Audit Recommendation Follow-Up Report

STATUS UPDATE AS OF
June 30, 2019

Office of the City
Auditor

City of San Diego

OCA
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DATE:	October 21, 2019
TO:	Honorable Members of the Audit Committee
FROM:	Kyle Elser, Interim City Auditor
SUBJECT:	Recommendation Follow-Up Report

Attached is the Office of the City Auditor's Recommendation Follow-Up Report, which provides the status of open recommendations as of June 30, 2019. We will continue reporting on open recommendations semiannually for periods ending around June 30th and December 31st.

We have provided a short summary of data, highlighted 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 October 30, 2019 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
        Kris Michell, Chief Operating Officer
        Ron Villa, Assistant Chief Operating Officer
        Rolando Charvel, Chief Financial Officer
        Tracy McCraner, Department of Finance Director and City Comptroller
        Scott Clark, Chief Accountant
        Deputy Chief Operating Officers
        Department Directors

SUMMARY

The Administration has continued to make significant progress towards implementing open audit recommendations. During this reporting period, the Administration has implemented 25 of the outstanding recommendations. Additionally, we issued five reports and added 24 new recommendations, and the Administration agreed to implement 100 percent of the recommendations.

There are three recommendations that we are highlighting for Audit Committee attention. These recommendations can be found in Attachment A, and will be discussed at an Audit Committee meeting for the reasons stated.

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, 2019. We contacted departments directly to gather recommendation status information, reviewed all outstanding recommendations, and placed the recommendations into the following status categories:

Implemented	City staff provided sufficient and appropriate evidence to support all elements of implementing the recommendation;
In Process	City staff provided some evidence, however either elements of the recommendation were not addressed, or the department has agreed to implement the recommendation, but has not yet completed the implementation;
Will Not Implement	The Administration disagreed with the recommendation, did not intend to implement, and no further action will be reported; and
Not Implemented – N/A	Circumstances changed to make the recommendation not applicable.

As of our last recommendation follow-up report for the period ending December 31, 2018, there were 117 open recommendations. Since then, we have issued five performance audits which added 24 new recommendations for a total of 141 outstanding recommendations for the period ending June 30, 2019. The table below summarizes this activity:

Activity for the Period Ending June 30, 2019	Number of Recommendations
Recommendations In Process as of December 31, 2018	117
Recommendations Issued January 1, 2019 through June 30, 2019	24
Total Outstanding Recommendations as of June 30, 2019	**141**

During this reporting cycle, we verified that departments and related entities have implemented 25 recommendations out of 141 (18 percent) since our last report. The results of our review for this reporting cycle are as follows for the 141 recommendations:

Number of Recommendations	Status of Recommendations
25	Implemented
72	In Process - With Revised or Past Due Target Dates
41	In Process – Not Due
2	Not Implemented – N/A
1	Will Not Implement
141	**Total**

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

- **Exhibit 1** - Summarizes the status of the 141 recommendations by audit report in chronological order.

- **Exhibit 2** - Summarizes the distribution of the 25 recommendations **Implemented** by Department/Agency.

- **Exhibit 3** - Summarizes the distribution of the 72 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency.[1]

- **Exhibit 4** - Summarizes the distribution of the 41 recommendations **In Process - Not Due** by Department/Agency.

- **Exhibit 5** - Breaks down the 141 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, 2019.

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, 2019 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, 2019 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, 2019 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 30th and December 31st. 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 141 recommendations by audit report in chronological order.

EXHIBIT 1: Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process	Not Implemented – Will Not Implement
12-015	Performance Audit Of The Development Services Department's Project Tracking System		3	
13-009	Performance Audit Of The Real Estate Assets Department		1	
13-011	Performance Audit Of The Public Utilities Department's Valve Maintenance Program	1		
14-002	Performance Audit Of The Public Utilities Department's Industrial Wastewater Control Program		7	
14-006	Performance Audit Of The Police Patrol Operations		1	
14-016	Hotline Investigation Report Of Public Utilities Warehouse Supply Purchases			1

Report No.	Report Title	Implemented	In Process	Not Implemented – Will Not Implement
14-019	Performance Audit Of Real Estate Assets Department		1	
15-011	Performance Audit of the Utilities Undergrounding Program	1	1	
15-012	The City Needs to Address the Lack of Contract Administration and Monitoring on Citywide Goods and Services Contracts		2	
15-016	Performance Audit of Citywide Contract Oversight	2	5	
16-011	Performance Audit of the Street Preservation Ordinance		1	
16-012	Hotline Investigation of Vendor Fraud			1
16-016	Citywide Contract Oversight II - Contract Review		2	
17-003	Performance Audit of the San Diego Housing Commission – Affordable Housing Fund		1	
17-006	Performance Audit of The City's Programs Responsible For Improving Pedestrian Safety		5	
17-009	Performance Audit of Street Light Repair	1	1	
17-010	Performance Audit of the Affordable / In-Fill Housing and Sustainable Buildings Expedite Program		3	
17-013	Performance Audit of The San Diego Convention Center		1	
17-018	Performance Audit of City Gas and Electric Utility Billing		2	
17-020	Performance Audit of The City's Management of Its Advisory Boards		8	

Report No.	Report Title	Implemented	In Process	Not Implemented – Will Not Implement
17-021	Hotline Investigation of Recreation Activity Permit Calculation Errors and Abuse	1	1	
17-022	Hotline Investigation of a City Vendor			1
18-007	Performance Audit of the Economic Development Department's Business Cooperation Program		2	
18-009	Performance Audit of the Park and Recreation Department's Maintenance Operations	1		
18-012	Hotline Investigation of an Information Technology Contract		1	
18-013	Fraud Hotline Investigation Report of Waste in the Transportation Alternatives Program	1	2	
18-015	Performance Audit of the Economic Development Department's Business and Industry Incentives Program		7	
18-023	Performance Audit of the Storm Water Division	3	5	
19-002	Performance Audit of the Real Estate Assets Department's Portfolio Management Practices	1	2	
19-003	Performance Audit of The Public Utilities Department's Water Billing Operation	1	6	
19-005	Performance Audit of the Public Utilities Department's Water Meter Cover Replacement Program	7	3	
19-006	Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2018	1	1	

Report No.	Report Title	Implemented	In Process	Not Implemented – Will Not Implement
19-007	Performance Audit of the Fleet Operations' Vehicle Acquisition Process		6	
19-008	Hotline Report of Jury Duty Service Fraud		1	
19-010	Performance Audit of the City's Annual Employee Compensation Reports	2		
19-011	Performance Audit of Development Services' Accela Permitting System Implementation	1	3	
19-013	Performance Audit of Community Planning Groups	1	4	
19-014	Performance Audit of the City's Curb Painting Process		4	
19-015	Performance Audit of Pay Equity		6	
19-016	Performance Audit of the City's Administration of Joint Use Agreements with San Diego Unified School District		4	
19-018	Performance Audit of the City's Right-of-Way Tree Trimming Maintenance Program		4	
19-019	Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)		6	
GRAND TOTAL		**25 (18%)**	**113 (80%)**	**3 (2%)**

Exhibit 2 summarizes the distribution of the 25 recommendations **Implemented** by Department/Agency as of June 30, 2019.

EXHIBIT 2: Number of Recommendations Implemented by Department/Agency

Number of Recommendations Implemented	Department/Agency	Number of Recommendations Implemented	Department/Agency
2	Department of Finance[1]	9	Public Utilities
1	Human Resources	3	Purchasing & Contracting
1	Department of Information Technology	1	Real Estate Assets
2	Parks & Recreation	5	Transportation & Storm Water
1	Planning Department		

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[1] Formerly known as Office of the Comptroller and/or Financial Management

Exhibit 3 summarizes the distribution of the 72 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency as of June 30, 2019.

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
1	Assistant Chief Operating Officer	1	Office of Sustainability
1	Chief Operating Officer Environmental Services Chief Financial Officer	2	Office of the Mayor Office of the City Attorney
1	Communications	1	Parks & Recreation
1	Department of Finance[2]	1	Planning Department
3	Department of Information Technology	16	Public Utilities
8	Development Services	9	Purchasing & Contracting
4	Economic Development	4	Real Estate Assets
1	Environmental Services Transportation & Storm Water Park & Rec Economic Development Chief Financial Officer	1	Risk Management
2	Fleet Operations	1	San Diego Police Department
1	Human Resources	7	Transportation & Storm Water
5	Office of Boards & Commissions	1	Transportation & Storm Water - Streets

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[2] Formerly known as Office of the Comptroller and/or Financial Management

Exhibit 4 summarizes the distribution of the 41 recommendations **In Process - Not Due** by Department/Agency as of June 30, 2019.

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 Environmental Services Chief Financial Officer	4	Parks & Recreation
1	Department of Information Technology	1	Personnel COO Human Resources City Attorney
1	Development Services	1	Personnel Human Resources City Attorney
5	Economic Development	2	Purchasing & Contracting
4	Fleet Operations	6	Public Utilities Department
1	Human Resources COO	12	Transportation & Storm Water
1	Human Resources COO Personnel City Attorney		

Exhibit 5 breaks down the current 141 open recommendations and the 145, 143, 160, 160, 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.[3]

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.*

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[3] Timing is rounded to the month.

EXHIBIT 5a: Current Report Audit Recommendations Implementation Aging for June 30, 2019 period

Timeframe	Implemented	In Process	Not Implemented–N/A	Will Not Implement	Total
0 - 3 Months	0	20	0	0	**20**
4 - 6 Months	0	4	0	0	**4**
6 - 12 Months	14	26	0	0	**40**
1 to 2 Years	5	17	0	0	**22**
Over 2 Years	6	46	2	1	**55**
Total	**25**	**113**	**2**	**1**	**141**

EXHIBIT 5b: Current Report Audit Recommendations Implementation Aging for December 31, 2018 period

Timeframe	Implemented	In Process	Total
0 - 3 Months	0	13	**13**
4 - 6 Months	5	25	**30**
6 - 12 Months	8	17	**25**
1 to 2 Years	11	21	**32**
Over 2 Years	4	41	**45**
Total	**28**	**117**	**145**

EXHIBIT 5c: Current Report Audit Recommendations Implementation Aging for June 30, 2018 period

Timeframe	Implemented	In Process	Not Implemented–N/A	Total
0 - 3 Months	3	11	0	**14**
4 - 6 Months	4	7	0	**11**
6 - 12 Months	17	17	0	**34**
1 to 2 Years	6	27	0	**33**
Over 2 Years	17	33	1	**51**
Total	**47**	**95**	**1**	**143**

EXHIBIT 5d: Current Report Audit Recommendations Implementation Aging for December 31, 2017 period

Timeframe	Implemented	In Process	Not Implemented– N/A	Total
0 - 3 Months	6	32	0	**38**
4 - 6 Months	2	2	0	**4**
6 - 12 Months	14	19	0	**33**
1 to 2 Years	14	22	0	**36**
Over 2 Years	5	43	1	**49**
Total	**41**	**118**	**1**	**160**

EXHIBIT 5e: Current Report Audit Recommendations Implementation Aging for June 30, 2017 period

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**
Total	**42**	**115**	**2**	**1**	**160**

EXHIBIT 5f: 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**
Total	**42**	**126**	**1**	**169**

EXHIBIT 5g: 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**
Total	**38**	**95**	**3**	**1**	**137**

EXHIBIT 5h: 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**
Total	**21**	**100**	**1**	**1**	**123**

EXHIBIT 5i: 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**
Total	**38**	**95**	**5**	**1**	**1**	**140**

EXHIBIT 5j: 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
Total	**44**	**98**	**8**	**2**	**152**

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

EXHIBIT 6: Audit Recommendation Activity for the Period Ending June 30, 2019

Activity for the Period Ending June 30, 2019	Number of Recommendations
Open Recommendations Carried Forward from Period Ending December 31, 2018	
Recommendations In Process as of December 31, 2018	117
Recommendations issued January 1, 2019 through June 30, 2019	24
Total Outstanding Recommendations as June 30, 2019	**141**

Recommendations Implemented	25
Recommendations Not Implemented – N/A	2
Recommendation Will Not Implement	1
Recommendations Resolved for Period Ending June 30, 2019	**28**
Carry Forward Open Recommendations	**113**

June 2019

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

<u>Requested Action by the Audit Committee:</u>
We request the Audit Committee consider dropping the following recommendations because they have been deemed no longer applicable or will not implement for the reasons stated below.

Purchasing and Contracting

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.
Not Implemented – N/A	The Purchasing & Contracting Department have indicated that too much time has passed since the original recommendation and a successful debarment process is unlikely at this time. That being said, we believe the recommendation be closed as Not Implemented—N/A, because the circumstances have changed over the last five years since we made the recommendation. Specifically, the vendors are no longer in business and have ceased operation for several years.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	March 18, 2014	~~N/A~~	~~January 2017~~
		January 2017	~~June 2017~~
			~~April 2018~~
			~~March 2019~~
			April 2019

16-012   **HOTLINE INVESTIGATION OF VENDOR FRAUD**

(AH)

#1   We recommend that City management review the additional information provided in the Confidential Hotline Investigation of Vendor Fraud report to determine whether adequate evidence exists to debar the two named individuals and business entities.

Not Implemented – N/A   City Management has indicated that too much time has passed since the original recommendation and a successful debarment process is unlikely at this time. That being said, we believe this recommendation be closed as Not Implemented—N/A, because the circumstances have changed over the last three years since we made the recommendation. Specifically, the vendors are no longer in business and have ceased operation for several years.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	March 30, 2016	June 2016	~~January 2017~~
			~~May 2018~~
			March 2019

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.

Will Not Implement   The Purchasing and Contracting Department indicated there is no intent to implement the recommendation that the vendor be permanently debarred. The City pursued a separate non-responsible hearing process and prevailed for a 5-year period. We continue to believe that permanent debarment is warranted.

Priority	Issue Date:	Original Target Date:	~~Current Target Date:~~
3	June 26, 2017	August 2017	~~August 2017~~
			~~May 2018~~
			March 2019

June 2019

ATTACHMENT B

Recommendations Deemed As Implemented

This schedule includes all recommendations as of June 30, 2019 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.

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.

Implemented   As discussed in previous recommendation follow up reports, the Public Utilities Department has determined that implementing a risk-based approach, whereby certain high-risk valves would be maintained more frequently, would not be efficient because it would require crews to return to the same areas to maintain valves on different schedules. The department has implemented a Standard Operating Procedure establishing a 4-year maintenance cycle for all valves, which is consistent with current American Water Works Association standards, and the department reports that the first 4-year cycle has been completed. In addition, the department has completed a staffing analysis to determine the required number of staff to complete maintenance activities on the 4-year cycle.

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

(SP)

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

Implemented   The evidence provided is sufficient and appropriate to satisfy the intent of the recommendation. The department provided examples of using the project management software to track estimated and actual key milestone dates. They also provided cost variance analyses for completed projects, on both an individualized and summarized level.

15-016   **PERFORMANCE AUDIT OF CITYWIDE CONTRACT OVERSIGHT**

(SG) (MG)

#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.

Implemented   The Purchasing and Contracting Department has implemented a contract closeout process, automated and enforced by SAP, that ensures contracts abide by the council approved term.

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

Implemented   Administrative Regulation 25.90 governing the vendor debarment process has been updated to include an appeals policy and process for vendors during the debarment proceedings and provides a transparent process for

the debarment of a bidder or contractor. The burden of debarment proof is placed on the department requesting debarment before a debarment board appointed by the COO as required by 2016 revision of section 22.0804 of the City's Municipal Code.

17-009   **PERFORMANCE AUDIT OF STREET LIGHT REPAIR**

(LRC)

#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.

Implemented   The evidence is sufficient and appropriate to consider the spirit of the recommendation implemented. Management provided inventory count sheets for on-hand materials for multiple months (July and August 2019). They also provided an inventory release form and activity log to track materials flowing in and out of inventory. The log also contains materials descriptions, starting inventory counts, and targets for minimum inventories that should be on hand for particular component parts.

17-021   **HOTLINE INVESTIGATION OF RECREATION ACTIVITY PERMIT CALCULATION ERRORS AND ABUSE**

(AH)

#2   We recommend that the Park and Recreation Department:
   • Review the identified permit fee errors and ensure that the fees due to the permittees, the City, and the Recreation Councils are properly collected and disbursed.

Implemented   The Department reviewed the permit information we provided, including supplemental corroborating information, confirmed permit fee calculation errors, and issued an invoice to the employee vendor for $3,998. This recommendation has been implemented.

18-009 **PERFORMANCE AUDIT OF PARK AND RECREATION DEPARTMENT'S OPERATIONS MAINTENANCE**

(LB) (NO)

#4 The Park and Recreation Department should incorporate the outcome-based results from either its inspections or the public survey as a factor in its staff deployment decisions within the Community Parks I and Community Parks II Divisions.

Implemented The department provided evidence that is appropriate and sufficient to demonstrate this recommendation is implemented. Further, during discussions with Parks and Recreation Management, they indicated that Parks and Recreation is targeting its grounds maintenance efforts to areas where public satisfaction with grounds maintenance was lower.

18-013 **FRAUD HOTLINE INVESTIGATION REPORT OF WASTE IN THE TRANSPORTATION ALTERNATIVES PROGRAM**

(AH)

#9 We recommend that TAP management create and implement program policies that define program eligibility for volunteers, interns, and all classes of employees. TAP management should ensure these policies are approved by the appropriate level of City management.

Implemented The Human Resources Department distributed a memorandum that formally extends TAP benefits to employees who are student-intern, hourly/limited, part-time, clerical pool, volunteer or mentee who commute to work by bus and or trolley at least 3 days each week are eligible to receive a City subsidized Compass Card. A monthly Employment/Work Status Report is required to verify eligibility by their Supervisor. This recommendation has been implemented.

18-023　　　　**PERFORMANCE AUDIT OF THE STORM WATER DIVISION**

(AH) (MG) (DN)

#2　　　　To more efficiently and cost-effectively rehabilitate the City's aging corrugated metal pipes (CMP), and help lower the risk of CMP-related failures, the Transportation and Storm Water Department Storm Water Division (SWD) should:

- Continue with its plan to enter into a contract for pipe lining; and
- Continue to use its CMP condition assessment data to help determine which pipe segments may be good candidates for pipe lining rather than full replacement.

If SWD is not granted funding for a contract for pipe lining, SWD should develop and implement an annual process to analyze its funds and determine whether funds can be reallocated to fund a contract for pipe lining.

Implemented　The Storm Water Division entered into a Job Order Contract for pipe lining and rehabilitation of deteriorated corrugated metal pipe. The first set of pipe lining and rehabilitation repairs are expected to be completed in January 2020.

#3　　　　To accurately measure the extent of deterioration and establish priorities for proactive repairs by the in-house crew or for pipe lining, the Transportation and Storm Water Department Storm Water Division (SWD) should continue with its Condition Assessment Program. Specifically, SWD should:

- Determine the feasibility of the division conducting proactive repairs;
- Consider requesting funding for an updated condition assessment of the City's remaining corrugated metal pipes if SWD determines that the existing data is too outdated to be useful and if SWD determines that the benefits of updating the condition assessment outweighs the associated costs; and
- Continue to use condition assessment data to establish priorities for proactive repairs and for pipe lining.

Implemented　Storm Water Division (SWD) continued with its Condition Assessment Program (CMP) condition assessment and determined the number of miles/pipe segments of CMP that can be repaired proactively using its in-house crew, as well as the number of miles/pipe segments that can be repaired proactively via pipe lining. In addition, SWD determined what

additional condition assessments should be completed and estimated the associated costs to conduct those assessments. SWD stated that it will review, prioritize, and consider requesting funding for condition assessments as part of the FY21 budget process.

#4   To ensure that stakeholders are educated on storm water issues, the Communications Department should, in consultation with the Transportation and Storm Water Department Storm Water Division, develop and execute a strategic communications plan to educate stakeholders on specific storm water issues, including: flood prevention, the storm water funding gap, the deferred capital backlog, ongoing operational and capital costs, and water quality regulations. The plan will include execution options with resource considerations.

Implemented The Communications Department, in consultation with the Transportation and Storm Water Department, has developed and implemented a Storm Water Strategic Communications Plan that addresses our recommendation. In executing the Communications Plan, the departments have completed two public service announcements, revised the Think Blue website, created social media postings and advertisements, and developed informational material. All these methods will help inform the public of the importance of storm water issues. In addition, the completion of a baseline phone survey rounds out the Communications Plan and will allow for the departments to evaluate the plan and the effectiveness of its strategies.

19-002   **PERFORMANCE AUDIT OF THE REAL ESTATE ASSETS DEPARTMENT'S PORTFOLIO MANAGEMENT PRACTICES**

(SM) (KC)

#1   READ should work with land-managing departments to compile accurate classifications of property which should include at minimum:

- Acreage, managing department, current use, and designated use.

Implemented READ Management provided a memorandum issued to all land managing departments in the City. The memorandum requested each department to identify a representative to review the status of property holdings and update READ on any changes. READ provided an update from the San Diego Fire and Rescue Department and provided evidence that updates to the property status is made to in READ's RE Portfolio property tracking system.

The evidence provided by READ satisfied the intent of the Recommendation to require that Real Estate Assets Department work with land managing departments annually review and update property data to ensure that READ's data is accurate.

19-003   **PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S WATER BILLING OPERATION**

(SG) (JP)

#4   The Public Utilities Department (PUD) should re-evaluate its meter reading routes based on the metrics identified in Recommendation 2 and determine if routes should be split, assigned to specific meter readers, or reallocated based on more or less time needed.

Implemented   The Public Utilities Department (PUD) has provided sufficient documentation to evidence that the meter reading routes have been tested, analyzed, adjusted and retested to ensure improvements have been made to the meter reading routes. The revised routes have been in place since July 1, 2019 completing almost two full billing cycles.

19-005   **PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S WATER METER COVER REPLACEMENT PROGRAM**

(AH) (LB)

#1   To improve productivity, oversight, and accountability within the Box and Lid Group, PUD should establish and enforce productivity standards, goals, quotas, or similar performance targets based on reasonable expectations about how much time crews should spend in the field and what crews should be able to accomplish in that time, on average, given known resource constraints. Finalized performance targets should be communicated to all employees in the group so that all are aware of these expectations.

Implemented   PUD submitted evidence that they have established a standard operating procedure (SOP) for the tracking of box/lid program performance metrics. The SOP includes a metric for the average number of repairs and replacements completed. Specifically, the performance goal for this metric is for field staff "to achieve or exceed the average completion rate based on actual activities performed." Therefore, the performance target that PUD management will use to measure individual employee performance is

average group performance. PUD also submitted evidence of discussing the SOP and productivity averages with affected employees. Together, these two things—setting a performance target and communicating it to all employees in the group—meet the intention of the recommendation.

#3	To monitor adherence to the performance targets and work schedule policies from Recommendations 1 and 2, respectively, and to hold employees accountable for delivering expected performance, PUD should establish responsibilities for regularly generating and reviewing performance reports from the service request system. These reports should contain enough information for management to monitor whether employees are keeping up with established expectations for the use of their time and with established production targets.
Implemented	PUD submitted evidence that a procedure is in place to develop reports that allow management to monitor productivity and performance for employees and the box/lid group as a whole on a monthly basis. PUD also submitted examples of these reports as evidence. Based on the evidence submitted and our communications with management, PUD is meeting the intention of this recommendation.
#5	PUD should identify or develop and use data fields in the IAM system that provide more complete and accurate information about site conditions (box/lid size, whether in concrete or dirt, etc.)
Implemented	PUD has met the recommendation requirements of identifying and using data fields in EAM that enhance their ability to know critical information about the condition of the worksite (box/lid size and whether it is in dirt or concrete) prior to arrival.
#6	PUD should research and implement the capability to attach pictures to a service request within the IAM system. Alternatively, PUD should standardize the use of the Get It Done app for all field crews that refer work to the Box and Lid Group, including meter readers.
Implemented	Public Utilities Department (PUD) management submitted evidence that the capability to attach pictures to service requests in EAM has been implemented and that staff were instructed on how to do this. We verified pictures were attached to box/lid service requests in EAM.
#7	PUD should train all PUD field crews, including meter readers, on how to properly identify and report box/lid problems. This training should be made available to field crews after being hired and once a year as refresher training during PUD's annual spring training.

Implemented   Public Utilities Department (PUD) provided training materials, rosters, and internal communications that show PUD has met the intent of this recommendation.

#8   PUD should develop and distribute a pocket reference guide for field crews that refer problems to the Box and Lid Group so that field crews can more accurately diagnose problems in the field.

Implemented   Public Utilities Department (PUD) provided copies of the reference guide and evidence that it was distributed to staff. Therefore, this recommendation has been implemented.

#9   To improve management oversight of the box/lid replacement process, PUD should develop monitoring procedures and measures-which should include generating reports from the IAM system on an ongoing basis-to ensure that no trips are wasted in the process of completing box/lid replacements.

Implemented   Public Utilities Department (PUD) management have demonstrated that they are regularly monitoring wasted trips and have conveyed that they will continue to do so in an attempt to minimize them over time.

19-006   **AGREED-UPON PROCEDURES RELATED TO THE CENTRAL STORES PHYSICAL INVENTORY - FISCAL YEAR 2018**

(DK)

#1

During the observation counts, MGO noted that Central Store does not have formal documentation of its policy and procedures for the inventory cycle counts. MGO recommends the implementation of formal policy and procedures of planning and executing systematic inventory counts.

Implemented   The Department provided sufficient and appropriate evidence to demonstrate this recommendation is implemented.

19-010 **PERFORMANCE AUDIT OF THE CITY'S ANNUAL EMPLOYEE COMPENSATION REPORTS**

(NO)

#1 As part of its upcoming annual compensation report, the Department of Finance should calculate and/or estimate the amount of employer contributions for employees in the defined benefit retirement plans using the most accurate methodology feasible. This figure should be included in future annual compensation reports submitted to the State.

Implemented The Department of Finance[4] provided sufficient and appropriate evidence to demonstrate the recommendation is Implemented.

#2 The Department of Finance should calculate and/or estimate the amount of employer contributions for each employee's pension retirement plan for calendar year 2017, resubmit the report to the State Controller, and provide clarifying notice to the State Controller and Transparent California. In addition, the Department of Finance should analyze the feasibility and value of resubmitting prior year reports, and further consult with the State Controller to determine if reports prior to the calendar year 2017 report should be updated as well.

Implemented According to the Department of Finance (DoF), the State Controller's Office (SCO) is deferring updates to the reporting agency so the DoF concluded that a 2017 update and all current and future report submissions will include the estimated amount of employer contributions for each employee's pension retirement plan.

OCA notes that DoF did improve the reporting for the 2017 and 2018 employee compensation reports, and they agreed to the more comprehensive reporting approach going forward for future years. Given those actions and the CSO deferring updates to the reporting agency, OCA deems the intent of the recommendation as Implemented.

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[4] Formerly Financial Management Department and/or the Office of the Comptroller.

19-011   **PERFORMANCE AUDIT OF DEVELOPMENT SERVICES' ACCELA PERMITTING SYSTEM IMPLEMENTATION**

(SG)

#4   The Chief Information Officer (CIO), working with Chief Operating Officer (COO), should develop a training program for system implementations executive project management within the City's training application, based on best practices, to ensure project management are sufficiently aware of best practices embedded into the City's information system implementation process prior to acquiring new systems.

Implemented   The Department of IT has developed and implemented a training program for system implementations executive project management within the City's training application, based on best practices, to ensure project management are sufficiently aware of best practices embedded into the City's information system implementation process prior to acquiring new systems.

19-013   **PERFORMANCE AUDIT OF COMMUNITY PLANNING GROUPS**

(CK) (JP)

#5   To ensure that Community Planning Groups (CPGs) do not make unenforceable recommendations, we recommend the following:

The Planning Department, in conjunction with relevant City departments, should provide a more comprehensive training program that includes:

- A mandatory training segment focused entirely on project development reviews; and
- Sessions open to both CPG members and the public to increase understanding of the review process and roles and responsibilities.

Implemented   The Planning Department has increased the number of trainings available to community planning group members and added additional topics in 2019. In 2018 a total of four trainings were made available to CPG members. In 2019 a total of six training sessions have been offered, including the Community Orientation Workshop, Project Review (two sessions), Planning Chairs Operations, Brown Act Compliance, and Advanced CEQA. The Planning Department has begun videotaping training sessions to be posted on-line for members to access at their convenience. Additionally, $50,000 from the Public Educational, or Governmental (PEG) fund has been allocated to the

Planning Department to produce educational videos to be posted on-line for community planning group members and members of the public. The educational videos will provide an understanding of the development review process and the role of the Community Planning Group.

ATTACHMENT C

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

Sorted by Department

This schedule includes all recommendations as of June 30, 2019 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

Assistant Chief Operating Officer

19-008   **HOTLINE REPORT OF JURY DUTY SERVICE FRAUD**

(AH)

#2   We recommend that the Assistant Chief Operating Officer consider whether City employees should serve the minimum frequency of jury duty required, or that the service should be performed as often as summoned, or that the appointing authorities in each City department should exercise their discretion regarding the frequency of jury duty service, in consultation with the employee.

In Process   No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 28, 2018	March 2019	March 2019

Chief Operating Officer

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

(SP)

#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 change since last reporting period. With the potential of a ballot measure for an expanded Convention Center being discussed, the Port District and City officials determined it was best to hold off on any final decisions on the funding until such time it was determine if the measure would be forthcoming or not.

If there is no ballot measure, a final plan may be adopted within 90-days of the notification.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 18, 2017	December 2017	~~December 2017~~
			~~June 2018~~
			~~December 2018~~
			Unknown

Communications Department

17-020

PERFORMANCE AUDIT OF THE CITY'S MANAGEMENT OF ITS ADVISORY BOARDS

(AH) (DN)

#7

The Communications Department should work with the City Attorney's Office to develop a training video for the Brown Act, and the City Administration should require all Advisory Board members to watch the video on a biennial basis.

  a) The staff liaisons for each Advisory Board should be responsible for ensuring that all board members view the training video within their first 30 days of serving on the Advisory Board and again every two years. The staff liaisons should develop a process to ensure that all board members sign an attestation confirming that they viewed the video.

In Process

The Mayor's Office of Boards and Commissions (OBC) submitted a memorandum in October 2019 reporting that all remaining recommendations from the Performance Audit of the City's Management of its Advisory Boards have been implemented. Specific actions described in the memo include consulting with the Office of the Council President and the Office of the City Attorney to develop a draft Administrative Regulation which would 1) revise the board member appointment process; 2) require all board members to complete periodic Brown Act training; 3) require all Advisory Boards to submit an annual report describing their activities; and 4) establish an annual review process for all Advisory Boards. In addition, OBC reports that all board members have viewed a Brown Act training video that was developed in collaboration with the Communications Department and the Office of the City Attorney.

While the reported actions represent significant progress towards implementing the recommendations, OBC was not able to provide documentation, such as the Administrative Regulation or evidence that

board members have completed the Brown Act training, in time for us to review them prior to issuing this report. We will continue to review the status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	January 2018	~~January 2018~~
			~~March 2018~~
			June 2019

Department of Finance[5]

15-016   **PERFORMANCE AUDIT OF CITYWIDE CONTRACT OVERSIGHT**

(SG) (MG)

#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;

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[5] Formerly Financial Management Department and/or the Office of the Comptroller

additionally, the policies and procedures should be updated as necessary resulting from this review.

In Process   Purchasing & Contracting (P&C) indicated that that the invoicing parts of this recommendation do not apply to P&C and still stands: Upon further review of the content and intent of this recommendation, P&C submits that this recommendation is best addressed by Department of Finance. Although P&C provides guidance to client departments on certain aspects of contract administration, invoice payment processes are outside of that scope.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 25, 2015	November 2015	~~November 2016~~
			~~June 2017~~
			December 2020

Department of Information Technology

18-012   **HOTLINE INVESTIGATION OF AN INFORMATION TECHNOLOGY CONTRACT**

(AH)

#6   We recommend that Department of Information Technology, in coordination with relevant City departments, ensure that the non-discretionary IT cost allocations, by City department, are complete and accurate.

In Process   The Dept of IT has used a phased approach to refine allocations of City circuits and phone lines. It inventoried groups of data and voice circuits under the Calnet 3 contract, and assigned the circuits to individual departments based upon the Billable Address Number, or BAN, associated with the circuit. These circuits were then reorganized by BAN into discrete bills on a per department basis resulting in individual bills being assignable to departments. Many circuits are in use citywide and will still be allocated based upon the PC and Phone Counts, and these circuits are also in a separate BAN. The updated information will be used for FY21 allocations. These allocations will be further refined with a new Telecommunications Expense Management solution.

The Dept of IT completed an RFP and intent to award for a Telecommunications Expense Management (TEM) solution. The TEM solution will automate manual review of 2,000 phone and circuit bills each

36

month and provide recommendations to optimize circuits to reduce costs and validate all rates. The TEM solution will allow automate the allocation process, drive circuit optimization to reduce costs, and save a significant amount of staff time in manual review of bills. The solution is being implemented in FY20 and will complete the automation of the billing review and allocation process.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	December 4, 2017	October 2018	~~October 2018~~
			~~June 2019~~
			June 2020

19-011   **PERFORMANCE AUDIT OF DEVELOPMENT SERVICES' ACCELA PERMITTING SYSTEM IMPLEMENTATION**

(SG)

#1   The office of the Chief Operating Officer (COO) should develop an Administrative Regulation (AR) defining the authority of the Chief Information Officer (CIO). Specifically, the AR should provide the CIO with sufficient authority to define and enforce Enterprise IT Governance in accordance with standards across the entire user environment of the City through the information system lifecycle, including the procurement, implementation, maintenance, and retirement of information systems.

In Process   According to the Department of Information Technology, Administrative Regulation 90.68 was developed defining the authority and enforcement of Enterprise IT Governance in the City through the entire system lifecycle. The new AR has been completed and routed into the City's AR process for final adoption. We will continue to follow up on the status.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	November 16, 2018	June 2019	June 2019

#2   The Chief Information Officer (CIO) should expand their System Implementation Governance model to facilitate best practice system implementations for City Departments. This model must meet COBIT 5's Build, Acquire, and Implement Domain requirements to ensure compliance with best practice. Specifically, the CIO should:

a) Provide required steps to implement a new system that cannot be bypassed;

b) Further develop guidance for each phase of a system implementation appropriate to its scope and impact to the City;

c) Track alignment of business IT controls and enterprise IT controls throughout the system development lifecycle with a high-level review at key points in the implementation process; and

d) Analyze process impacts to current Department of IT Team staffing and allocate resources appropriately to ensure additional implementation process requirements do not overly burden existing staff workload.

In Process   The department provided a draft Administrative Regulation 90.68 that appropriately establishes the Department of Information Technology (Department of IT) Chief Information Officer (CIO) as the authority which defines and enforces *Information Technology Governance*, including citywide procedures for procuring, implementing, and maintaining *information systems*. Once the Administrative Regulation is approved and posted, OCA can consider this recommendation implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	November 16, 2018	April 2019	April 2019

Development Services Department

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

d) 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.

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

f) 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 and the remainder of this recommendation will be completed with the Accela implementation.

Priority 1	Issue Date: June 29, 2012	Original Target Date: Disagreed	Current Target Date: ~~May 2017~~ ~~December 2017~~ ~~April 2018~~ February 2020

#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

d) grants excessive or inappropriate access, and immediately remove any conflicting combinations.

e) 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 and the remainder of this recommendation will be completed with the Accela implementation.

Priority 1	Issue Date: June 29, 2012	Original Target Date: April 2017	Current Target Date: ~~May 2017~~ ~~December 2017~~ ~~April 2018~~ February 2020

#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 and the remainder of this recommendation will be completed with the Accela implementation.

Priority 2	Issue Date: June 29, 2012	Original Target Date: December 2017	Current Target Date: ~~May 2017~~ ~~December 2017~~ ~~April 2018~~ February 2020

16-011 **PERFORMANCE AUDIT OF THE CITY'S STREET PRESERVATION ORDINANCE**

(SM)

#7 The Development Services Department should configure their new permitting system so it can identify and report on Street Damage Fees and the corresponding permits.

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 evaluate what additional reports are needed once Accela has been fully implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	March 3, 2016	March 2017	~~March 2017~~
			~~July 2017~~
			February 2020

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	Issue Date:	Original Target Date:	Current Target Date:
2	July 21, 2016	May 2017	~~May 2017~~
			~~July 2017~~
			February 2020

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. Accela is still being implemented. The completion of the task related to this recommendation cannot be completed at this point. We will continue to follow up during our normal recommendation follow up periods.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	March 2017	~~July 2017~~
			~~March 2019~~
			February 2020

#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   No change since last reporting period. City Management stated that these processes will be measured and implemented upon the full implementation of Accela. The implementation is ongoing.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	March 2017	~~March 2017~~
			~~March 2019~~
			February 2020

#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 department indicated that the
            deliverable will be completed upon full implementation of DSD's Accela
            software, which is an ongoing implementation, with a scheduled
            completion date of February 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	April 2017	~~April 2017~~
			~~March 2019~~
			February 2020

Economic Development

18-007   **PERFORMANCE AUDIT OF THE BUSINESS COOPERATION PROGRAM**

            (AH) (KC)

#1   The Chief Operating Officer should determine which department, such as
            the Economic Development Department or the Financial Management
            Department, has the best ability to manage the portion of the Business
            Cooperation Program that targets construction activity. This department
            should develop a documented process to focus on the systematic
            identification, recruitment and enrollment of contractors and
            subcontractors working on large public and private construction projects to
            capture use taxes before allocation to the County pool. In addition, the COO
            should determine how to fund program related expenditures-such as staff
            FTEs, consultant commissions, and rebates for certain program
            participants-during the annual budget process.

In Process   No change since last reporting period. The Economic Development
            Department (EDD) is in the process of updating the Business Cooperation
            Program (BCP) to be a relevant EDD program for potential users, and has
            continued conversations with the City Attorney's Office and others to adjust

and structure the future program. This is currently in the process of vetting and still in discussions with other departments. An estimated timeline to come forward to the Economic Development and Intergovernmental Relations Committee is December, with proposal to the City Council expected next year.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	September 28, 2017	October 2018	~~October 2018~~
			April 2019

#2

The department managing the portion of the Business Cooperation Program targeting construction activity should work with the Public Works Department, the Development Services Department, and Civic San Diego to develop procedures to allow Business Cooperation Program staff to become aware when projects with estimated construction costs of more than $50 million are being proposed. This should also include notification when City capital improvement projects of more than $25 million are planned.

In Process

No change since last reporting period. As discussed in the update for Recommendation #1, EDD is still in the process of updating the BCP in order to target large construction projects. For City projects, the Public Works Department plans to require BCP participation on all CIP projects of greater than $25 million, and has developed boilerplate contract language for this purpose. Contracts for several large City projects are expected to be awarded in the second half of FY 2019, including Balboa Park Plaza De Panama (Estimated Construction Contract Value: $60M), North City Pure Water Facility (Estimated Construction Contract Value: $374M), North City Morena Blvd Pump Stations & Pipelines (Estimated Construction Contract Value: $260M), North City Water Reclamation Plant Expansion (Estimated Construction Contract Value: $147M), North City Pure Water Pipeline (Estimated Construction Contract Value: $88M), Metro Biosolids Center Improvements (Estimated Construction Contract Value: $28M). The Resident Engineer for each project will be responsible for ensuring contractors comply with BCP participation requirements, and will coordinate with EDD to provide documentation ensuring the City receives the correct tax payments.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	September 28, 2017	October 2018	~~October 2018~~
			April 2019

18-015   **PERFORMANCE AUDIT OF THE ECONOMIC DEVELOPMENT DEPARTMENT'S BUSINESS AND INDUSTRY INCENTIVES PROGRAM**

(AH) (KC)

#1   EDD should develop a more comprehensive outreach strategy to spread information about the BII and other EDD programs. Specifically incorporating outreach to potential businesses located in older; underserved areas of the City as stated in Council Policy 900-12 and the Economic Development Strategy.

In Process   No change since the last reporting period. The Economic Development Department outreach strategy includes conducting outreach to businesses located in older, under-served communities through organized business walks with city staff, council members and staff, community business leaders, and other non-profits on a quarterly basis, meeting monthly with businesses at the Small Business Advisory Board, attending monthly meetings of the Business Improvement Districts, various Chambers and other economic development organizations, through the Business Resource Matcher online tool and through Open Counter Online Business Portal. New marketing materials have been produced and are distributed to businesses and to economic development organizations/ stakeholders. Economic Development Department staff also participates in various forums and panels to talk about opportunities in the City and the various programs offered to the business community. These activities have been enhanced and implemented throughout FY18.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	January 2019	January 2019

#2   EDD should develop a written internal process to ensure the Office of the City Treasurer, Development Services Department, and other departments provide information about the BII to new business and permit applicants.

In Process   No change since the last reporting period. The Economic Development Department has developed a revised 900-12 policy to address this recommendation. The new 900-12 policy was targeted to go to Council in July 2018 and the new program was proposed to launch in December 2018.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 16, 2018	January 2019	January 2019

Environmental Services

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

(LRC)

#3 Environmental Services Department Director in coordination with Transportation and Storm Water Department, Parks 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 recommendation is still in process, with the inventory listing anticipated to be completed by November 2019. ESD has provided the completed process documents and the requirements for reviewing the bills.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 4, 2017	December 2018	~~December 2018~~ December 2019

Fleet Operations Department

19-007 **PERFORMANCE AUDIT OF THE FLEET OPERATIONS' VEHICLE ACQUISITION PROCESS**

(SM) (JP)

#1 The Fleet Operations Department should set performance goals for acquisition time including up-fitting time based on vehicle class.

In Process No change since last reporting period. The finding related to the Performance Audit of the Fleet Operations' Vehicle Acquisition Process (19-007) were presented to the Audit Committee on October 31, 2018 and the full City Council on January 7, 2019. As of February 25, 2019, the Fleet

Operations Department is focusing its efforts on creating and filling the position that was recommended as part of this audit which will develop goals for acquisition time, including up-fitting, and policies surrounding the Fleet Focus EAM.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 27, 2018	June 2019	June 2019

#5   The Fleet Operations Department (Fleet Operations) should work with the Personnel Department to develop an additional position to fill its FleetFocus EAM personnel needs. This position should be experienced with relational database modules and have the skills needed to program the FleetFocus EAM system to perform critical reporting functions and produce analytical reports that will help Fleet Operations have the information it needs to

become more efficient. This position should utilize FleetFocus EAM's capabilities to perform analysis of fleet data for capital planning, utilization, and lifecycles. This position should be dedicated to the technical and analytical duties of managing and programming the system, which would include writing specifications, analyzing business operations, developing and implementing business system solutions, and data management.

In Process   No change since last reporting period. The Fleet Operations Department and the Personnel Department have taken the following steps to create and fill this recommended position:

1) The position was exempted from the Classified Service by the Civil Service Commission on November 13, 2018 and forwarded onto the full City Council;

2) The first reading of an Ordinance to exempt an unclassified position from City Service was heard on December 4, 2018 with the second reading on January 8, 2019;

3) The approval to fill and create a supplemental position was approved on February 21, 2019;

4) The Personnel Department created the position on February 10, 2019;

5) The Personnel Department cleared the position for hire on February 23, 2019 (after receipt of City Management approval on February 21, 2019).

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 27, 2018	December 2018	~~December 2018~~
			June 2019

Human Resources

18-013   **FRAUD HOTLINE INVESTIGATION REPORT OF WASTE IN THE TRANSPORTATION ALTERNATIVES PROGRAM**

(AH)

#7   We recommend that TAP management work in coordination with the Human Resources Department to revise the current discount-pricing structure for Regional and Premium passes sold to members of the Municipal Employees Association. The revised discount should be applied consistently to all passes and included in future agreements with the Municipal Employees Association.

In Process   No change in status since last reporting period. In December 2017, the pricing structure and the different MEA subsidy rates were discussed with the Human Resources Department. In March 2018, HR stated that they would bring TAP pricing and subsidy rate changes forward during the next MOU negotiations with the unions. The current MOUs with the labor unions expire on June 30, 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	December 22, 2017	August 2018	~~August 2018~~
			July 2020

Office of Boards and Commissions

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

(AH) (DN)

#4   The Mayor's Office, in consultation with the Office of the Council President and the City Attorney's Office, should consider a proposal to amend the Municipal Code regarding appointments to Advisory Boards that require the Mayor to appoint only from nominees provided by the City Council. The amendment should include a deadline for Councilmembers to provide nominees to the Mayor after a vacancy has occurred, after which time the Mayor may name an appointee even if the Council has not provided a nominee. The appointee should still be required to meet all other qualifications required for the Advisory Board position, and be confirmed by the City Council.

In Process   The Mayor's Office of Boards and Commissions (OBC) submitted a memorandum in October 2019 reporting that all remaining recommendations from the Performance Audit of the City's Management of its Advisory Boards have been implemented. Specific actions described in the memo include consulting with the Office of the Council President and the Office of the City Attorney to develop a draft Administrative Regulation which would 1) revise the board member appointment process; 2) require all board members to complete periodic Brown Act training; 3) require all Advisory Boards to submit an annual report describing their activities; and 4) establish an annual review process for all Advisory Boards. In addition, OBC reports that all board members have viewed a Brown Act training video that was developed in collaboration with the Communications Department and the Office of the City Attorney.

While the reported actions represent significant progress towards implementing the recommendations, OBC was not able to provide documentation, such as the Administrative Regulation or evidence that board members have completed the Brown Act training, in time for us to review them prior to issuing this report. We will continue to review the status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	January 2018	~~January 2018~~
			~~June 2018~~
			June 2019

49

#5	The Mayor's Office, in consultation with the Office of the Council President, should revise Council Policy 000-13, "Procedure for Mayor and Council Appointments," to formally document required steps in the vetting process for Advisory Board candidates, including establishing responsibilities for completing each step as well as timelines for completion. The revised policy should address differences, if any, between the vetting processes for candidates to be appointed by the Mayor versus candidates to be appointed by the City Council.
In Process	The Mayor's Office of Boards and Commissions (OBC) submitted a memorandum in October 2019 reporting that all remaining recommendations from the Performance Audit of the City's Management of its Advisory Boards have been implemented. Specific actions described in the memo include consulting with the Office of the Council President and the Office of the City Attorney to develop a draft Administrative Regulation which would 1) revise the board member appointment process; 2) require all board members to complete periodic Brown Act training; 3) require all Advisory Boards to submit an annual report describing their activities; and 4) establish an annual review process for all Advisory Boards. In addition, OBC reports that all board members have viewed a Brown Act training video that was developed in collaboration with the Communications Department and the Office of the City Attorney.

While the reported actions represent significant progress towards implementing the recommendations, OBC was not able to provide documentation, such as the Administrative Regulation or evidence that board members have completed the Brown Act training, in time for us to review them prior to issuing this report. We will continue to review the status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	January 2018	~~January 2018~~
			~~June 201~~8
			June 2019

#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.

In Process   The Mayor's Office of Boards and Commissions (OBC) submitted a
memorandum in October 2019 reporting that all remaining
recommendations from the Performance Audit of the City's Management of
its Advisory Boards have been implemented. Specific actions described in
the memo include consulting with the Office of the Council President and
the Office of the City Attorney to develop a draft Administrative Regulation
which would 1) revise the board member appointment process; 2) require
all board members to complete periodic Brown Act training; 3) require all
Advisory Boards to submit an annual report describing their activities; and
4) establish an annual review process for all Advisory Boards. In addition,
OBC reports that all board members have viewed a Brown Act training
video that was developed in collaboration with the Communications
Department and the Office of the City Attorney.

While the reported actions represent significant progress towards
implementing the recommendations, OBC was not able to provide
documentation, such as the Administrative Regulation or evidence that
board members have completed the Brown Act training, in time for us to
review them prior to issuing this report. We will continue to review the
status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	January 2018	~~January 2018~~
			~~June 2018~~
			June 2019

#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.

In Process   The Mayor's Office of Boards and Commissions (OBC) submitted a
memorandum in October 2019 reporting that all remaining
recommendations from the Performance Audit of the City's Management of
its Advisory Boards have been implemented. Specific actions described in
the memo include consulting with the Office of the Council President and
the Office of the City Attorney to develop a draft Administrative Regulation
which would 1) revise the board member appointment process; 2) require
all board members to complete periodic Brown Act training; 3) require all
Advisory Boards to submit an annual report describing their activities; and
4) establish an annual review process for all Advisory Boards. In addition,
OBC reports that all board members have viewed a Brown Act training
video that was developed in collaboration with the Communications
Department and the Office of the City Attorney.

While the reported actions represent significant progress towards implementing the recommendations, OBC was not able to provide documentation, such as the Administrative Regulation or evidence that board members have completed the Brown Act training, in time for us to review them prior to issuing this report. We will continue to review the status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	October 2017	~~October 2017~~
			~~May 2018~~
			May 2019

#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.

In Process   The Mayor's Office of Boards and Commissions (OBC) submitted a memorandum in October 2019 reporting that all remaining recommendations from the Performance Audit of the City's Management of its Advisory Boards have been implemented. Specific actions described in the memo include consulting with the Office of the Council President and the Office of the City Attorney to develop a draft Administrative Regulation which would 1) revise the board member appointment process; 2) require all board members to complete periodic Brown Act training; 3) require all Advisory Boards to submit an annual report describing their activities; and 4) establish an annual review process for all Advisory Boards. In addition, OBC reports that all board members have viewed a Brown Act training video that was developed in collaboration with the Communications Department and the Office of the City Attorney.

While the reported actions represent significant progress towards implementing the recommendations, OBC was not able to provide documentation, such as the Administrative Regulation or evidence that board members have completed the Brown Act training, in time for us to review them prior to issuing this report. We will continue to review the status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	October 2017	~~October 2017~~
			~~June 2018~~
			June 2019

#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   The Mayor's Office of Boards and Commissions (OBC) submitted a memorandum in October 2019 reporting that all remaining recommendations from the Performance Audit of the City's Management of its Advisory Boards have been implemented. Specific actions described in the memo include consulting with the Office of the Council President and the Office of the City Attorney to develop a draft Administrative Regulation which would 1) revise the board member appointment process; 2) require all board members to complete periodic Brown Act training; 3) require all Advisory Boards to submit an annual report describing their activities; and 4) establish an annual review process for all Advisory Boards. In addition, OBC reports that all board members have viewed a Brown Act training

video that was developed in collaboration with the Communications Department and the Office of the City Attorney.

While the reported actions represent significant progress towards implementing the recommendations, OBC was not able to provide documentation, such as the Administrative Regulation or evidence that board members have completed the Brown Act training, in time for us to review them prior to issuing this report. We will continue to review the status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	October 2017	~~October 2017~~
			~~June 2018~~
			June 2019

#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   The Mayor's Office of Boards and Commissions (OBC) submitted a memorandum in October 2019 reporting that all remaining recommendations from the Performance Audit of the City's Management of its Advisory Boards have been implemented. Specific actions described in the memo include consulting with the Office of the Council President and the Office of the City Attorney to develop a draft Administrative Regulation which would 1) revise the board member appointment process; 2) require all board members to complete periodic Brown Act training; 3) require all Advisory Boards to submit an annual report describing their activities; and 4) establish an annual review process for all Advisory Boards. In addition, OBC reports that all board members have viewed a Brown Act training video that was developed in collaboration with the Communications Department and the Office of the City Attorney.

While the reported actions represent significant progress towards implementing the recommendations, OBC was not able to provide documentation, such as the Administrative Regulation or evidence that board members have completed the Brown Act training, in time for us to review them prior to issuing this report. We will continue to review the status of these recommendations during the next follow up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 1, 2017	January 2018	~~January 2018~~
			~~June 2018~~
			June 2019

Office of Sustainability

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

(RG)

#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   All the process, procedure and oversight documentation has been provided; however, the department has not yet provided evidence to demonstrate that formal training has been provided to staff as indicated in the process narrative.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 4, 2017	March 2018	~~March 2018~~
			~~May 2019~~
			December 2019

Parks and Recreation Department

17-021   **HOTLINE INVESTIGATION OF RECREATION ACTIVITY PERMIT CALCULATION ERRORS AND ABUSE**

(AH)

#4   We recommend that the Parks and Recreation Department:

- Improve software configuration to reduce permit processing errors and ensure compliance with the existing Fee Schedule and Departmental policies.

In Process   The automated fee calculation logic has been completed by third party software vendor as of July 1, 2019. The logic, which automates the department's fee schedule into the ACTIVE Net on-line registration system, will automatically calculate a fee based on the oriented approach of questions presented for a given permit request. This will prevent erroneous accounting, amalgamate processes throughout the Recreation and Permit centers, and promote accurate accountability on reports generated within the system. The department is testing this logic, by piloting it at several Recreation Centers and Developed Regional Parks' Permit Center. The pilot testing period will extend for two months and will be completed by the end of October 2019.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 12, 2017	July 2018	~~July 2018~~
			~~July 2019~~
			October 2019

Planning Department

19-013   **PERFORMANCE AUDIT OF COMMUNITY PLANNING GROUPS**

(CK) (JP)

#4   To ensure that applicants fully understand the role of Community Planning Groups (CPGs) and their impact on the project review process, we recommend the following:

The Planning Department should coordinate with the Development Services Department to communicate a consistent message to project applicants on the role of CPGs in the project review process.

In Process   The Planning Department coordinated with Development Services staff to update the standard comments in the Project Tracking System to provide a consistent message regarding the role of the Community Planning Groups and their impact on the project review process. The Assessment Letter has also been revised with the standard comments. However, these changes have just been incorporated and this recommendation will be "in process" until we have evidence of implementation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	December 13, 2018	February 2019	~~February 2019~~ September 2019

Public Utilities Department

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. PUD has established procedures to track IWCP-related costs and will ensure fee levels are reviewed during all future COSS projects. Upon completion of the upcoming COSS, we will consider the consultant's findings and recommendations and formally document the associated policies and procedures as necessary. PUD will also work with the City Attorney's office to determine how or if fees can be adjusted during periods between COSS processes.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 5, 2013	January 2014	January 2014
			October 2014
			December 2015
			~~July 2018~~
			~~November 2018~~
			January 2020

#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. PUD has established procedures to track IWCP-related costs and will ensure fee levels are reviewed during all future COSS projects. Upon completion of the upcoming COSS, we will consider the consultant's findings and recommendations and formally document the associated policies and procedures as necessary. PUD will also work with the City Attorney's office to determine how or if fees can be adjusted during periods between COSS processes.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 5, 2013	January 2014	January 2014
			October 2014
			December 2015
			~~July 2018~~
			~~November 2018~~
			January 2020

#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. PUD has established procedures to track IWCP-related costs and will ensure fee levels are reviewed during all future COSS projects. Upon completion of the upcoming COSS, we will consider the consultant's findings and recommendations and formally document the associated policies and procedures as necessary. PUD will also work with the City Attorney's office to determine how or if fees can be adjusted during periods between COSS processes.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 5, 2013	January 2014	January 2014
			October 2014
			December 2015
			~~July 2018~~
			~~November 2018~~
			January 2020

#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. PUD is currently updating the Regional Wastewater Disposal Agreement, known as the Metro Agreement (MA). During this process, PUD will work with the Participating Agencies to analyze and revise, as necessary, the individual agreements, and will determine any allocation to be added to the MA.

Priority 2	Issue Date: August 5, 2013	Original Target Date: January 2014	Current Target Date: January 2014
			October 2014
			December 2015
			~~July 2018~~
			~~November 2018~~
			January 2020

#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. The next COSS will include a proposal for consideration by the City Council to update fees for Industrial Users within the City of San Diego. The Department has been funded with the fees established in March 1984; however, during last year's budget process and hearings, there were discussions with City Council that PUD would be working on a new COSS. As noted above, this COSS is expected to be completed in Calendar Year 2019, and a rate case brought forward to the City Council in March/April 2020, with proposed rate and fee adjustments targeted for implementation in fiscal year 2021. Target Implementation Date: January 2020 for COSS, March/ April 2020 for Council consideration.

Priority 2	Issue Date: August 5, 2013	Original Target Date: January 2014	Current Target Date: January 2014
			October 2014
			December 2015
			~~July 2018~~
			~~November 2018~~
			January 2020

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

            a. Establish responsibilities and timelines for generating and
               sending invoices for all IWCP fees and charges;
            b. Establish responsibilities and timelines for performing a
               periodic;
            c. reconciliation of all IWCP revenue accounts;
            d. Establish guidelines and procedures for recording labor time, if
               necessary to determine invoice amounts;
            e. Establish guidelines and procedures for calculating invoice
               amounts; and
            f. Ensure that appropriate Separation of Duties controls are
               enforced.

In Process No change since last reporting period. Upon completion of the COSS, PUD
            will fully develop an SOP to document the billing process, procedures and
            timelines associated with the IWCP. This process will include a
            comprehensive review of pertinent PIMS settings and invoice-calculating
            features to ensure that accurate invoices are generated and sent in a timely
            manner, and the SOP will incorporate verification of timely and accurate
            revenue collection by the Revenue Analyst and Interagency Agreement
            Supervisor.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	August 5, 2013	January 2014	January 2014
			October 2014
			December 2015
			~~July 2018~~
			~~November 2018~~
			January 2020

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

In Process   No change since last reporting period. Upon completion of the COSS, PUD will fully develop an SOP to document the billing process, procedures and timelines associated with the IWCP. This process will include a comprehensive review of pertinent PIMS settings and invoice-calculating features to ensure that accurate invoices are generated and sent in a timely manner, and the SOP will incorporate verification of timely and accurate revenue collection by the Revenue Analyst and Interagency Agreement Supervisor.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	August 5, 2013	January 2014	January 2014
			October 2014
			December 2015
			~~July 2018~~
			~~November 2018~~
			January 2020

19-003   **PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S WATER BILLING OPERATION**

(SG) (JP)

#2   The Public Utilities Department (PUD) should periodically assess the strength and effectiveness of their billing control environment. Specifically, to determine the effectiveness of current controls at a macro level, PUD should at least twice a year evaluate the number of implausible readings created and changed, in addition to the number of customers rebilled and the number of customer complaints. PUD could then assess if these numbers are high, identify causes, and adjust controls to address root causes, such as poor meter reader performance. Additionally, PUD should:

  a) Post these metrics and the results of its assessment on its public website as soon as they become available, along with any actions taken to improve the control environment;

  b) Add key performance indicators relating to billing accuracy to its annual budget; and

  c) Report the results of this assessment and billing accuracy performance in its annual budget and to relevant committees and oversight bodies.

In Process   The Public Utilities Department (PUD) Customer Support Division is implementing a re-organization which includes creating a Billing Analytics unit within a new Key Customer Advocacy Section. The goal of the Billing Analytics team is to ensure customers receive accurate bills by reviewing and analyzing billing exception reports; analyzing trends in customer accounts, including rebills, consumption data, and meter reads to evaluate potential systemic issues; and addressing customer complaints. Currently, the creation of this work unit is in the process of working with Personnel to classify the appropriate positions and then filling vacancies. With the development of the Fiscal Year 2021 Proposed Budget, PUD will develop and post key performance indicators and subsequently report out to relevant committees on bill accuracy.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	April 2019	~~April 2019~~
			~~June 2019~~
			April 2020

#3   The Public Utilities Department (PUD) should develop, track, and analyze employee performance metrics to increase the effectiveness of the meter reading program and reduce potential billing errors before they impact customers. Specifically, PUD should annually:

   a) Develop performance metrics based on the time taken to complete each route and the average number of errors and estimations for that route;

   b) Identify methods to reduce the number of errors and skipped readings per route;

   c) Track specific meter reader performance against route averages and incorporate this into annual performance evaluations;

   d) Define acceptable boundaries of performance for each route and adjust them as necessary;

   e) Track metrics for each route over time, such as route difficulty, ease of meter access, which routes take longer, why they take longer, etc. and adjust as necessary for maximum efficiency.

In Process   The Public Utilities Department (PUD) has developed and executed a new Standard Operating Procedure (SOP) titled "Tracking and Analysis of Meter Reading Performance Metrics". This SOP is applicable to all PUD key stakeholders and staff who perform meter reading services. The Meter

Reading Performance Metrics and Program Goals included in this SOP are based on historical data and overall operational assessment of the meter reading program. PUD will conduct a Pilot Program to track/review data gathered for a one-year period (from July 2019 to July 2020) to ensure the applicability and effectiveness of the set forth metrics and goals and make any necessary adjustments.

Both Supervisors and Field Representatives have participated in training to ensure their awareness and adherence to the SOP's Performance Metrics and Goals. At the conclusion of the one-year trial period, PUD agreed to meet with the Municipal Employee's Association (MEA) to discuss all pertinent information gathered. Both parties (PUD and MEA) agree that any changes to be made following the one-year Pilot Program will be met and conferred upon as necessary.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	January 2019	~~January 2019~~
			~~July 2019~~
			July 2021

#6   The Public Utilities Department's Customer Support Division should identify all skip codes that require a trouble code entry and those that require immediate supervisory attention (such as locating meter). To that end, meter readers should enter a trouble code for every skip code that requires it. Also, PUD should update their Process Narrative (PN-0326) to align with revisions.

In Process   PUD has made tremendous progress on the implementation of the recommendation, however, OCA requires more time to work with PUD to request, review and determine if the measures they have established are sufficient to meet the intent of the recommendation and that proper documentation is maintained.

PUD has developed a Standard Operating Procedures (SOP) (WtrBillOps-03) that requires entry of a skip code identifying the reason the meter was skipped. Meter readers must enter the accompanying trouble code, when applicable, to identify the additional work needed at the meter to resolve the issue. PUD has also conducted an analysis and trial run of skip codes.

First, PUD identified a list of skip codes that require a trouble code. In that list, it is noted that a new trouble code to "Locate Meter" would be created for the "Can't Locate to Read" skip code. According to PUD, after conducting an internal analysis, PUD determined that the "Locate Meter" trouble code is not needed. According to PUD, it will have its Field Services and Investigation Unit try and locate the meter without forwarding the issue to another

division. As part of its process, PUD will develop a list of the last 60-day billing cycle to identify correct locations, remove meters no longer in service, and refer out those meters for which all other efforts have been exhausted. This process needs review to ensure that it is occurring and is producing the intended result of efficiently updating customer meter locations in the billing system for the purposes of obtaining an accurate meter read. Moreover, once established as the process, PUD should update its Process Narrative.

Secondly, PUD conducted an internal analysis of staff's understanding of the skip and trouble codes before and after an October 2018 employee training. Based on their analysis, the October 2018 and November 2018 results showed no significant improvements. As a result, the Program Manager noted that he would ask Supervisors to conduct a refresher training. Ensuring that problematic meters are identified and correctly routed to the appropriate resource(s) for resolution is fundamental to water billing accuracy. Staff was retrained in March 2019. PUD submitted documentation that did not provide equitable comparison from PUD's previous analysis to their submitted April 2019 documentation to OCA to demonstrate that the additional training was successful. While PUD has made progress towards implementing the recommendation, there are items that require further review.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	September 2018	~~September 2018~~
			June 2019

#7   The Public Utilities Department should facilitate stronger coordination between the Customer Support Division and the Meter Shop to prioritize repairs and reduce the backlog of unrepaired meters that impact accurate and timely customer billing. Additionally, the Customer Support Division should communicate high priority trouble code entries to the Meter Shop to expedite critical maintenance.

In Process   The Public Utilities Department (PUD) indicated they developed and executed a new Standard Operating Procedure (SOP) titled "Meter Maintenance Communications", and flow charts for Meter Maintenance Communications that addresses communications with Field Services & Investigation, the Customer Service Office, and the Meter Shop. This SOP includes daily, weekly, bi-weekly, and monthly meetings as well as quarterly updates to the Deputy Chief Operating Officer and PUD Director. In addition, PUD's SOP titled "Use of Skip Codes and Trouble Codes in Handheld Devices and Supervisory Review" includes the identification of trouble codes to use in

conjunction with skip codes which create and establishes priorities of work orders for meters needing replacement.

However, OCA inquired how PUD prioritizes the Trouble Codes. PUD Management explained that Trouble Codes indicating "Dead Meter" or "Replace Meter" are priority one. There is no documentation that provides ranking for other trouble codes. The only trouble codes CSD handles are these Priority one codes. PUD Management indicated there is more work to be done in this area. Examples include standardizing Descriptors, and flow charting of Billing and Consumption Analytics process to identify meter issues even before a meter reader would notice a problem in the field. These additional steps appear to be a prudent approach to improving the department's processes in order to meet the intent of the recommendation to "prioritize repairs and reduce the backlog of unrepaired meters that impact accurate and timely customer billing." We will continue to follow up on the progress of this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	August 2018	~~August 2018~~
			June 2019

#8   The Public Utilities Department's Customer Support Division (CSD) should strengthen its supervisory review of meter reader accuracy. Specifically, to facilitate a determination about whether skipping the meters was appropriate, and to facilitate remedial action for affected meters, CSD should revise the supervisor review form to include trouble code information in addition to skip code information.

In Process   PUD has made tremendous progress on the implementation of the recommendation, however, OCA requires more time to work with PUD to request, review and determine if the measures they have established are sufficient to meet the intent of the recommendation and that proper documentation is maintained.

To date PUD has developed a SOP (WtrBillOps-03) describing expectations for supervisory review of skip and trouble codes. Also, the Supervisor Route Review Form includes trouble code and skip code items. PUD supervisors conduct field spot checks of entered skip and trouble codes to facilitate a determination about whether skipping the meters was appropriate and to facilitate resolution of meter issues identified in the field. They updated their Supervisor Route Review form that must be reviewed daily and then the Customer Service Supervisor is required to review and sign off on the Supervisor Route Review form. Lastly, monthly review of skips and trouble

codes should be discussed and sent to the Field Services & Investigation Sections' Program Management. While PUD has made progress towards implementing the recommendation, there are items that require further review.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	September 2018	~~September 2018~~
			June 2019

#10   To improve customer satisfaction, the Public Utilities Department should communicate with customers in advance of anticipated bill-impacting activities. Specifically, PUD should:

a) Notify a customer when their meter reading is under review for a prolonged period that may impact their billing schedule or result in receiving multiple bills at the same time.

b) Inform customers of forthcoming changes or bill-impacting activities, such as rate increases or prolonged billing periods, with sufficient notice to prepare for the additional expenses.

In Process   a) The Public Utilities Department (PUD) is working with the Department of IT ERP Support to develop the best technical solution to enable PUD to effectively and timely communicate with customers in advance of anticipated bill-impacting activities. This solution has taken longer than expected as to ensure the information pulled from the billing system is current, accurate, complete and the solution is sustainable and will work as intended.

b) The Public Utilities Department is communicating with customers in advance of forthcoming changes or bill-impacting activities. This communication was deployed for the water rate increase effective September 1, 2019.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	September 2018	~~September 2018~~
			~~June 2019~~
			January 2020

19-005   **PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S WATER METER COVER REPLACEMENT PROGRAM**

(AH) (LB)

#4   To hold employees accountable for delivering expected performance, PUD should include the results of the reports from Recommendation 3 in the normal process of evaluating employees' performance. If management finds employees are deficient, PUD should use formal performance plans and discipline methods as appropriate.

In Process   This recommendation was intended to facilitate the evaluation of individual employee performance against the performance targets adopted in response to Recommendation 1. As part of Recommendation 3, PUD management submitted evidence of reporting group performance on a monthly basis. Developing those monthly reports produces enough data to monitor and evaluate individual employee performance as well. Therefore, the implementation of this recommendation remains in process while PUD management develops new procedures for regularly evaluating individual employee performance against the performance targets adopted in response to Recommendation 1.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	August 31, 2018	March 2019	March 2019

#10   PUD should develop a more efficient routing procedure for box/lid replacements. For example, every work day, the box/lid supervisor could group service requests in one specific area of the City and assign crews to complete replacement work there that day. To ensure work is completed throughout the City, the crews could have a rotation of work areas that would take them to a different area every day. One application of this approach might be to group service requests within the same Council District and work in a different Council District every day.

In Process   PUD provided evidence of a mapping tool in EAM that can be used to assign work in a specific area of the City. Based on limited testing of service request data and conversations with staff and management, PUD continues making efforts to assign work to box/lid crews in a way that is geographically efficient. However, management maintains that crews must have the flexibility to respond to emergencies wherever they are reported. We agree with this approach in general, but also learned the box/lid group

may not currently have enough staff to avoid this on a regular basis. Therefore, this recommendation is in process as PUD management continues to work on implementing Recommendation 11, which involves PUD staffing the box/lid group with enough resources to meet service demand and performance targets.

Priority 2	Issue Date: August 31, 2018	Original Target Date: February 2019	Current Target Date: February 2019

#11 To ensure the Box and Lid Group has the necessary staffing capacity to meet service demand and performance targets, PUD should reevaluate the size of the Box and Lid Group. This assessment should include a consideration of time that employees spend on activities other than regular work duties, such as vacation, industrial leave, restricted duty assignments, training, and any other activities that take employees away from work. When conducting this assessment, PUD should also re-evaluate the Box and Lid Group's current six-month performance goal, given the potential for public liability and the City's emphasis on customer service. Lastly, PUD should also evaluate alternate means of completing box/lid replacement work, which may include outsourcing these activities to an outside contractor.

In Process The evaluation of the time required to meet performance goals to service the City's approximate 281,500 water meter covers and boxes, and the collection of relevant data, continues to be in process. Once the data and time requirements are established including possible outsourcing, the staffing plan will be finalized.

Priority 2	Issue Date: August 31, 2018	Original Target Date: April 2019	Current Target Date: ~~April 2019~~ June 2020

Purchasing and Contracting

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

(SG)

#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.

In Process   No change since last reporting period. All P&C Procurement Contracting Officers (PCO) have been trained on contract administration, and that training includes responsibilities for citywide contracts (P&C provided OCA with a copy). In addition, Ariba allows PCOs to effectively manage citywide contracts; however, the department has not identified all of the existing citywide contracts and will only flag them as they are renewed or replaced and entered into the new Ariba system by December 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 16, 2015	April 2015	~~November 2016~~
			~~July 2017~~
			~~June 2022~~
			~~April 2019~~
			December 2020

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

- Ensure that the report in development will clearly identify orders made without references to the appropriate contract and his staff is trained to utilize the report.

- Create a policy defining the intervals of review and actions taken to correct the control weakness.

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

In Process   No change since last reporting period. As noted as part of the February 20, 2019 Audit Committee update, until all contracts are implemented in Ariba, not all risks identified with contract administration will be fully mitigated. P&C agrees with this assessment and is working to have all contracts implemented in Ariba by the end of the next calendar year.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 16, 2015	N/A	~~January 2017~~
			~~June 2017~~
			~~June 2022~~
			~~April 2019~~
			December 2020

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;

   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

   c) 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. The Purchasing and Contracting Department informed the auditor that contracts within the Ariba system meet the recommendation requirements; however, the remaining contracts will not be corrected until they are imported into Ariba.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 25, 2015	~~TBD~~	~~January 2017~~
		January 2017	~~June 2017~~
			~~June 2022~~
			December 2020

#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. The Purchasing and Contracting Department informed the auditor that contracts within the Ariba system meet the recommendation requirements; however, the remaining contracts will not be corrected until they are imported into Ariba.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 25, 2015	November 2015	~~November 2016~~
			~~June 2017~~
			December 2020

#7   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   No change since last reporting period. The Purchasing and Contracting Department informed the auditor that contracts within the Ariba system meet the recommendation requirements; however, the remaining contracts will not be corrected until they are imported into Ariba.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 25, 2015	~~N/A~~	~~November 2016~~
		November 2016	~~June 2017~~
			~~January 2019~~
			December 2020

#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   The Purchasing & Contracting Department, in consultation with the City Attorney's Office, has finalized the Administrative Regulation related to debarment (AR 25.90 - Procedures for Initiating Debarment and Debarment Hearings). The AR details a vendor process that includes City Auditor recommendation points a.) - d.), although P&C does not review its ARs each year. P&C is in the process of filling a number of vacancies in our procurement team and they expect to update all of their trainings, including on the debarment process early in calendar year 2020..

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	~~N/A~~	~~January 2017~~
		January 2017	~~June 2017~~
			~~April 2018~~
			~~May 2018~~
			~~April 2019~~
			January 2020

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   P&C has finalized and published the digital procurement manual. P&C states that the Ariba system has automated features to ensure that purchase requisitions are properly created and linked to contracts.

P&C also reports that any purchase requisitions that are created outside of Ariba and that are not linked to a contract, a review by a Procurement Contracting Officers is required.

The OCA is reviewing evidence and will make a determination of the status of this recommendation for our next semi-annual recommendation follow up report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	April 21, 2016	November 2016	~~January 2017~~
			~~June 2017~~
			~~June 2022~~
			April 2019

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

In Process   No change since last reporting period. In July 2017, P&C implemented a software solution that addresses the intent of the auditor's recommendations for stronger contract management. Since the system go-live, all contracts that P&C has created or moved into the new system benefit from the automated preventative controls in place. However, the legacy contracts outside the new system do not have the same level of preventative controls. According to P&C management, approximately 232 contracts (34 percent) of the contracts are in the new system which account for approximately $1 billion in contract value, while 445 contracts (66 percent) of contracts reside in the previous system, also account for approximately $1 billion in contract value.

P&C indicated that it plans to move the remaining contracts into the new system by the end of Calendar Year 2020. This recommendation remains as In Process until all contracts are sufficiently controlled.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	April 21, 2016	November 2016	~~January 2017~~
			~~June 2017~~
			~~June 2022~~
			December 2020

19-006   **AGREED-UPON PROCEDURES RELATED TO THE CENTRAL STORES PHYSICAL INVENTORY - FISCAL YEAR 2018**

(DK)

#2   In addition, MGO recommends that the Purchasing and Contracting Department consider procuring handheld devices that are compatible with the SAP inventory record module. These devices can be used to scan the barcodes that already exist on each stock item tag and will allow storekeepers to update inventory records in real-time for their inventory cycle counts.

In Process   Management is open to considering all options to increase the efficiency of the Store's inventory management. Management will consider investing in handheld scanning devices and software that integrate with SAP. The purchase of the devices will be dependent on available savings, if any, in the Purchasing and Contracting Department's Fiscal Year 2020 Budget. If savings are not available than a request will be made for the Fiscal Year 2021 Budget.

Priority	Issue Date:	Original Target	Current Target Date:
3	September 4, 2018	Date: March 2019	~~March 2019~~
			March 2020

Real Estate Assets

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, due to several of the department's high priority projects there has been a delay since the last update. Briefings on the proposed changes will need to be made available to the members of the Council. It is anticipated that the Draft Council Policy will go to committee in December 2019.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	December 20, 2012	June 2013	~~March 2017~~
			~~April 2017~~
			~~June 2018~~
			~~December 2018~~
			~~June 2019~~
			December 2019

14-019   **PERFORMANCE AUDIT OF REAL ESTATE ASSETS DEPARTMENT**

(NO)

#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   READ indicated that based on information from Parks and Recreation and Public Works the project is still on track for the update time frame of late FY20 or early FY21.

Priority 2	Issue Date: May 7, 2014	Original Target Date: June 2017	Current Target Date: ~~Fiscal Year 2018~~ ~~June 2018~~ ~~July 2020~~ July 2021

19-002   **PERFORMANCE AUDIT OF THE REAL ESTATE ASSETS DEPARTMENT'S PORTFOLIO MANAGEMENT PRACTICES**

(SM) (KC)

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

- A good match between the property and function, unlikely to change;

- To be considered for relocation of the function to anchor another property with a better match, good fit with upcoming events, or held for future use; and

- Surplus, or property unused by City functions.

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

In Process   READ reported that due to several high priority projects for the department, the Portfolio Management Plan is now anticipated to be presented to Committee in October 2019, and then will go on to full Council in late October or December 2019.

Priority 2	Issue Date: July 23, 2018	Original Target Date: June 2019	Current Target Date: ~~June 2019~~ December 2019

#4   Throughout the process of updating Council Policy 700-10, READ, in consultation with the City Attorney's Office and City Council, should determine the most appropriate channel of presenting the Portfolio Management Plan, and clarify expectations and language, to ensure consistent expectations and guidelines.

In Process   Due to several high priority projects for the department, the Portfolio Management Plan is now anticipated to go to Council Committee in October 2019, and will then go on to full Council in late October or November 2019.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 23, 2018	January 2019	~~January 2019~~
			~~June 2019~~
			November 2019

Risk Management

18-013   **FRAUD HOTLINE INVESTIGATION REPORT OF WASTE IN THE TRANSPORTATION ALTERNATIVES PROGRAM**

(AH)

#12   We recommend that TAP management work in coordination with the Office of the City Comptroller to implement a process for automatic payroll deductions for monthly and annual transit pass sales. TAP management should ensure that this process is documented and approved by the appropriate Appointing Authority. Prior to implementation of the payroll deduction process, TAP management should consider whether SAP can automatically generate pass orders and reports for the types and number of passes sold.

In Process   Prospective third-party administrators were unable to accommodate the scope of services as outlined by the City for the administration of the TAP program. As an alternative, Risk Management has been working with the software developer that created the new benefits enrollment application to create a portal for TAP enrollment within our existing infrastructure. The new TAP portal, which will be accessed through SAP, will allow for online enrollment for transit passes and automated payroll deductions. The new portal is currently in beta testing as is expected to go live on October 1, 2019.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 22, 2017	April 2018	~~April 2018~~
			~~December 2018~~
			~~July 2019~~
			October 2019

San Diego Police Department

14-006   **PERFORMANCE AUDIT OF THE POLICE PATROL OPERATIONS**

(NO)

#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. Recruitment and candidate selection continue to be in progress to hire the data and reporting analyst position that was previously approved. The selected candidate will need to complete the SDPD backgrounds process before they can begin to learn the database and create data extracts and reporting that can be analyzed by existing staff.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 23, 2013	June 2017	~~June 2017~~
			~~October 2017~~
			~~June 2018~~
			June 2020

Transportation & Storm Water - Streets Division

17-009   **PERFORMANCE AUDIT OF STREET LIGHT REPAIR**

(LRC)

#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   Street Division indicated that DoIT/ERP is finalizing the update to the Streetlight Asset Inventory Layer with anticipated completion by November 2019.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	December 1, 2016	December 2018	~~December 2018~~ ~~June 2019~~ November 2019

Transportation & Storm Water

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 Transportation & Storm Water, the revisions to Council Policy 600-08 were approved at the Environment Committee on July 18, 2019. The next step is City Council, which is scheduled to occur October 2019. If approved at the City Council meeting then the implementation will be completed ahead of the 12/31/2019 target date.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	January 15, 2015	June 2016	~~June 2017~~
			~~June 2018~~
			December 2019

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   The Traffic Division has implemented its portion of this recommendation. The remainder of the recommendation will be implemented by the Transportation and Storm Water Department by December 2020 when it updates the City's Vision Zero Strategic Plan to formally include SDPD's measurable goal of increasing enforcement (time spent focusing on pedestrian safety) of the most likely violations, in the most common locations, contributing to pedestrian and bicycle accidents by 10%. This includes a minimum of two Traffic Division grant funded enforcement/educational details per month in the identified areas. Additionally, proactive enforcement, on the part of patrol officers assigned to the identified areas, augments the Traffic Division's efforts and assists with increasing awareness through education and enforcement. According to the Traffic Division, data is being utilized and the public is being educated prior to and during enforcement details.

The Traffic Division has analyzed data to determine which violations are most likely to cause harm to pedestrians, and 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." In addition, in July 2018, Patrol Captains were informed to direct their officers to include enforcement and education specifically related to Vision Zero as part of their community engagement efforts. Specifically, this is to be done three days per week during first to second watch, and second to third watch overlap for one-half hour, as time is permitted, with the understanding that lower staffing, higher priority radio calls, necessary pro-active part one and part two crime enforcement might affect these efforts at times.

Regarding public outreach, a link to the City of San Diego Vision Zero webpage has been placed on SDPD's webpage. An SDPD PSA has been posted on the Vision Zero website to inform the public of SDPD's focus on pedestrian safety. The Traffic Division has also been issuing press releases for its targeted pedestrian safety enforcements. In addition to planned media press conferences and releases, citation data from calendar years 2017 and 2018 have been posted on the Vision Zero website's Resources page. The citation data is broken down by division and year. According to the Traffic Division, this data includes citations issued at locations identified as having three or more injury crashes, and includes citations issued at those locations during all time periods, not just during the Traffic Division's targeted pedestrian safety enforcement events.

The one outstanding portion of this recommendation, the measurable goal being added to the Vision Zero Strategic Plan, is not under the control of the Traffic Division. We therefore have transferred that portion of the recommendation to the Transportation and Storm Water Department, as that department is involved in the Mobility Board and the Vision Zero website.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	September 15, 2016	January 2017	~~March 2017~~
			~~December 2017~~
			~~June 2018~~
			~~January 2019~~
			~~June 2019~~
			December 2020

#14   The Vision Zero Task Force should add identifying funding needs and opportunities to its general responsibilities.

In Process   The Vision Zero Task force will be comprised of members of the newly formed Mobility Board. The Board in its duties and functions includes "advise the Mayor and Council on the implementation of the City's Bicycle Master Plan and Pedestrian Master Plan, and advise on oversight of the Vision Zero Action Plan". The Board will include in its work program a task to identify funding needs and opportunities in general responsibilities. The Board began meeting in May 2019 and has formed a Vision Zero subcommittee to work on the remaining open audit items. The Board will add identify funding needs and opportunities to its Bylaws as a duty and function.

Priority	Issue Date: September	Original Target Date:	Current Target Date:
2	15, 2016	February 2017	~~February 2017~~
			~~May 2018~~
			~~September 2019~~
			December 2019

#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.

In Process   The Vision Zero Task force is comprised of members of the newly formed Mobility Board. The Board in its duties and functions includes "advise the Mayor and Council on the implementation of the City's Bicycle Master Plan and Pedestrian Master Plan, and advise on oversight of the Vision Zero Action Plan". This Board's work plan will include, but not be limited to, the development of a multi-year Vision Zero Long Range Plan to address the engineering, education, and enforcement components of Vision Zero through 2025, which will identify funding needs over the life of the plan. The Vision Zero Long Range plan will include performance metrics and benchmarking goals. As a "living document", the Vision Zero Long Range Plan will prioritize projects by a data-driven approach. The Board has created a Vision Zero subcommittee to work on remaining open audit items.

Priority	Issue Date: September	Original Target Date:	Current Target Date:
2	15, 2016	February 2017	~~February 2017~~
			~~May 2018~~
			December 2019

#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.

In Process   The Vision Zero Task force will be comprised of members of the newly formed Mobility Board. The Board in its duties and functions includes "advise the Mayor and Council on the implementation of the City's Bicycle Master Plan and Pedestrian Master Plan, advise on oversight of the Vision Zero Action Plan". As alluded to in response to Audit Recommendations #14 and #15, a more formalized process of grant identification and recommendation will be developed with the Department of Governmental Affairs. The Board began meeting in May 2019 and has formed a Vision Zero subcommittee to work on the remaining open audit items. The Mobility Board Subcommittee will work to identify and recommend the City pursue additional grants or other funding sources that can be used to further its Vision Zero efforts.

Priority	Issue Date: September	Original Target Date:	Current Target Date:
3	15, 2016	February 2017	~~February 2017~~
			~~March 2017~~
			~~May 2018~~
			~~September 2019~~
			December 2019

#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   The Vision Zero Task force is comprised of members of the newly formed Mobility Board. The Board in its duties and functions includes "advise the Mayor and Council on the implementation of the City's Bicycle Master Plan and Pedestrian Master Plan, and advise on oversight of the Vision Zero Action Plan". This Board's work plan will include, but not be limited to, the

development of a multi-year Vision Zero Long Range Plan to address the engineering, education, and enforcement components of Vision Zero through 2025, which will identify funding needs over the life of the plan. The Vision Zero Long Range plan will include performance metrics and benchmarking goals. As a "living document", the Vision Zero Long Range Plan will prioritize projects by a data-driven approach. The Board has created a Vision Zero subcommittee to work on remaining open audit items. This Subcommittee can work to develop formal evaluation processes which will identify outputs and outcomes over the life of the program.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 15, 2016	December 2017	~~December 2017~~
			~~May 2018~~
			December 2019

18-023   PERFORMANCE AUDIT OF THE STORM WATER DIVISION

(AH) (MG) (DN)

#1   To more quickly and efficiently replace the City's aging corrugated metal pipes, the Transportation and Storm Water Department Storm Water Division (SWD) should continue with its plans to determine the optimal size of its in-house pipe repair crew (crew) and equipment needs, and continue to request funding for the additional staff, as needed. Specifically, SWD should conduct the following analysis to justify the funding request:

- Review all projects on its Capital Improvement Program Needs List and determine which projects the crew can complete; and

- Project future repair and replacement needs based on the City's aging storm water pipes and condition assessment data to help determine the optimal size of the crew.

If SWD is not granted funding for additional FTEs to optimize the size of the crew (based on the results of the analysis above), SWD should develop and implement an annual process to analyze its funding and determine whether funds can be reallocated to fund additional repairs by the crew.

In Process   The Storm Water Division (SWD) has partially implemented this recommendation. As of January 30, 2019, a consultant completed a review of 32.2 miles of corrugated metal pipe (CMP) and assessed the repair options for individual pipe segments. The consultant recommended a phased doubling of in-house staff over FY20 and FY21. In keeping with the recommended phased increase of in-house staff, SWD requested funding for an additional 12 FTEs in

its FY20 budget request, but the request was subsequently not funded. In keeping with the consultant's recommendation, SWD plans to request the funding for the entire in-house crew in FY21. OCA will continue to follow-up on this recommendation until either the additional in-house crew positions are funded, or SWD develops and implements an annual process to analyze its funding and determine whether funds can be reallocated to fund additional repairs by the crew.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 14, 2018	January 2019	~~January 2019~~
			June 2020

June 2019

ATTACHMENT D

**Recommendations Deemed As In Process
And Not Due**

Sorted by Department

This schedule includes all recommendations as of June 30, 2019 that are not due but are In **Process** of implementation based on the status information provided.

Chief Operating Officer

| 19-015 | **PERFORMANCE AUDIT OF PAY EQUITY** |

(NO)

#1   The City Administration, working collaboratively with the Human Resources (HR) Department, Personnel, the Civil Service Commission, and the City Attorney's office, should implement a requirement for the City to conduct a detailed City employee pay equity study at least every three years, identifying earnings gaps amongst employee groups, including, but not limited to genders and racial/ethnic groups. The requirement could take the form of an adjustment to the Municipal Code, a Council Policy, an Administrative Regulation, or other form determined in collaboration with the City Attorney's Office. The requirement should include the pay equity study to be conducted by appropriately-qualified City staff or a consultant, and should include:

    a) Calculation of unadjusted earnings gaps amongst employee groups;

    b) Calculation of adjusted earnings gaps amongst employee groups, using appropriate analytical techniques such as multi-variate regression analysis; with potential explanatory variables such as age, years of service, education, and other variables as appropriate;

    c) Historical results from previous City pay equity studies;

    d) A determination of the appropriate frequency of the study, not less often than every 3 years;

    e) Assigning responsibility for review of unadjusted earnings gaps and statistically-significant adjusted earnings gaps to identify root causes; and

    f) Collaborative consultation with the Office of the City Attorney to develop a unified plan of action to mitigate earnings gaps identified if/as appropriate.

The requirement may provide for independent departments, such as the Office of the City Attorney, to conduct their own pay equity analyses, provided that these studies are consistent with the parameters outlined above. The requirement should also include that the results of each pay equity study, along with the status of measures identified to mitigate previously-identified earnings gaps, be presented to the City Council in a public meeting.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 8, 2019	December 2019	December 2019

#4   The City Administration should utilize qualified City staff or a consultant to investigate and identify the root causes of the existing adjusted earnings gaps among the employee groups identified in the audit, and consult with the Office of the City Attorney, HR, and Personnel to develop a plan of action to mitigate the gaps, if/as appropriate. Specific issues that should be investigated include, but are not limited to:

a) Whether opportunities for overtime are equally accessible across employee groups, particularly for Water Systems Technicians, Fire Fighters, and Police Officers;

b) Whether promotional opportunities and pay increases are awarded fairly;

c) Any other potential causes, as appropriate.

The study should be based in part on a survey of employees in groups that had adjusted pay gaps, in order to solicit employee opinions on whether overtime and promotional opportunities are fairly awarded, and suggestions on how these gaps could be mitigated.

The review above may provide for independent departments, such as the Office of the City Attorney, to conduct their own pay equity analyses, provided that these reviews are consistent with the parameters outlined above.

The results of the review above, including any mitigation measures as necessary, should be presented to the City Council in a public meeting.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 8, 2019	April 2020	April 2020

Department of Information Technology

19-011   **PERFORMANCE AUDIT OF DEVELOPMENT SERVICES' ACCELA PERMITTING SYSTEM IMPLEMENTATION**

(SG)

#3   The Department of Information Technology (DoIT) should maintain a central repository to track current system information to establish controls to maintain current system documentation. Additionally, DoIT should analyze this process impact to current IT Team staffing and allocate resources appropriately to minimize impact to their operations. This repository should:

> a) Track Information System Data from cradle to grave in a centralized, searchable, tracking repository system; while DoIT is automating this process, they should record this information using available resources; and
>
> b) Integrate with the system implementation process data created during the implementation phase.

In Process   The Department of IT has researched the options for the central repository as stated in this recommendation and identified the City's ServiceNow system as the appropriate solution for this requirement. ServiceNow is being developed as the city's system of record for all IT projects, assets, configuration items, knowledge, incidents, problems and change management. This system currently manages and controls the governance and project management/implementation processes. Before we can use the city's ServiceNow instance to fulfill this requirement, the Department of IT needs to complete the build out of the asset management and ITSM modules. These activities are dependent on the RFP process for the new contracted vendors. Once in place, ServiceNow will be the system of record for IT and our contracted vendors. Until that point in time, it does not make sense to house the documentation in this system as it will require licensing from all city employees required to follow this process and maintain the documentation. Once the system is fully operational all users will be licensed.

As a short-term solution, the Department of IT has reviewed where all system documentation is currently stored and will leverage the SharePoint repository. City departments will be required to store all documentation in a logical structure similar to the current application portfolio managed by our vendor CGI. This portfolio has been successful for CGI in managing all project and

ongoing documentation for each supported application. Therefore, Department of IT will expand this concept to include non-CGI supported apps and other types of technology implementations.

Once the ServiceNow system is fully implemented, the repository will be transferred over to that system for full, automated tracking.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	November 16, 2018	September 2020	September 2020

Economic Development

18-015 **PERFORMANCE AUDIT OF THE ECONOMIC DEVELOPMENT DEPARTMENT'S BUSINESS AND INDUSTRY INCENTIVES PROGRAM**

(AH) (KC)

#5 EDD should develop policies and procedures governing application and information requirements for companies seeking BII incentives. Specifically, for a smaller company receiving lower value expedited permitting and minimal technical assistance, EDD management should collect and certify the information used to justify the incentive award. For larger companies receiving more extensive technical assistance, more valuable expedited permits, or other incentives of more substantial value, EDD should require application submittals from companies seeking services or incentives related to the BII, similar to the 'Economic Development Project Information' form that EDD has required for businesses receiving other EDD services.

The information collected by EDD via self-certification or an application submittal should include supporting documentation that would be used in the determination of whether to award an incentive including: the location of the business; the number and types of jobs being created; potential tax revenue; estimated capital investment; and the industry category of the applicant.

In Process No change since the last reporting period. The Economic Development Department has developed a revised 900-12 policy to address this recommendation. The new 900-12 policy will go to Council in July 2018 and the new program is proposed to launch in December 2018. This recommendation is in process and on track for the target implementation date.

	Priority	Issue Date:	Original Target Date:	Current Target Date:
	1	January 16, 2018	July 2019	July 2019

#6   EDD should implement policies and procedures to require the performance of the following steps when analyzing and documenting applications or requests for incentives, including (1) the determination of whether the company satisfies the criteria established in Council Policy 900-12 and the Economic Development Strategy; and (2) Specific benefits the City expects the business to generate, including evaluation of the tax base impact, number and type of jobs created, estimated capital investment, and benefits to the surrounding neighborhood. This analysis and supporting documentation should be documented in the case management system.

In Process   No change since the last reporting period. The Economic Development Department has developed a revised 900-12 policy to address this recommendation. The new 900-12 policy will go to Council in July 2018 and the new program is proposed to launch in December 2018. This recommendation is in process and on track for the target implementation date.

	Priority	Issue Date:	Original Target Date:	Current Target Date:
	1	January 16, 2018	July 2019	July 2019

#7   EDD should develop policies and procedures for analyzing potential financial incentives which requires that a detailed 'but for' analysis be completed as a component of the cost-benefit analysis. The complexity of the 'but for' analysis should be scaled based on the size of the incentive provided and be designed to determine whether a financial incentive being considered is likely to influence the target business's decision-making regarding whether to remain or expand within the City, and to determine the ideal amount to be offered to influence the business' decision.

This analysis should include a quantitative analysis based on various business characteristics and location needs, and may incorporate narrative discussion of other non-quantifiable intangibles, such as the value of maintaining positive relationships. For incentive packages with an aggregated value in excess of $1 million, EDD should require the business potentially requiring the incentive to assume the cost of an independent consultant selected by the City to perform the analysis, consistent with Council Policy 900-12.

In Process No change since the last reporting period. The Economic Development Department has developed a revised 900-12 policy to address this recommendation. The new 900-12 policy will go to Council in July 2018 and the new program is proposed to launch in December 2018. This recommendation is in process and on track for the target implementation date.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	July 2019	July 2019

#8 EDD should propose an amendment to Council Policy 900-12 which specifically requires at least a basic form application/agreement for larger companies receiving more extensive technical assistance, more valuable expedited permits, or other incentives of more substantial value through the BII. The application / agreement should include the requirement that the incentive recipient certify information EDD needs to verify program eligibility.

In Process No change since the last reporting period. The Economic Development Department proposed an amendment to Council Policy 900-12 in April 2018, that addresses this recommendation. The new 900-12 policy will go to Council in July 2018.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	July 2019	July 2019

#9 EDD should propose a revision to Council Policy 900-12 that:

a) Specifies that the basic form application / agreement discussed above should require each program beneficiary to provide basic information about the business on a periodic basis, such as capital investments and jobs created, when necessary to allow EDD to analyze the effectiveness of the BII

b) Requires EDD to establish specific performance measures for the BII, and to report the BII's performance on the measures to the City Council annually, such as through EDD's annual report. In addition, EDD should document and implement a written, clearly defined monitoring process, using data acquired from businesses using the BII and from other sources, in order to evaluate and report on the BII's performance against the measures identified above.

In Process   No change since the last reporting period. The Economic Development Department proposed an amendment to Council Policy 900-12 in April 2018, that addresses this recommendation. The new 900-12 policy will go to Council in July 2018.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	July 2019	July 2019

Fleet Operations Department

19-007   **PERFORMANCE AUDIT OF THE FLEET OPERATIONS' VEHICLE ACQUISITION PROCESS**

(JP)

#2   The Fleet Operations Department (Fleet Operations) should track and monitor total acquisition time including up-fitting time (Vehicle Delivery to In-Service), for all vehicles and equipment. At a minimum, Fleet Operations should establish policies and procedures to collect data needed to measure total acquisition time, including up-fitting time. These policies and procedures should include steps that would require investigating when performance goals are not met. In order to evaluate the timeliness of these processes, Fleet Operations should collect (at a minimum) the following data:

- Start Vehicle Purchase Process Date;

- Order Placed Date;

- Estimated Delivery Date;

- Vehicle Delivery Date (and any updated delivery dates);

- Initial Inspection Date; and

- In-Service Date.

In Process   No change since last reporting period. As of February 25, 2019, the Fleet Operations Department tracks Order Placed Date, Estimated Delivery Date, Actual Delivery Date, and In-Service Date. The Fleet Operations Department is still evaluating if the Start Vehicle Purchase Process Date and Initial Inspection Date can be effectively monitored through the FleetFocus EAM.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 27, 2018	June 2020	June 2020

#3   The Fleet Operations Department should establish Service Level Agreements or a City Administrative Regulation to define roles and responsibilities for City departments involved in the vehicle acquisition process.

In Process   No change since last reporting period. As of February 25, 2019, The Department is focusing its efforts on creating and filling the position that was recommended as part of this audit which will develop goals and data collection methodologies for acquisition time (including up-fitting) and policies surrounding the deliverables of the Fleet Operations Department to customer departments. This position will be responsible for developing an Administrative Regulation surrounding roles and responsibilities for both Fleet Operations and Fleet customers related to service levels surrounding the acquisition process.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 27, 2018	June 2020	June 2020

#4   Fleet Operations Department (Fleet Operations) should evaluate and implement solutions for project tracking, customer communications, and acquisition planning by utilizing FleetFocus EAM to the greatest extent possible. As part of the implementation, Fleet Operations should collect more specific data so that it can be used to evaluate acquisition process operations. Fleet Operations should ensure that key steps of the acquisition process are entered into FleetFocus EAM in a standardized way so that it can monitor acquisition and up-fitting timelines.

In Process   No change since last reporting period. The Department is currently focusing its efforts on creating and filling the position that was recommended as part of this audit which will develop goals, data collection methodologies for acquisition time (including up-fitting), and policies surrounding the use of Fleet Focus. This position will focus on maximizing the use of Fleet Focus to the greatest extent possible thus enhancing the services that the Fleet Operations Department provides to its customers and the capabilities of the FleetFocus EAM.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 27, 2018	June 2020	June 2020

#6   The Fleet Operations Department should develop policies and procedures for FleetFocus EAM data collection to ensure data accuracy, completeness, validity, and timely entry. The policies should include a data monitoring component.

In Process   No change since last reporting period. The Department is currently focusing its efforts on creating and filling the position that was recommended as part of this audit which will develop goals, data collection methodologies for acquisition time (including up-fitting), and policies surrounding the use of Fleet Focus, including data entry, accuracy and monitoring.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 27, 2018	June 2020	June 2020

Human Resources Department

19-015   **Performance Audit of Pay Equity**

(NO)

#2   Human Resources, working collaboratively with Personnel, and the City Attorney's office, should develop and execute an action plan for things the City may be able to do to mitigate its unadjusted earnings gaps if/as appropriate. Strategies may include:

     a) Considering how to increase part-time arrangements for a larger number of City positions;
     b) Expanding other flexible work policies such as position-sharing or telecommuting as appropriate;
     c) Building on past work and exploring additional policies such as expanded parental leave, onsite child care, and flexible work arrangements where appropriate;
     d) Ensuring leadership opportunities such as Citywide Supervisors Academy, OpEx Academy, and other departmental efforts are being offered to a diverse audience;
     e) Reducing reliance on overtime to meet staffing requirements, especially within Fire-Rescue; and

> f) A particular focus on these or other operationally-appropriate efforts within public-safety departments.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 8, 2019	December 2021	December 2021

#6   In preparation for upcoming labor renegotiations, HR should request from each union a set of written ideas and suggestions for how earnings gaps may be addressed.

These suggestions should be incorporated into the City's pay equity action plan if/as appropriate.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 8, 2019	September 2019	September 2019

Parks and Recreation Department

19-016   **Performance Audit of the City's Administration of Joint Use Agreements with San Diego Unified School District**

(KC)

#1   We recommend that the Parks and Recreation Department revise the MOU to reflect the vision and the shared goals of the City and the District.

During the revision process, the Parks and Recreation Department should work with the City Attorney's Office to determine an acceptable solution for any potential maintenance amounts that may be the District's responsibility per the requirements set forth in the existing MOU.

If an updated MOU is adopted, the Parks and Recreation Department should develop a contract template for the Joint Use Agreements.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

	Priority	Issue Date:	Original Target Date:	Current Target Date:
	1	April 9, 2019	July 2020	July 2020

#2	We recommend that the Parks and Recreation Department implement a tracking system for the Joint Use agreements for each site to include, but not be limited to: land, development, and maintenance cost; park location; acres; agreement start date; agreement expiration date; and, if applicable, parity calculations.

In Process	This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

	Priority	Issue Date:	Original Target Date:	Current Target Date:
	2	April 9, 2019	July 2020	July 2020

#3	We recommend the Parks and Recreation Department develop policies and procedures with a process narrative describing the Parks and Recreation Department, Planning Department, and other applicable City departments' responsibilities for the data inputs into the tracking system as described in Recommendation 2.

In Process	This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

	Priority	Issue Date:	Original Target Date:	Current Target Date:
	2	April 9, 2019	July 2020	July 2020

#4	We recommend the Parks and Recreation Department, with the assistance of the Planning Department and the City Attorney's Office, develop a proposal for City Council to consider revisions to Council Policy 700-35 to include, but not be limited to:

- Strategic vision for the joint use program;
- Joint use program objectives;
- City department responsibilities; and
- Annual reporting requirements for reports to City Council or Council Committee to include:
  - Report Due Date;
  - Number and Description of joint use sites approved by Council during previous fiscal year;

> ➤ Total number and description of joint use sites opened during previous fiscal year;

Prior fiscal year financial contributions by the City; and o Total financial contributions by the City.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 9, 2019	July 2020	July 2020

Personnel Department

19-015   **Performance Audit of Pay Equity**

(NO)

#3   As part of the development of the action plan recommended above, the Personnel Department, in collaboration with Human Resources, should work with departments – particularly within public safety - to evaluate strategies for increasing diversity in higher-paying positions if/as appropriate. Such strategies may include:

a) Maintaining support for programs such as Fire-Rescue's Girls Empowerment Camp and Cadet Program, and SDPD's STAR/PAL program, while reevaluating if they are sufficient to meet the City's workforce diversity goals;

b) Evaluating if additional measures besides above are needed to increase diversity, such as job description requirements, middle-of-the-night on-call requirements etc.;

c) Job advertisements in media which the City has not previously used, and that targets underrepresented groups; and

d) Recruiting materials reflective of a diverse workforce.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 8, 2019	December 2020	December 2020

#5 The Personnel department, working collaboratively with HR and the City Administration, should collaborate as appropriate and consider entering employee education levels into SAP in order to facilitate more robust earnings gap analysis and improve the City's overall strategic human capital management. This could include simply tracking the minimum years of education requirements for each position, or could include more robust tracking such as years of education for each employee.

Similarly, but separately, Personnel, working collaboratively with HR and the City Administration, should consider identifying a way for employees to update their identified gender and race/ethnicity, if desired - for example, through the employee information update capabilities currently within SAP.

In Process This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 8, 2019	December 2020	December 2020

Planning Department

19-013 **PERFORMANCE AUDIT OF COMMUNITY PLANNING GROUPS**

(CK) (JP)

#1 To help ensure Community Planning Group (CPG) transparency, compliance, diverse community representation, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not be limited to:

  a) Requiring annual training for all CPG members, not just new members;

  b) Expanding the components for the annual report to include a member summary (number of members, turnover, elections), overall summary of project review with voting results, the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group (also see Finding 2);

  c) Including election results in the record retention requirements;

d) Defining CPG representation to include a distinct category for renters and consider setting a minimum number of seats for that category;

e) Making Membership Applications mandatory and subject to record retention requirements;

f) Identifying deadlines for CPGs to provide the Planning Department with rosters, minutes, and annual reports, so that the Planning Department can post them online to ensure this information is available to the public in a centralized location; and

g) Ensuring that the CPG rosters, annual reports, and meeting minutes contain all the required elements as described in Council Policy 600-24 through proactive monitoring of those documents.

In Process   No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	December 13, 2018	December 2019	December 2019

#2   To help ensure Community Planning Group (CPG) transparency, compliance, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not be limited to:

- Developing a formal mechanism for recording and posting CPG project review recommendations, either using a revised annual report that includes all project recommendations or using the Bulletin 620 Distribution Form revised to include the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group.

- Establishing a due date for receipt of CPG recommendations by Development Services Department Project Managers.

In Process   No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	December 13, 2018	December 2019	December 2019

#3   To ensure the City and other stakeholders have sufficient information to analyze Community Planning Group (CPG) performance and influence, we recommend the following:

The Planning Department, in conjunction with the Development Services Department, should improve its documentation of CPG recommendations and post all CPG documents, including project review recommendations, on the City's website.

In Process   No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	December 13, 2018	December 2019	December 2019

Public Utilities Department

19-019   **Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)**

(MG)

#1   To maximize its call system investment and provide enhanced customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD), should assess its Call Center data and system needs and, within its chosen call center system, develop a plan that includes, but is not limited to:

- Acquisition of a dedicated subject matter expert (SME) to provide technical and operational support for the call system; and

- Determination of data necessary for management and Supervisors to assess customer service goals.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented. But PUD expects it to be completed by the target implementation date.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	January 2020

#2   To facilitate knowledge transfer for future users of the call management system, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop policies and procedures on how to use the system, including the system's reporting capabilities. CSD should also develop a training plan to educate staff, at least annually, on the use of the Call Center system's features.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented. But PUD expects it to be completed by the target implementation date.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	January 2020

#3   To improve internal operations and provide best-in-class customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop key performance indicators to establish baseline performance and compare them with industry best practice. To that end, if metrics include the use of customer satisfaction surveys, the surveys should be automated and offered in appropriate languages. Additionally, CSD should continually reassess these key performance indicators based on the Customer Service Office (Call Center) capacity (e.g., staffing, etc.) and desired goals. Lastly, CSD should establish and communicate individual and overall Call Center expectations to staff.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented. But PUD expects it to be completed by the target implementation date.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	December 2019	December 2019

#4   To ensure that Customer Service Representatives (CSRs) consistently enter the correct reasons for customer calls into the Call Center system, the Public Utilities Department's Customer Support Division (CSD) should develop written guidance that standardizes the types of call activities that should be categorized under each call reason type.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented. But PUD expects it to be completed by the target implementation date.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	January 2020

#5   To enhance training and improve internal communication, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop a training program or provide staff access to trainings specific to the technical and soft skill needs of the Call Center staff, including training on properly entering system codes. PUD should develop written guidance on how long it should take for each transaction type to be approved, entered in Customer Care Services/SAP system, and communicated to CSD staff and customers. This guidance should also include the level of detail for system notes regarding the status of customer transactions.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented. But PUD expects it to be completed by the target implementation date.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	January 2020

#6   To ensure that Customer Service Representatives (CSRs) have the proper authority to efficiently respond to customer inquiries, the Public Utilities Department's Customer Support Division (CSD) should review authorization levels for its Customer Services Office's (Call Center) CSRs and determine which additional authorizations/customer requests CSRs should be able to process/approve without the intervention of a Call Center Senior CSR or a Supervisor.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented. But PUD expects it to be completed by the target implementation date.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	December 2019	December 2019

Transportation & Storm Water

18-023   **PERFORMANCE AUDIT OF THE STORM WATER DIVISION**

(AH) (MG) (DN)

#5   To ensure that the City meets its municipal permit requirements, minimizes the risk of noncompliance, appropriately maintains the storm drain system, and avoids additional deferred maintenance costs, the Transportation and Storm Water Department Storm Water Division (SWD) should initiate the development of a long-term funding strategy to meet its present and future capital and operational needs identified in the Watershed Asset Management Plan (WAMP) and Jurisdictional Runoff Management Plan (JRMP). The funding strategy should be finalized and publicly documented once the WAMP and JRMP have been updated to reflect future compliance costs, to be determined upon completion of SWD's current negotiations with the San Diego Regional Water Quality Control Board regarding SWD's request to utilize the Integrated Planning Framework program. SWD should work with the City of San Diego's Independent Budget Analyst to review long-term funding options, such as: continued / increased reliance on the General Fund, general obligation bonds, a general tax measure, increasing the storm water fee, and any other options that may significantly contribute to closing the existing funding gap. Additionally, SWD should consult with the Office of the City Attorney to ensure that the selected funding mechanism(s) meet legal requirements. When developing its funding strategy, SWD should:

- Identify stakeholders' preferences, priorities, and satisfaction levels. Such efforts should occur before a decision has been made, or to test various ideas and approaches. To elicit public input, SWD may use (but is not limited to) the following mechanisms:
    - Focus groups;
    - Interviews;
    - Comment (or point-of-service) cards;
    - Public meetings, such as hearings, "town hall" meetings, and community vision sessions;
    - Interactive priority setting tools;
    - Creating public or neighborhood advisory groups, committees, or task forces; or
    - Hire a consultant to conduct surveys.

Present the funding strategy to the City Council upon completion. The funding strategy should include a plan to pursue the desired funding

mechanism(s) based on consideration of information obtained from stakeholders, expert knowledge, objective data, and using the success factors identified by other municipalities in our report.

In Process   No change since last reporting period. The department indicated that the development of a Storm Water long-term funding strategy is in process and on schedule to be completed in January 2021.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 14, 2018	January 2021	January 2021

#6   If the selected funding mechanism(s) requires voter approval, then the Transportation and Storm Water Department Storm Water Division (SWD) should ensure that it hires a consultant to conduct an unbiased, statistically reliable survey of potential voters to estimate voter support for a variety of funding options deemed viable by the long-term funding strategy recommended above. When conducting the survey, the consultant should educate stakeholders on specific storm water issues, including: flood prevention, the storm water funding gap, the deferred capital backlog, ongoing operational costs, and water quality regulations. The consultant should then solicit voter opinions and include analysis regarding:

- Importance of water quality and flood reduction to residents and businesses;

- Whether, and how much residents or property owners are willing to pay for water quality measures, storm water infrastructure, and other SWD activities;

- Funding mechanism structure options, such as tiered fee rates, fee rates that adjust annually by inflation, a sales tax measure, general obligation bonds, etc.;

- Identify objections and strategies to overcome them; and

- Whether the funding mechanism can be obtained by a simple majority or a two-thirds supermajority

Based on the survey results, SWD should modify the plan to pursue the selected funding mechanism(s) as needed, and execute the plan.

In Process   No change since last reporting period. The department indicated this recommendation is based on the results of the Storm Water long-term funding strategy that is being developed as part of Recommendation Number 5. If the selected funding mechanism requires voter approval, the Storm Water Division will hire a consultant to conduct an unbiased,

statistically reliable survey of potential voters to estimate voter support for a variety of funding options deemed viable by the long-term funding strategy.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 14, 2018	January 2022	January 2022

#8   Once the new system is implemented, and in conjunction with the next update of the Jurisdictional Runoff Management Plan, the Transportation and Storm Water Department Storm Water Division (SWD) should perform an evaluation to determine how the new system is meeting its inspection and enforcement needs, especially with respect to ease of supervisory oversight and ensuring the consistent application of enforcement remedies. Based on the evaluation, SWD should request database updates, as necessary, to ensure a more consistent framework for monitoring the issuance of fines, penalties, and re-inspection fees. SWD should support its request for additional capabilities with a cost-benefit analysis using the estimated efficiencies that would be gained.

In Process   No change since last reporting period. The department indicated the Storm Water Division will begin testing the functionality of the new inspection tracking system after the inspection tracking system is completed in January 2019 and anticipates completing the testing in January 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 14, 2018	January 2020	January 2020

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

In Process   No change since last reporting period. The department indicated the process to establish a re-inspection fee that is consistent with the San Diego Municipal Code and City Policies is in process and on schedule to be completed in January 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 14, 2018	January 2020	January 2020

19-014 **PERFORMANCE AUDIT OF THE CITY'S CURB PAINTING PROCESS**

(KC)

#1 We recommend the Director of the Transportation and Storm Water Department develop a written, comprehensive City curb painting policy and control framework to help ensure City resources are being utilized effectively and efficiently. The policy should at a minimum include:

- Goals and objectives of the City specific to the City's curb painting process and operations, and establish performance metrics to evaluate whether those curb painting goals and objectives are being met;

- Evaluate methods to optimize curb painting operations - such as addressing similar faded curb conditions within the immediate geographic area - if the process continues to be based primarily on requests and complaints;

- Expanding guidelines for Transportation Engineering Operation Division's determinations for authorizing painted curbs;

- Guidelines for Street Division's maintenance of painted curbs including red curbs painted to provide public safety; and

- A process to monitor the implemented policy and make any appropriate adjustments to meet the goals and objectives of the Division.

Once the policy is established, inform Department staff of the policy through training opportunities for consistent implementation.

In Process No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 11, 2019	December 2019	December 2019

#2 To help ensure the public understands what is required from them when submitting a request and to reduce the amount time staff spends on requests that do not meet the qualifications for approval, we recommend the Director of the Transportation and Storm Water Department should require Transportation Engineering Operations and Street Divisions to author and publish written summaries of the City policy for curb painting for the public to better understand and utilize the City curb painting services.

In Process No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 11, 2019	December 2019	December 2019

#3	To establish roles and responsibilities and develop better communication among City departments and outside agencies to help operations perform more efficiently and effectively, we recommend the Director of the Transportation and Storm Water Department require Transportation Engineering Operations Division to develop and coordinate written agreements with Economic Development Department, Development Services Department, and the San Diego Metropolitan Transit System to share more information and ensure that City records accurately reflect curb painting approved by those organizations.

In Process No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 11, 2019	June 2020	June 2020

#4	To increase efficiency by making information readily available, we recommend the Director of the Transportation and Storm Water Department should require Street Division in conjunction with Transportation Engineering Operations Division to begin developing a City research mechanism or inventory to identify painted curbs within the City's inventory asset management system. The mechanism should at a minimum make reliable records available to Traffic Engineers.

In Process No update was provided for this report.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 11, 2019	December 2019	December 2019

19-018 **PERFORMANCE AUDIT OF THE CITY'S RIGHT-OF-WAY TREE TRIMMING MAINTENANCE PROGRAM**

(CK)

#1   We recommend that the Transportation & Storm Water Department's Urban Forestry Program develop and implement a Contract Compliance Plan for the tree trimming contract that includes, but is not limited to, the following criteria:

- Deliverables/Tasks;
- Performance Standards;
- Acceptable Level/Quality;
- Method and Frequency of inspections/evaluations; and
- Narratives and Ratings.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	May 31, 2019	December 2019	December 2019

#2   We recommend that Transportation & Storm Water Department's Urban Forestry Program require the Contractor to include additional palm tree characteristics along with invoice documentation to support contract rates billed and provide palm tree characteristics for program monitoring purposes. Palm tree characteristics may include but not be limited to species, years of growth, condition and any other useful characteristics identified by the Urban Forestry Program.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	May 31, 2019	December 2019	December 2019

#3   We recommend that the Transportation & Storm Water Department Urban Forestry Program should develop a process to track and monitor key performance indicators related to service notifications. Program management should identify relevant key performance indicators that will address the program's workload and resource capacity. Specific

performance measures to be tracked should include, but not be limited to, the following:

a) Total service notifications received and closed during each fiscal year, broken down by priority; and

b) Average response time for service notifications received and responded to during each fiscal year, broken down by priority.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	May 31, 2019	March 2020	March 2020

#4   We recommend that the Transportation & Storm Water Department Urban Forestry Program should develop a mechanism for reporting service notification performance measures to City leadership and the public. The key performance indicators should be reported in a formal document, such as the City's Annual Budget and/or an annual report to relevant City boards and committees. At a minimum, the total number of service notifications received, closed, and average response time should be reported in the City's Annual Budget along with other Transportation & Storm Water Department key performance indicators.

In Process   This is a new recommendation that was issued within the last three months of the current reporting period but is expected to be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	May 31, 2019	April 2020	April 2020