, 2017 Original Target Date: August 2017 Current Target Date: August 2017

#2 We recommend that the Assistant Chief Operating Officer:

- Review Purchasing & Contracting's document processing procedures related to the named vendor to ensure that there were no improper actions taken by City employees.

**In Process** This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2 Issue Date: June 26, 2017 Original Target Date: August 2017 Current Target Date: August 2017

#3

We recommend that the Assistant Chief Operating Officer:

- Ensure that Purchasing & Contracting takes steps to validate the current documents, identified in the confidential version of our report, for all existing vendors in the same line of business, through confirmation using independent data sources.

**In Process**

This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2	Issue Date: June 26, 2017	Original Target Date: August 2017	Current Target Date: August 2017
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#4

We recommend that the Assistant Chief Operating Officer:

- Ensure that Purchasing & Contracting develops risk-based document validation procedures and implements the procedures on a routine basis.

**In Process**

This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 3	Issue Date: June 26, 2017	Original Target Date: September 2017	Current Target Date: September 2017
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