
Audit Recommendation Follow-Up Report

*STATUS UPDATE AS OF
June 30, 2020*

Office of the City
Auditor

City of San Diego



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THE CITY OF SAN DIEGO

DATE: October 14, 2020

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, 2020. 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 10 recommendations, and attached the status updates for all recommendations. Again, progress has been made by the Administration to implement audit recommendations. We look forward to presenting this report at the October 21, 2020 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. We should note that this report was impacted by the COVID-19 pandemic.

cc: Honorable Mayor Kevin Faulconer
Honorable City Councilmembers
Aimee Faucett, Interim Chief Operating Officer
Jeff Sturak, Assistant Chief Operating Officer
Almis Udrys, Assistant Chief Operating Officer
Rolando Charvel, Chief Financial Officer
Jeff Peelle, Assistant Director, Department of Finance
Matthew Helm, Chief Compliance Officer
Deputy Chief Operating Officers
Department Directors



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SUMMARY

The Administration has continued to make progress towards implementing open audit recommendations. During this reporting period, the Administration has implemented 18 of the outstanding recommendations. Additionally, we issued six reports and added 55 new recommendations, and the Administration agreed or partially agreed to implement all of the new recommendations.

There are 10 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.

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 occurred during this reporting period can be easily identified. Due to the COVID-19 emergency, some of the due dates may be affected because of budget constraints or staff working on pandemic related priorities. As a result, we were unable to verify some of the recommendations that were reported as implemented due to the pandemic. We will continue to follow up on these recommendations during our next reporting period. Also, during this reporting period the automatic email notification to remind departments about past or upcoming due dates was inadvertently disabled. We are working to reestablish connectivity so emails will be sent to departments as due dates pass or are coming due.

Lastly, going forward, we will be asking departments to provide a detailed action plan for each audit recommendation to advance effective implementation.

We greatly appreciate the Administration's efforts to implement 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, 2020. 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 Circumstances changed to make the recommendation not applicable.
- N/A

As of our last recommendation follow-up report for the period ending December 31, 2019, there were 115 open recommendations. Since then, we have issued five performance audit reports and one hotline investigation report which added 55 new recommendations for a total of 170 outstanding recommendations for the period ending June 30, 2020. The table below summarizes this activity:

Activity for the Period Ending June 30, 2020	Number of Recommendations
Recommendations In Process as of December 31, 2019	115
Recommendations Issued January 1, 2020 through June 30, 2020	55
Total Outstanding Recommendations as of June 30, 2020	170

During this reporting cycle, we verified that departments and related entities have implemented 18 recommendations out of 170 (11 percent) since our last report. The results of our review for this reporting cycle are as follows for the 170 recommendations:

Number of Recommendations	Status of Recommendations
18	Implemented
84	In Process - With Revised or Past Due Target Dates
60	In Process - Not Due
8	Not Implemented - N/A
170	Total

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

- **Exhibit 1** - Summarizes the status of the 170 recommendations by audit report in chronological order.
- **Exhibit 2** - Summarizes the distribution of the 18 recommendations **Implemented** by Department/Agency.
- **Exhibit 3** - Summarizes the distribution of the 84 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency.
- **Exhibit 4** - Summarizes the distribution of the 60 recommendations **In Process - Not Due** by Department/Agency.
- **Exhibit 5** - Breaks down the 170 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, 2020.

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 previous updates 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, 2020 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, 2020 where implementation is **In Process** 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, 2020 that are **In Process** of implementation based on the status information provided and current 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.

Moving forward the OCA will ask departments to provide an action plan for each of the recommendations described in this report and on all future recommendations. Elements of the action plan will include designating the person responsible for the implementation and updates, the milestones needed to fully implemented each recommendation, and timelines for each milestone until full implementation is achieved. We will solicit the Audit Committee's and Administration's feedback on the format and timing of these actions at the 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.

Exhibit 1 below summarizes the status of the 170 recommendations by audit report in chronological order.

EXHIBIT 1: Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process	Not Implemented - N/A
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	
14-002	Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program			7
14-006	Performance Audit of Police Patrol Operations		1	

Report No.	Report Title	Implemented	In Process	Not Implemented - N/A
14-019	Performance Audit of the Real Estate Assets Department - Residential Property Leases		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		5	
16-011	Performance Audit of the City's Street Preservation Ordinance		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		1	
17-009	Performance Audit of Street Light Repair		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	
17-020	Performance Audit of The City's Management of Its Advisory Boards	1		
17-021	Hotline Investigation of Recreation Activity Permit Calculation Errors and Abuse		1	
18-007	Performance Audit of the Economic Development Department's Business Cooperation Program		2	

Report No.	Report Title	Implemented	In Process	Not Implemented - N/A
18-012	Hotline Investigation of an Information Technology Contract	1		
18-013	Fraud Hotline Investigation Report of Waste in the Transportation Alternatives Program		1	
18-015	Performance Audit of the Economic Development Department's Business and Industry Incentives Program		6	
18-023	Performance Audit of the Storm Water Division		4	
19-002	Performance Audit of the Real Estate Assets Department's Portfolio Management Practices		2	
19-003	Performance Audit of The Public Utilities Department's Water Billing Operations	1	5	
19-005	Performance Audit of the Public Utilities Department's Water Meter Cover Replacement Program		3	
19-006	Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2018			1
19-007	Performance Audit of the Fleet Operations' Vehicle Acquisition Process	4	1	
19-008	Hotline Report of Jury Duty Service Fraud		1	
19-011	Performance Audit of Development Services' Accela Permitting System Implementation		3	

Report No.	Report Title	Implemented	In Process	Not Implemented - N/A
19-013	Performance Audit of Community Planning Groups	2	2	
19-014	Performance Audit of the City's Curb Painting Process	2		
19-015	Performance Audit of City Employee 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	2	1	
19-019	Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)		6	
20-001	Hotline Report of Improper Free Trash Collection at Short-Term Residential Occupancy Units		1	
20-002	Performance Audit of Public Utilities Department's Advanced Metering Infrastructure Implementation		10	
20-003	Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract		6	
20-007	Hotline Report of Public Records Act Responses	2	4	
20-008	Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects		11	
20-009	Performance Audit of the City's Efforts to Address Homelessness	1	11	

Report No.	Report Title	Implemented	In Process	Not Implemented - N/A
20-010	Hotline Investigation of Gift Received by a City Employee	2	2	
20-011	Performance Audit of Strategic Human Capital Management		14	
20-013	IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption		5	
20-015	Performance Audit of the City's Management of Public Liabilities		9	
GRAND TOTAL		18 (11%)	144 (85%)	8 (4%)

Exhibit 2 summarizes the distribution of the 18 recommendations **Implemented** by Department/Agency as of June 30, 2020.

EXHIBIT 2: Number of Recommendations Implemented by Department/Agency

Number of Recommendations Implemented	Department/Agency	Number of Recommendations Implemented	Department/Agency
1	Chief Operating Officer	1	Homelessness Strategies Division
1	Chief Operating Officer Engineering & Capital Projects	1	Office of Boards and Commissions
2	Communications	1	Planning Department
1	Department of Information Technology	1	Public Utilities
1	Development Services	4	Transportation & Storm Water
4	Fleet Operations		

Exhibit 3 summarizes the distribution of the 84 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency as of June 30, 2020.

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
3	Assistant Chief Operating Officer	1	Human Resources Chief Operating Officer
2	Chief Compliance Officer	1	Parks & Recreation
6	Chief Operating Officer	2	Planning Department
3	Chief Operating Officer Environmental Services Chief Financial Officer	24	Public Utilities
1	Department of Finance ¹	8	Purchasing & Contracting
3	Department of Information Technology	4	Real Estate Assets
10	Development Services	1	San Diego Police Department
8	Economic Development ²	4	Transportation & Storm Water
1	Fleet Operations	1	Transportation & Storm Water - Streets
1	Human Resources		

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

² Two of these recommendations are highlighted for Audit Committee attention in Attachment A.

Exhibit 4 summarizes the distribution of the 60 recommendations **In Process - Not Due** by Department/Agency as of June 30, 2020.

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	Assistant Chief Operating Officer	1	Human Resources Department of Information Technology
3	Chief Compliance Officer	2	Human Resources Personnel
1	Chief Compliance Officer Transportation and Storm Water Department	1	Human Resources COO Personnel City Attorney
2	Chief Operating Officer	4	Parks & Recreation
1	Chief Operating Officer Engineering & Capital Projects	4	Personnel
5	City Clerk Performance and Analytics Department Department of Information Technology	1	Personnel COO Human Resources City Attorney
1	Department of Finance	1	Personnel Human Resources City Attorney
9	Development Services	1	Personnel Human Resources
11	Homelessness Strategies Division	2	Risk Management Chief Compliance Officer
4	Human Resources	1	Risk Management Department
1	Human Resources Performance and Analytics Department	2	Transportation & Storm Water

Exhibit 5 breaks down the current 170 open recommendations and the 142, 141, 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*.

EXHIBIT 5a: Current Report Audit Recommendations Implementation Aging for June 30, 2020 period

Timeframe	Implemented	In Process	Not Implemented- N/A	Total
0 - 3 Months	0	28	0	28
4 - 6 Months	3	24	0	27
6 - 12 Months	2	21	0	23
1 to 2 Years	11	36	1	48
Over 2 Years	2	35	7	44
Total	18	144	8	170

EXHIBIT 5b: Audit Recommendations Implementation Aging for December 31, 2019 period

Timeframe	Implemented	In Process	Not Implemented- N/A	Will Not Implement	Total
0 - 3 Months	1	12	2	0	15
4 - 6 Months	4	20	0	0	24
6 - 12 Months	2	11	0	1	14
1 to 2 Years	4	36	0	1	41
Over 2 Years	14	34	0	0	48
Total	25	113	2	2	142

³ Timing is rounded to the month.

EXHIBIT 5c: 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 5d: 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 5e: 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 5f: 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 5g: 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 5h: 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 5i: 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 5j: 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 5k: 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 5I: 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, 2020

Activity for the Period Ending June 30, 2020	Number of Recommendations
Open Recommendations Carried Forward from Period Ending December 31, 2019	
Recommendations In Process as of December 31, 2019	115
Recommendations issued January 1, 2020 through June 30, 2020	55
Total Outstanding Recommendations as June 30, 2020	170
Recommendations Implemented	18
Recommendations Not Implemented - N/A	8
Recommendations Resolved for Period Ending June 30, 2020	26
Carry Forward Open Recommendations	144

June 2020

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 previous updates provided by the Administration, (c) a recommendation may need some type of further action, or (d) a recommendation is determined to be **Not Applicable** (N/A) any longer and should be dropped.

ATTACHMENT A
RECOMMENDATIONS FOR THE AUDIT COMMITTEE'S ATTENTION

Requested Action by the Audit Committee:

We request the Audit Committee consider dropping the following recommendations because they have been deemed no longer applicable for the reasons stated below.

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

(DK)

- #2 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.

MGO conducted the annual [Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2020](#) and the recommendation made in this report addresses the risks identified in the prior report. Therefore, we request this recommendation is dropped and that it is replaced by the recommendation from the FY 2020 report.

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

OCA issued a [Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program](#) on July 15, 2020. The recommendations made in the follow-up audit report will address the risks identified in the original report and provide for more updated recommendations. Therefore, we request the following seven recommendations are dropped and that they are replaced by the recommendations from the follow up report linked above.

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

(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.
- #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.
- #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.
- #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.
- #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.

- #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 reconciliation of all IWCP revenue accounts;
 - c. Establish guidelines and procedures for recording labor time, if necessary to determine invoice amounts;
 - d. Establish guidelines and procedures for calculating invoice amounts; and
 - e. Ensure that appropriate Separation of Duties controls are enforced.
- #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.

Requested Action by the Audit Committee:

The Economic Development Department reported they do not intent to fully implement the two recommendations listed below. OCA recommends that the recommendations remain In Process to be fully implemented for the reason stated below.

18-007

PERFORMANCE AUDIT OF THE BUSINESS COOPERATION PROGRAM

(AH) (DK)

#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.

#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

It is evident the Public Works Department and Economic Development Department (EDD) collaborated to fully implement the portion of the recommendation regarding the City's public construction projects. The Public Works Contracts boiler template specifies for PWD projects over \$25 million, contractors are required to participate in the BCP program as well as ensure their subcontractors participate. PWD has already executed one contract with the BCP program language. Furthermore, the Public Works RE Manual (for Residential Engineers) describes in detail the RE's job responsibilities while managing contracts, which includes verifying that all contract requirements are complied with, including that contractors enroll in the BCP.

We also recommended that EDD target private construction projects via the BCP, which other jurisdictions have done successfully to increase revenues. In October 2019, the City Council approved EDD's proposed update to the BCP, to enhance the incentives offered by the program for companies that participate. However, EDD has stated there has been little interest from contractors on private projects to participate in the BCP program since the publication of the BCP Performance Audit, referencing EDD's survey inquiring about contractors' interest in BCP participation. Further, according to EDD, the City eliminated the budget for BCP rebates to participating companies in FY 21, and EDD expects key positions to remain unfilled due to the City's current hiring freeze. As such, EDD does not plan to pursue private contractors for participation in the program, and no longer plans to implement this portion of the recommendation.

While the budgetary issues described above would need to be overcome, or current staff would need to be reallocated, OCA finds that it would likely benefit the City to pursue contractors on private projects for participation in the BCP program. We found that EDD may have underestimated contractors' potential interest because the survey they used communicated insufficient and inaccurate information on how contractors could utilize and benefit from the program. Specifically, the survey stated that contractors needed to purchase \$5 million in use-taxable materials to be eligible for the program, when this is not the case;

the survey did not identify that the City has staff and a consultant that would assist contractors in complying with program requirements; and the survey did not provide examples quantifying the financial benefits of the program to contractors, which in many cases would be tens of thousands of dollars or more. As a result, the most common response to the survey was that the contractor was 'not sure' if they would participate, with 45% of respondents selecting this response. This indicates contractors need further education on the specifics of the BCP program, which may increase interest and utilization.

Additionally, other jurisdictions we benchmarked with have been successful in recruiting private construction contractors to their BCP programs. Further, there is relatively little cost to the City to pursue private projects, while the benefits are potentially significant. As in other jurisdictions we benchmarked with, the City's tax consultant could be used on a commission basis to recruit contractors for participation and assist them in meeting program requirements; the City would only pay the tax consultant a commission if they are successful in enrolling private contractors in the program and capturing additional tax revenues for the City.

Currently, there are several large construction projects moving forward in the City which could qualify for BCP participation, including redevelopment of the Sports Arena site and redevelopment of the Petco Park tailgate lot. Both of these proposed developments are currently in exclusive negotiations with the City, during which the City could negotiate BCP participation as part of the final approval. Also, both of these projects are expected to exceed \$1 billion in development costs, indicating the potential that BCP enrollment would result in significant financial benefits to the City. For example, one component of the planned redevelopment of the Sports Arena site is the construction of a new arena. The City of Sacramento, which uses the same tax consultant as San Diego, was able to capture approximately \$420,000 in additional tax revenue by using the consultant to enroll contractors on a new \$558 million arena in its version of the BCP.

Thus, pursuing contractors on the new Sports Arena, and other major components of these developments for participation in the BCP could yield significant financial benefits to the City at a time when City revenues have been impacted by the pandemic and economic downturn. Therefore, we suggest this recommendation stay in process and the City utilize the consultant with expertise in the BCP program to pursue contractor participation in the BCP program. In addition, because identifying new BCP participants would be cost-effective, the City should identify a way to fund rebate incentives for existing and new program participants, and

work with the City's consultant to administer the program in a way that minimizes the administrative burden on City staff.

Priority	Issue Date:	Original Target	Current Target Date:
1	September 28, 2017	Date: October 2018	October 2018 April 2019 December 2020

June 2020

ATTACHMENT B

Recommendations Deemed As Implemented

This schedule includes all recommendations as of June 30, 2020 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments to support all elements of the recommendation.

ATTACHMENT B
RECOMMENDATIONS DEEMED AS IMPLEMENTED

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

(AH) (DN)

#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.

Implemented This recommendation has been implemented. The Mayor's Office has consulted with the Office of the Council President on this recommendation and considered a proposal to revise Council Policy 000-13. The Mayor's Office drafted a new Administrative Regulation for the Administration of City Advisory Boards and Commissions, which formally documents required steps in the vetting process. In addition, the Office of the Council President proposed Council Policy 000-13 changes related to the appointment process for the City's Advisory Boards and consulted with the City Attorney's Office to determine how to best address differences between the vetting process for candidates to be appointed by the Mayor versus candidates to be appointed by the City Council. The Council Policy 000-13 changes were approved by City Council with an effective date of July 28, 2020.

**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.

Implemented This recommendation has been implemented. The Department of IT now has an automated software solution to handle the network and telephony billing allocations by department. Citywide billing allocations are also more accurate and complete due to software-based tracking of inventory changes.

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

(SG) (JP)

#6 This recommendation has been implemented. 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.

Implemented The Public Utilities Department identified all skip codes that required a trouble code and those that require supervisory attention. PUD has updated their PN-0326 to align with the revisions made to the existing process.

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

(JP)

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

Implemented This recommendation has been implemented. During the last recommendation follow-up period, Fleet Operations provided evidence that it has evaluated its acquisition process and determined performance goals for the portions of the vehicle acquisition process under Fleet's direct control. Additionally, Fleet Operations provided evidence that it is currently monitoring acquisition timelines under its control. Fleet Operations has now also provided documentation that the performance goals for ordering and up-fitting are 20 and 45 working days respectively.

Fleet Operations determined it would not set performance goals for the whole acquisition process, as fleet-industry variable affect the timeline from order placed to vehicle delivery. Fleet Operations stated that it maintains

communication with dealers during this stage, but that even dealers may not know the estimated timelines. Fleet Operations provided evidence of a dashboard for tracking vehicles on order and stated that it informs departments of timelines and delays at regular meetings with customer departments.

#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.

Implemented This recommendation has been implemented. During the previous recommendation follow-up period, Fleet Operations provided evidence that it is tracking key dates in the vehicle acquisition process, using a dashboard to monitor vehicles in the acquisition process and receiving an automated report on the vehicles currently in upfitting. This allows Fleet to monitor acquisitions, keep departments informed, and investigate any potential missed targets. Fleet Operations has now provided evidence that it has established procedures that require the collection of key milestone information as well.

#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.

Implemented This recommendation has been implemented. The provided documentation includes the data necessary to keep customer departments informed of vehicles in the acquisition process. Fleet also provided evidence of dashboards and e-mails updating Fleet staff on vehicles in the acquisition process, and Fleet stated that it holds routine meetings with customer departments to keep them informed. Fleet also provided evidence of customer access to already owned modules, including customer access, notifications, and dashboards.

#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.

Implemented This recommendation has been implemented. Fleet provided evidence of policies and procedures for entering data accurately, consistently, and in a timely fashion. Fleet also provided evidence of documented responsibilities and tools for validating data and monitoring data accuracy.

19-013 PERFORMANCE AUDIT OF COMMUNITY PLANNING GROUPS

(CK) (JP)

#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.

Implemented This recommendation has been implemented. Development Services Department Information Bulletin 620 was updated to reflect current processes with Community Planning Groups and the development review process. Through this effort, an online form was created as page 3 of the information bulletin. The form (which uses the Seamless Documents application platform) allows CPGs to populate the form electronically with their project recommendation and submit digitally to the City. CPG recommendations are posted on the Planning Department's website at

<https://www.sandiego.gov/planning/community/cpg/recommendations>.

From the Planning Department homepage, the CPG recommendations can be accessed via a button, titled "Community Planning Group Recommendations for Development Projects" which will take the user to their location on the Planning Department's website.

#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.

Implemented This recommendation has been implemented. 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 standard comments including the group submit a copy of their project recommendation and/or minutes from the community planning group meeting, including the vote count.

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

(CK) (CN)

#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.

Implemented Based on the stated complaint-driven objective and the process to monitor curb painting work completed, we consider this recommendation implemented. The Transportation and Storm Water Department (TSWD) has consolidated curb painting policies and procedures into a City curb policy. TSWD management stated that the goals and objectives of the department are to respond timely to complaints and not to proactively repaint curbs. They further indicated that curb painting is a low priority for the City and the department, especially when compared to potholes and streetlights and does not rise to the level of an individual key performance indicator to monitor specific red curb painting efforts. However, TSWD does monitor red curb painting complaints/notifications through the City's Enterprise Asset Management system. The work report includes notification date, start date and end date with a description of curb painting activity for all curb painting—not just red curbs.

#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.

Implemented This recommendation has been implemented. Transportation Engineering Operations Division has issued memorandums outlining the coordination needed to ensure that City records accurately reflect curb painting approved by those organizations. The organizations include Economic Development, Development Services Department, Public Works and San Diego Metropolitan Transit System.

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.

Implemented This recommendation has been implemented. The Transportation and Storm Water Department's Urban Forestry Program developed a contract compliance plan for its tree trimming contract that includes all recommended components. The plan includes deliverables and tasks, such as completing all grid palm trims assigned within 3 months of assignment and providing a monthly report of updates to the tree inventory. The plan includes performance standard definitions for tree maintenance and planting. The plan defines acceptable level of quality for every standard. The plan assigns evaluation dates to every standard, with some set evaluation dates and some random. Monitoring of contract compliance has been ongoing with any discrepancies noted and communicated to contractor.

#3 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.

Implemented This recommendation has been implemented. TSWD is tracking tree trimming service notifications by priority including the number opened and closed as well as average response time. In addition to priorities, service notifications can be tracked by specific type of work such as fallen trees, hanging limbs and downed palm fronds.

20-007 HOTLINE REPORT OF PUBLIC RECORDS ACT RESPONSES

(AH)

#5 We recommend that the Communications Department Director develop procedures to ensure that any performance metrics used related to PRA compliance are applied accurately and consistently, and are described in such a way as to communicate the correct interpretation of the measure's meaning.

Implemented This recommendation has been implemented. The Communications Department replaced the prior performance metric related to PRA responses with two new measures. The new performance metrics will report the percentage of PRA requests that are closed within 24 days and six months, respectively. The new measures satisfy the intent of the recommendation since the criteria for closing requests is clearly defined in the revised AR 95.21, dated May 31, 2019.

#6 We recommend that the Assistant Chief Operating Officer, in consultation with the City Attorney's Office, and the Purchasing and Contracting Department, consider corrective action regarding the vendor's apparent violation of the City's Product Endorsement Policy.

Implemented This recommendation has been implemented. Based on the evidence we obtained and reviewed, the apparent violation of the City's Product Endorsement Policy was corrected by the vendor. The vendor was contacted by City staff and removed the web page that included an apparent endorsement by the Mayor.

20-009 PERFORMANCE AUDIT OF THE CITY’S EFFORTS TO ADDRESS HOMELESSNESS

(DN) (LB)

#3 As recommended and defined in the City of San Diego Community Action Plan on Homelessness, the City should establish a governance structure that includes a Citywide Leadership Council, an Interagency Implementation Team, and a Project Manager.

Implemented This recommendation has been implemented. The City established a Leadership Council and Implementation Team as outlined in the Community Action Plan. Additionally, with advice from the City, the San Diego Housing Commission hired a Project Manager to oversee and track the implementation recommendations produced in the plan.

20-010 HOTLINE INVESTIGATION OF GIFT RECEIVED BY A CITY EMPLOYEE

(GR)

#2 We recommend that the Chief Operating Officer review the details from our Confidential report, conduct an independent investigation, and take the appropriate corrective action with respect to any identified City employees.

Implemented This recommendation has been implemented. The City conducted an independent investigation and took the appropriate corrective action with respect to the identified employee.

#3 We recommend that the Chief Operating Officer consider permanent debarment for Vendor A for lack of business integrity. Under SDMC 22.0807 Grounds for Permanent Debarment, (1) (B) states, “any offense, action, or inaction indicating a lack of business integrity or business honesty.”

Implemented This recommendation has been implemented as the City has initiated debarment for Vendor A.

June 2020

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, 2020 where implementation is **In Process** 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 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 change in status since the last reporting period. Response from former DCOO Robert Vacchi, Deputy Chief Operating Officer: Management agrees with this recommendation. Management will consider options for a policy that include City employees serving the minimum frequency of jury duty required, serving as often as summoned, or a discretionary policy allowing individual department appointing authorities to make the decision on serving in consultation with the employee. It is not our intent to create a policy that restricts an employee in any way from participating in jury duty pursuant to applicable State and Federal laws. Development of the policy will require consultation with all of the affected Representative Employee Organizations.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 28, 2018	March 2019	March 2019 December 2020

20-007 HOTLINE REPORT OF PUBLIC RECORDS ACT RESPONSES

(AH)

#1 We recommend that the Assistant Chief Operating Officer coordinate citywide training regarding the obligation to search for and produce responses to requests for public records on personal devices and accounts, and other aspects of the PRA.

In Process The administration requested to extend the implementation date to December 2020. They are in the process of developing the training content for a required online PRA Compliance training that will include additional information on personal devices/accounts.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	December 13, 2019	June 2020	June 2020 December 2020

Chief Compliance Officer

20-015 PERFORMANCE AUDIT OF THE CITY'S PUBLIC LIABILITY MANAGEMENT

(AH) (GT)

#7 The City's ERM manager and Risk Oversight Committee should develop and execute a roll out plan to implement a proactive risk management framework, such as ERM, on a City-wide basis. The roll out plan should target one to two operational departments for initial implementation of the framework, establish an employee engagement plan to facilitate change in the City's organizational culture, and develop and implement a process to continually review and monitor the program.

In Process Management's response to this recommendation at the time of audit issuance indicated that this recommendation was implemented, however, no supporting documentation was provided to OCA for review due to other priorities. OCA will continue to follow up and work with the City's ERM manager for the next reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	January 2020	January 2020

#8 The City's ERM manager and Risk Oversight Committee should develop curriculum and trainings to educate City leaders at the senior executive level of the strategic and operational benefits of a proactive risk management framework.

In Process Management's response to this recommendation at the time of audit issuance indicated that this recommendation was implemented; however, no supporting documentation was provided to OCA for review due to other priorities. OCA will continue to follow up and work with the City's ERM manager for the next reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	March 2020	March 2020

Chief Operating Officer

17-013 PERFORMANCE AUDIT OF THE SAN DIEGO CONVENTION CENTER

(CN)

#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 in status since the 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 2	Issue Date:	Original Target Date:	Current Target Date:
	January 18, 2017	December 2017	December 2017 June 2018 December 2018 Unknown

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 No additional updates have been provided since the issuance of the memo.

Per a memo issued by the COO to the City Council on August 8, 2019, it appears they have issued the RFP for the actual Pay Equity study but it is unknown if it has been codified in a Council Policy or as Municipal Code requirement.

The memo states: "To ensure the study is extensive and substantial, the City's Performance and Analytics Department is currently working with staff to draft a Request for Proposals (RFP) for a citywide pay equity study. The RFP is set for national distribution in September 2019, and the study is expected to begin by a qualified consultant early in 2020."

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

Per a memo issued by the COO to the City Council on August 8, 2019, it states:

In response to further recommendations in the audit, the City's Human Resources (HR) Department is creating an action plan to mitigate unadjusted earnings gaps. Pending any implementation requirements - such as meet and confer with recognized employee organizations - required by the Meyers-Milias-Brown Act and Council Policy 300- 06, the action plan will be finalized and executed after the conclusion of the citywide pay equity study. Additionally, on August 1, 2019, HR requested the City's six recognized employee organizations provide ideas and suggestions on how to address earning gaps, by Friday, August 16, 2019.

No additional updates have been provided since the issuance of the memo.

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

**20-003 HOTLINE REPORT OF ABUSE RELATED TO THE UNFAIR AWARD OF A
MULTI-MILLION-DOLLAR CONTRACT**

(AH)

#1 We recommend that the Chief Operating Officer ensure that Administrative Regulation 35.11 regarding the Citywide Department Use of Cooperative Procurement Contracts be revised to require documentation of a business case analysis listing other vendors that provide the goods or services, an analysis of the costs and benefits of a competitive procurement process, an evaluation of other cooperative procurement contracts available from other vendors, a certification that the City's process was fair to other vendors, and a signature by the City employee submitting the Certification declaring that the facts and information presented are true and correct.

In Process No update was provided for this reporting period. OCA will continue to follow up on this recommendation during our normal recommendation follow up process.

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

#2 We recommend that the Chief Operating Officer review the details from our Confidential report, conduct an independent investigation, and take the appropriate corrective action with respect to any identified City employees.

In Process No update was provided for this reporting period. OCA will continue to follow up on this recommendation during our normal recommendation follow up process.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	September 11, 2019	February 2020	February 2020

#3 We recommend that the Chief Operating Officer ensure that the Human Resources Department reviews the HR Contracting Out Form related to the identified contract to determine if City policy or agreements with recognized employee organizations were violated, and take the appropriate corrective action.

In Process No update was provided for this reporting period. OCA will continue to follow up on this recommendation during our normal recommendation follow up process.

	Priority 1	Issue Date: September 11, 2019	Original Target Date: April 2020	Current Target Date: April 2020
#5	We recommend that the Chief Operating Officer, in consultation with the City Attorney's Office, update SDMC §§ 22.3205 and 23.1801, requiring a review of all service contracts by the Civil Service Commission, to reflect the current practice.			
In Process	No update was provided for this reporting period. OCA will continue to follow up on this recommendation during our normal recommendation follow up process.			
	Priority 3	Issue Date: September 11, 2019	Original Target Date: May 2020	Current Target Date: May 2020
#6	We recommend that the Chief Operating Officer, in consultation with the City Attorney's Office, revise Administrative Regulation 35.11 and relevant SDMC sections to clarify whether or not a cooperative procurement process may be used for consultant contracts.			
In Process	Purchasing and Contracting (P&C) indicated that the San Diego Municipal Code was updated to reflect that a cooperative procurement process may not be used for consultant contracts. The update went into effect the beginning of the current fiscal year, and P&C will be working on updating the Administrative Regulation as well.			
	Priority 3	Issue Date: September 11, 2019	Original Target Date: February 2020	Current Target Date: February 2020 November 2020
#7	We recommend that the Chief Operating Officer ensure that Administrative Regulation 35.11 regarding the Citywide Department Use of Cooperative Procurement Contracts, and other relevant policies, be revised to prohibit the City from receiving free consultation, goods, or services from vendors if doing so may reasonably be perceived to lead to favorable treatment for a particular vendor, or potentially violate State law.			
In Process	Purchasing and Contracting indicated the Administrative Regulation update is in process.			
	Priority 2	Issue Date: September 11, 2019	Original Target Date: February 2020	Current Target Date: February 2020 November 2020

Communications Department

20-007 HOTLINE REPORT OF PUBLIC RECORDS ACT RESPONSES

(AH)

#4 We recommend that the Communications Department Director develop PRA Program policies and procedures to ensure that City staff processes PRA requests in a manner consistent with the Public Records Act and City policy. Specifically, the document should include, but not be limited to:

- a) a definition of terms
- b) procedure steps related to the use of the PRA Program's software
- c) whether requests from the media or any other group will be handled differently from public requests
- d) a policy regarding embargoing responses
- e) whether all responsive documents will be posted online or not
- f) details regarding the information that is required to be provided to requesters within the statutory timeframes
- g) escalation procedures if City staff are not providing timely responses
- h) the information required to be provided to requesters in order to justify an extension of time for a response
- i) operational definitions of the compliance metric(s) used to evaluate the effectiveness of the PRA Program
- j) a policy regarding the electronic format used to provide email messages

In Process The department reported this recommendation as Implemented; however, we cannot deem this recommendation as Implemented until all outstanding elements are met. OCA will continue to follow up on this recommendation during our next reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	December 13, 2019	June 2020	June 2020

Department of Finance⁴

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

In Process

No change in status since the last reporting period. Department of Finance is reviewing the recommendation and consulting with Purchasing and Contracting Department to determine how to implement.

Priority
2

Issue Date:
April 25, 2015

Original Target Date:
November 2015

Current Target Date:
~~November 2016~~
June 2017
December 2020

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

Department of Information Technology

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 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. The Department of Finance's internal controls section and Human Resources have reviewed and approved the new AR. The AR is currently with City Attorney and will be routed to Directors for sign-off following approval.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	November 16, 2018	June 2019	June 2019 December 2020

#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 No change in status since the last reporting period. 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. At the time of this publication the AR was not yet finalized.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	November 16, 2018	April 2019	April 2019 December 2020

#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 evaluated 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 system 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 IT services contracts. 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.

The Department of IT is currently meeting the documentation requirements by leveraging the SharePoint repository. City departments are required to store all documentation in a logical structure similar to the current application portfolio managed by our vendor CGI.

Once the ServiceNow system is fully implemented, the repository will be transferred over to that system for full, automated tracking. Based on the current schedule for RFP awards and transition of services for the new IT contracts, the transition to the new documentation system in ServiceNow is targeted for April 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	November 16, 2018	September 2020	September 2020 April 2022

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 in status since the last reporting period. According to the department, the Accela implementation is planned for Spring 2020 (Discretionary projects), and Fall 2020 (Ministerial).

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 29, 2012	Disagreed	May 2017 December 2017 April 2018 February 2020 November 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 in status since the last reporting period. According to the department, the Accela implementation is planned for Spring 2020 (Discretionary projects), and Fall 2020 (Ministerial).

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 29, 2012	April 2017	May 2017 December 2017 April 2018 February 2020 November 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 in status since the last reporting period. DSD is committed to a full digital transformation of our business processes and thus is working on a comprehensive long term Department wide plan for such transition. It include five year planning for fiscal, software, hardware needs, as well as the talent/human capital and other resources needed to implement such a transformation. This process is dynamic because of timelines associated with software contracts, Accela implementation and facility/workplace challenges.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 29, 2012	December 2017	May 2017 December 2017 April 2018 February 2020 November 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 in status 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 in status since the last reporting period. DSD has made changes to tracking housing units in a more granular fashion in PTS, which was released in January 2020. These changes will be carried over in Accela

during its 2020 implementation. This is documented in DSD policy and procedures for employees. The training will be completed by the end of January 2020 for employees.

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

(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 in status since the last reporting period. According to the department, new methods of extracting PTS (and soon Accela) data have enabled additional performance analysis by individual review cycle for all projects. They expect full implementation by November 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	March 2017	July 2017 March 2019 February 2020 November 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 in status since the last reporting period. According to the department, new methods of extracting PTS (and soon Accela) data have enabled additional performance analysis by individual review cycle for all projects. They expect full implementation by November 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	March 2017	March 2017 March 2019 February 2020 November 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 in status since the last reporting period. According to the department, new methods of extracting PTS (and soon Accela) data have enabled additional performance analysis by individual review cycle for all projects. They expect full implementation by November 2020.

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

20-008 **PERFORMANCE AUDIT OF DSD ADMINISTRATION OF DEPOSIT ACCOUNTS FOR DEVELOPMENT PROJECTS**

(CK) (MG) (ZA)

#1 We recommend Development Services Department establish formal written policies establishing the authority and approvals for setting and changing the minimum required balance in project tracking system or Accela. This policy should describe the project managers roles, responsibilities, level of authority, required documentation and supervisory review and approval.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	May 29, 2020	May 29, 2020

#8 We recommend Development Service Department review current deposit accounts with deficit balances and immediately invoice past due amounts.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 7, 2020	February 28, 2020	February 28, 2020

Economic Development Department

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

(AH) (DK)

#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 EDD has provided a list of events EDD staff attended to promote BIP throughout the 2019 calendar year. To mark this recommendation as implemented, the OCA will need documentation reflecting EDD's presence at these events. We will continue to follow up during the next reporting cycle.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	January 2019	January 2019 December 2020

#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 EDD has noted a significant distribution of BIP information cards by DSD & the Office of the City Treasurer. To mark this recommendation as implemented, the OCA will need EDD's documented internal processes with DSD and the Treasurer's Office. We will continue to follow up during the next reporting cycle.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 16, 2018	January 2019	January 2019 December 2020

#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 EDD has stated its internal policy and procedure for reviewing applications is under Section D, Procedures in Council Policy 900-12. To mark this recommendation as implemented, the OCA will need more specific documentation detailing EDD's internal policies and/or procedures for application and supporting documentation review. The OCA will also need documentation detailing EDD's process to certify information provided by applicants along with examples of applications received and submitted into the CRM system. We will continue to follow up during the next reporting cycle.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	July 2019	July 2019 December 2020

#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 EDD has stated its internal policy and procedure for reviewing applications is under Section D, Procedures in Council Policy 900-12. EDD has also stated many applicants withdrew their applications or did not qualify for BIP (but

were referred to other resources). To mark this recommendation as implemented, the OCA will need a detailed step-by-step process for application analysis and evaluation. Additionally, the OCA will need documentation regarding EDD's developed policy and/or procedures for application analysis, examples of EDD's determination of whether a company satisfied the criteria established in Council Policy 900-12, and EDD's analysis of specific benefits the City can expect the business to generate. We will continue to follow up during the next reporting cycle.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	July 2019	July 2019 December 2020

#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

Council Policy 900-12 states a Gap Analysis is necessary for Incentives over \$100,000. EDD has stated it has not developed guidelines or procedures for conducting a Gap Analysis as no applicant has applied for funding of \$100,000 or more. EDD has also stated it is not aware of an agency in California which has performed a Gap Analysis specified the BIP. To consider this recommendation as implemented, the OCA will need documentation detailing EDD's internal instructions and procedures for conducting a Gap Analysis or an example of a Gap Analysis from an agency who has conducted this type of analysis. We will continue to follow up during the next reporting cycle.

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

Amended Council Policy 900-12 requires EDD to establish specific performance measures for BIP and to report BIP's performance on the measures to the City Council annually, such as through EDD's annual report. EDD has stated, to date, there has not been a company or project that has qualified for BIP funding. Therefore, information has not been posted on the City website and EDD has not provided notification of a BIP funding award to City Council. EDD has also stated staff will re-evaluate the effectiveness of BIP as well as suggest recommendations based on industry best practices and information obtained from past applicants who did not qualify for BIP. EDD stated it will report its findings and recommendations to City Council in FY21. To consider this recommendation as implemented, OCA will need EDD's written monitoring process for evaluating and reporting the BIP's performance. Additionally, the OCA will need documentation of any performance updates posted on the EDD website or performance updates sent to City Council. We will continue to follow up during the next reporting cycle.

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)

#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 Fleet Operations has developed a Draft Administrative Regulation detailing the vehicle acquisition process. Fleet Operations is actively working to complete this document and will be routing this Administrative Regulation through the City's Administrative Regulation Creation Process. They anticipate this will take several months to complete.

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

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 During the Fiscal Year 2021 (FY21) Contract Negotiations, it was the intention of the City to move the remaining Recognized Employee Organizations (REO's) to the same subsidy rates as MEA and DCAA but due to COVID-19 pandemic and the unforeseen budget deficit, the proposal was placed on hold. HR has since confirmed with Risk Management (RM) that it is still their recommendation to submit to City management as an economic proposal for consideration for FY22 Contract Negotiations to have the remaining REO's receive the same subsidy rates as MEA and DCAA. Specifically, RM is

recommending to City management for FY22 Contract Negotiations that the 90% subsidy be expanded to not only the Premium passes, but to the Regional passes for all of the REO's as well. Please note, as these recommendations will have an impact to the City's budget, it will ultimately be up to the City management and City Council on whether or not this will be proposed during the FY22 Contract Negotiations.

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

19-015 PERFORMANCE AUDIT OF PAY EQUITY

(NO)

#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 No change since the last reporting period. Per a memo issued by the COO to the City Council on August 8, 2019, it states:

...On August 1, 2019, HR requested the City's six recognized employee organizations provide ideas and suggestions on how to address earning gaps, by Friday, August 16, 2019.

No additional updates have been provided since the issuance of the memo.

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

No change in status since the last reporting period. The department is in the process of pilot testing automated fee calculation enhancements to the permit-processing software. We will review the final status once the software implementation is complete.

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

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

Following the December 2019 LU&H vote to recommend that the CPG recommendations from the Taskforce for Community Planning Group reform be presented to the City Council, and considering delays caused by the COVID-19 pandemic, Councilmember Sherman's office is planning on bringing the item forward to the City Council. A City Council date has not been set. The item will present the City Council with options on how to move forward with Council Policy 600-24 revisions at a subsequent City Council hearing. Once City Council provides input on how to move forward, the Planning Department will formulate the specifics needed in order to implement the revisions. The Planning Department will then present the final proposal to City Council by December 2020 for final adoption.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	December 13, 2018	December 2019	December 2019 December 2020

#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

Following the December 2019 LU&H vote to recommend that the CPG recommendations from the Taskforce for Community Planning Group reform be presented to the City Council, and considering delays caused by the COVID-19 pandemic, Councilmember Sherman's office is planning on bringing the item forward to the City Council. A City Council date has not been set. The item will present the City Council with options on how to move forward with Council Policy 600-24 revisions at a subsequent City Council hearing. Once City Council provides input on how to move forward, the Planning Department will formulate the specifics needed in order to implement the revisions. The Planning Department will then present the final proposal to City Council by December 2020 for final adoption.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	December 13, 2018	December 2019	December 2019 December 2020

Public Utilities Department

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

Several elements of this recommendation are complete as of June 30, 2020. PUD hired and on-boarded the final two positions of the Customer Support Division structural reorganization, both of which are critical to the implementation of this recommendation: the Workforce Resources and Development Program Manager and the Data and Analytics Program Coordinator. Under their leadership and in close collaboration with the Department of IT, the following steps have occurred:

- a. An SAP consultant was engaged to review PUD's current SAP billing module for potential system modifications to reduce implausibles; this review is complete;
- b. Department of IT extracted significant data from SAP related to billing challenges potentially impacting accounts; PUD then completed a complex data validation process;
- c. From both the SAP consultant review and PUD's review of data, nine key factors were identified as contributing to implausible bills, and prioritized based on the number of accounts they impact, and recommended system and operational improvements were developed to address all nine factors;
- d. PUD completed follow up meetings with its Water Construction and Maintenance Division and Department of IT's Enterprise Resources Program (ERP), as both play roles in the implementation of the system and operational improvements; and
- e. Together with the Department of IT, PUD is now developing timelines for completion of the improvements, which will then be followed by testing for efficacy and ongoing monitoring.

Due to the complexity of the changes needed and the need for resources outside of PUD, the improvements will not all be completed by July 31, 2020, as PUD noted was possible in its December 31, 2019 update. The updated target implementation date of July 31, 2020 will be revised in consultation with the City Auditor in the next report period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	April 2019	April 2019 June 2019 April 2020 July 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 Meter Reading Performance Metrics. Throughout the following calendar year PUD will analyze employee performance metrics to increase the effectiveness of the meter reading program and reduce potential billing errors before they impact customers.

Field Representatives received training on three SOPs resulting from the performance audit:

1. Tracking and Analysis of Meter Reading Performance Metrics
2. Use of Meter Reader Identification Codes, Passwords, and Supervisor Override Codes in Meter Reading Handheld Devices
3. Use of Skip Codes and Trouble Codes in Handheld Devices and Supervisory Review, including the revised list of Skip and Trouble Codes.

Trainings were held April 27-29 and May 5 for all available staff.

Skip Codes were revised to eliminate unnecessary or redundant codes. Corresponding Trouble Codes were also revised for more appropriate grouping to minimize error and ensure appropriate corrective action is assigned to the relevant group(s). Use of Skip and Trouble Codes are reviewed by Supervisors daily via Supervisor Route Review Forms. Corrective actions are taken to assist Field Representatives' understanding and correct usage.

Meter reading routes continue to be optimized through Advanced Metering Infrastructure (AMI) functionality and route resequencing based on Field Representative feedback, route length and number of routes per meter reading cycle. Field Representatives are cross-trained to help them further their understanding how their roles are significant in the water billing process.

With the completion of staff training on performance measures, and using data collected during the pilot period (July 2019 to July 2020) for the SOP, Supervisors/Management will begin to evaluate route completion, average route read time, meter reading accuracy, and appropriate use of skip and trouble codes to establish baseline standards of performance.

PUD and the recognized employee organization (San Diego Municipal Employees Association) will meet to discuss the data collected from July 2019 to July 2020 prior to any formalization and subsequent implementation of the Pilot Program.

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

#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.

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

#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 The Public Utilities Department (PUD) has reported this recommendation as implemented. PUD completed the task of strengthening its supervisory review of meter reader accuracy as recommended.

With the completion of the Process Narrative PN- 0326 titled "Reading Water Meters" and the review of the "Can't Locate to Read" skip codes, the PUD was able to implement a new Standard Operating Procedure titled "Use of Skip Codes and Trouble Codes in Handheld Devices and Supervisory Review" which describes the expectation for supervisory review of skip and trouble codes. The Supervisor Route Review form was enhanced to include trouble and skip code information. Staff has been trained on these new directives.

Supervisors conduct field spot checks of entered skip and trouble codes to determine if the skips were appropriate and to facilitate resolution of meter

issues. Supervisors are addressing meter issues with staff through the utilization of their Supervisor Route Review Form.

OCA needs additional time to work with the department to review supporting documentation. OCA will continue to follow up on the recommendation during the next reporting cycle.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	September 2018	August 2018 June 2019 January 2020 July 2021

#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

Several elements of this recommendation are complete as of June 30, 2020. As previously reported, PUD successfully implemented and followed a standard operating procedure (SOP) to inform customers of forthcoming rate changes or other bill-impacting activities. The SOP was followed for the rate change that went into effect in 2019 and subsequently updated for greater internal efficiency. As noted in the update for Recommendation 2, PUD hired and onboarded the final two positions of the Customer Support Division structural reorganization, both of which are critical to addressing the complex improvements recommended for the billing system software and operational changes. Significant progress has been made identifying needed improvements in this report period. As PUD projected in its December 31, 2019 update, a revised completion date is now required.

The updated target implementation date of July 31, 2020 will be revised in consultation with the City Auditor in the next report period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	September 2018	September 2018 June 2019 January 2020 July 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 is in process while Public Utilities management incorporates an assessment specific to the performance targets adopted in response to Recommendation 1 into the normal process of evaluating individual employee performance. This may take any form that Public Utilities management determines to be appropriate, such as a quantitative score, a qualitative rating, or a similar remark in the employee performance review.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	August 31, 2018	March 2019	March 2019 June 2020

#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 According to Public Utilities management, the process for assigning box and lid crews to work locations across the city has been improved through geo features in the EAM work order system, additional positions throughout the division, and by using a grid system to assign and complete work. However,

this recommendation remains in process while audit staff perform additional testing of data from the work order system to validate that the work assignment process is resulting in work location groupings that are efficient (i.e. minimize driving time between work locations).

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

#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

According to PUD, during December 2019 through June 2020 they completed investigations of 25,687 locations to determine the backlog of both boxes and lids. This review closed out 666 duplicate work orders and identified 9,979 work order complete in EAM, leaving 15,642 to be investigated. Of the 15,642 investigations, 9,387 were complete upon arrival or no action was needed. All missing or damaged Lids were replaced, leaving a backlog of 6,255 boxes. This review showed ~25% of the SWIM data set evaluated was accurate. PUD is evaluating alternate means of completing box/lid replacement work, which may include outsourcing these activities to an outside contractor.

PUD determined with a high level of confidence that the average number of boxes 1 crew can replace in a day is currently 3.06 and there are currently 30 positions in the Box and Lids Section. With the absence rate identified in the audit of 26%, the remaining number needed to determine the appropriate number of staff for box and lids repair is the incoming number of boxes and lids needing repair.

Due to the low repair reporting accuracy identified in the backlog above, the next step is to improve field data accuracy to have more confidence in the average number of incoming box and lid repair requests. Once we have this number, we use the other statistics noted above, and determine the correct

number of positions needed to complete the incoming work. This improved process will include FS&I supervisors reviewing photographs submitted by Field Representatives as they visit each box and lid in the field. Once validated, accepted photos of boxes and lids needing replacement will result in an EAM notification for the box and lid team to complete. Not only will this improved process provide a reliable number of incoming work orders for box and lid repair, it will also results in fewer wasted trips and greater production.

The current standard is a 6-month performance goal until repair reporting accuracy is confirmed.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	August 31, 2018	April 2019	April 2019 June 2020 June 2021

**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 As of June 30, 2020, the Department of IT contractor was in the process of building out the call center solution following collaborative workshops and with the ongoing input and feedback from PUD. The earliest the system will go live is projected as mid-September 2020. This may be delayed should system issues be identified during testing and training.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	January 2020 June 2020 June 2021

#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 PUD reported that the roll out of the new call center system will include both user testing and training. The earliest possible go live for the new system is mid-September 2020. The development of the revised Utility Account Management Policy Manual continues with several steps completed in this report period. After an RFP in Winter 2019-2020 did not result in a qualified resource to assist with updated manual, the scope of work was revised for issuance in Summer 2020. Further, team members throughout the Customer Support Division reviewed each section of the current manual and noted issues that have arisen with policies and to recommend changes. This input from front-line personnel provides critical information for the manual's update. During this report period, PUD management identified additional reference and training materials that should be updated to increase the number of team members who are able to assist with specific customer requests. Training materials specific to the new call center system are on target to be complete by January 2021. The Utility Account Management Policy Manual and other new and revised desk manuals are anticipated to be complete by July 2021.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	January 2020 January 2021

#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

While the delivery of the new call center solution has been pushed to late August 2020 at the earliest, several significant steps were completed to meet this recommendation's intent through June 30, 2020. The Customer Support Division management team was completed with the hiring and onboarding of the third and final Program Manager, who leads Workforce Resources and Development. The newer structure in the division has allowed for far greater oversight and accountability from the Deputy Director level through front-line supervisors. Of note, the customer contact center was moved fully remote to ensure continuity of operations for customers and team members during the COVID-19 pandemic. Call volumes and wait times are tracked constantly by Customer Services Supervisors, throughout the day by upper CSD management, and reported out monthly. This greater oversight has resulted in earlier identification and communication of water repairs and issues related to PUD's online customer portal. While not included in the Audit, attention was also given in this report period to customer email communication, and tracking was developed for ongoing monitoring for the first time.

Because the new call center system will go live no sooner than mid-September 2020, the target implementation date needs to be modified to January 2021.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	June 4, 2019	December 2019	December 2019 July 2020 January 2021

#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

The Public Utilities Department (PUD) indicated that it prefers its customer service representatives (CSRs) have the flexibility to categorize call activities under various call reason types. PUD prefers to use other internal controls to ensure that calls are accurately categorized, such as call monitoring and call notes. However, we believe stronger guidelines would help CSRs more easily categorize reasons for customer calls. The clarification in call reason types

would assist PUD in tracking calls on the front end, rather than review call notes to ensure CSRs categorize calls properly in the future. By not ensuring that all staff consistently categorize call types, PUD cannot rely on data accuracy to tailor its operations to address customer needs. Customer service is critical for PUD and is a reputational risk that has not been fully addressed. Lastly, the guidelines submitted to address this recommendation are not new and do not fully address the nature of this recommendation.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	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 PUD completed the training of 17 Customer Success team members and SAP authorization was modified as a result. This is greater than the expectation of having five team members trained initially. While the training of additional team members was delayed by the move to a remote workforce in Spring 2020, PUD is on target to fully address the recommendation as scheduled, including the development of an online training module.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	June 4, 2019	December 2019	December 2019 July 2022

#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 Technical skills and soft skills training programs have been developed and implemented. The vast majority of individuals working in the contact center have successfully completed both curricula. A few of them missed individual

days or individual training sessions, so that is preventing us from considering this complete. Make up sessions were planned for this spring, which were derailed when in-person trainings were restricted due to the global pandemic. They have since been rescheduled to accommodate a remote workforce and will be complete for all individuals by December 31, 2020.

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

**20-002 PERFORMANCE AUDIT OF PUD'S ADVANCED METERING
INFRASTRUCTURE IMPLEMENTATION**

(LB) (JP)

#3 The Executive Steering Committee, in conjunction with the project manager, should develop a deployment plan for the Citywide AMI implementation project, which includes specific and detailed tasks, responsibilities, budgets, and a timeline for completion. Budgets and timelines for completion should be supported by detailed analysis based on realistic assumptions.

In Process As noted previously, a key component in the implementation plan is the utilization of a third-party meter installation provider. This approach will require Meet and Confer with the affected recognized employee organizations.

The target implementation date is dependent on the outcome from the meet and confer process. This discussion and resolution timeline is currently unclear and might be revised in consultation with the City Auditor in the next reporting period.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	July 11, 2019	January 2020	January 2020 July 2021

#4 The Executive Steering Committee should meet regularly to review performance against project goals and timelines and adjust the deployment plan as needed.

In Process The AMI Oversight Committee quarterly meetings have been suspended pending resolution of Meet and Confer with recognized labor organizations and moving forward with the Citywide AMI mass deployment initiative. The ability to finalize the Project Charter and move forward with the Citywide AMI

deployment strategy is delayed pending the outcomes of the Meet and Confer process as referenced in Recommendation 3.

The target implementation date of July 31, 2020 might be revised in consultation with the City Auditor in the next report period.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	July 11, 2019	January 2020	January 2020 July 2021

- #6 The Public Utilities Department (PUD) should develop a staffing management plan for meter replacements to enable the department to complete the Citywide AMI implementation on a schedule, as determined by PUD. As part of this plan, PUD should consider: A dedicated work group with experienced and stable staff to complete meter replacements; and Augmenting City forces with a third-party meter installation provider.

In Process PUD indicated that there is no changes since the last reporting period, and as noted previously, a key component in the implementation plan is the utilization of a third-party meter installation provider. This approach will require Meet and Confer with the affected recognized employee organizations.

The target implementation date is dependent on the outcome from the meet and confer process. This discussion and resolution timeline is currently unclear and might be revised in consultation with the City Auditor in the next reporting period.

PUD has developed a staffing management plan which identifies necessary City forces and functional roles required to achieve the Citywide AMI implementation goals. PUD desires to augment City forces performing field installation work via a third-party contract but this process has been put on hold to come to agreement through the Meet and Confer process with the affected recognized employee organizations. Once the project approach has been updated to include the outcomes from the Meet and Confer process, staff will identify the necessary next steps to complete this recommendation.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	July 11, 2019	January 2020	January 2020 July 2021

#7

The Public Utilities Department (PUD) should evaluate the impacts and causes of turnover and vacancies in the meter replacement group, working with the Personnel Department (Personnel) to address any identified causes, as needed. This should include, but not be limited to, evaluating the impact of job classification requirements and pay competitiveness on employee recruitment and retention. If PUD determines pay competitiveness is a significant driver of turnover and vacancies, PUD management should submit a Special Salary Adjustment to Personnel for Water Systems Technician, Laborer, and any other affected classifications.

Similarly, if PUD determines current job classifications are preventing PUD from hiring and retaining employees, PUD should work with Personnel to modify or create new classifications that are better suited to the tasks associated with the AMI implementation and other PUD business needs.

In Process

PUD indicated that there is no changes since the last reporting period, and as noted previously, a key component in the implementation plan is the utilization of a third-party meter installation provider. This approach will require Meet and Confer with the affected recognized employee organizations.

The target implementation date is dependent on the outcome from the meet and confer process. This discussion and resolution timeline is currently unclear and might be revised in consultation with the City Auditor in the next reporting period.

PUD is reviewing and recommending revisions to existing classifications and the creation of new classifications to increase the success of the recruiting process.

It should be noted that a discussion of internal and external workforces for the overall installation of AMI meters has been determined to require Meet and Confer with the City's recognized employee organizations. The timeline for that discussion and resolution is currently unclear. For that reason, the timeline for implementation of this recommendation has been extended to January 2021.

Priority 2

Issue Date:
July 11, 2019

Original Target Date:
July 2020

Current Target Date:
~~July 2020~~
January 2021

#8 The Public Utilities Department (PUD) should develop a staffing management plan for endpoint installation and programming to enable the department to complete the Citywide AMI implementation on a schedule, as determined by PUD. As part of this plan, PUD should consider: A dedicated work group with experienced and stable staff to complete endpoint installation and programming; and Augmenting City forces with a third-party endpoint installation and programming provider.

In Process PUD indicated that there is no changes since the last reporting period, and as noted previously, a key component in the implementation plan is the utilization of a third-party meter installation provider. This approach will require Meet and Confer with the affected recognized employee organizations.

The target implementation date is dependent on the outcome from the meet and confer process. This discussion and resolution timeline is currently unclear and might be revised in consultation with the City Auditor in the next reporting period.

It should be noted that a discussion of internal and external workforces for the overall installation of AMI meters has been determined to require Meet and Confer with the City's recognized employee organizations. The timeline for that discussion and resolution is currently unclear.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	July 11, 2019	July 2020	July 2020 January 2021

#9 To capture labor costs more accurately, Public Utilities management should provide timekeeping instructions to all employees working on the AMI project that specify how and when to charge their working time to the project. These instructions should be provided to employees in all business units working on the project, including (but not limited to) field crews that complete meter and endpoint installation, programming, and troubleshooting and office staff performing related administrative duties. These timekeeping instructions should also include guidance on supervisory responsibilities for those employees who approve others' time entries and guidance on which WBS sub-element(s) is (are) appropriate to use.

In Process PUD indicated that there is no changes since the last reporting period. Additional information on the effectiveness of instructions provided to employees will be evaluated once the outcome of the Meet and Confer process is resolved.

PUD has provided employees instructions on how to charge their time to the AMI project. Public Utilities Management is actively engaged in assessing the effectiveness of timekeeping instructions, policies and procedures which specify how and when City Forces charge working time to the AMI Project. Continued monitoring activities are in process to ensure compliance.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	July 11, 2019	January 2020	January 2020 July 2020

#10 The AMI project manager or an appropriate designee should be assigned to continuously monitor time entries and/or labor charges to the project for reasonableness; if issues are identified as part of this review, the project manager should coordinate appropriate corrective actions across the organization as necessary.

In Process PUD reported that several elements of this recommendation are substantially complete as of June 30, 2020.

PUD Water Construction and Maintenance Division/Section designees have been appointed to actively monitor AMI CIP time entries and/or labor charges for reasonableness as well as to coordinate appropriate corrective actions, as needed. EAM functionality provided via the Work Order Completeness Reports and Labor Detail Summary Reports are generated and reviewed on a monthly basis to monitor time entries and labor charged to the AMI CIP budget.

Per stakeholder meetings with the Department of Finance, Department of IT's Enterprise Resources Program (ERP), and PUD staff, as all play roles in the implementation of the system and operational improvement, it was determined an SAP system enhancement is needed. The new enhancement would address EAM system functionality used to schedule AMI CIP versus corrective maintenance work. As such, PUD is moving forward to address gaps and incorporate SAP system enhancements.

The updated target implementation date of July 31, 2020 might be revised in consultation with the City Auditor in the next report period.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	July 11, 2019	January 2020	January 2020 July 2020

#11 The Public Utilities Department (PUD) and the Department of Information Technology (DoIT) should work together to evaluate the EAM Work Manager control environment and ensure the new Work Manager development meets PUD’s needs for complete, accurate, and timely data entry for meter replacements. Specifically, these should include controls at the device level that prevent incomplete and inaccurate data from entering the meter replacement workflow. Additionally, this evaluation should include maintaining an awareness of business processes and associated activities, and comprehensive testing of EAM Work Manager for the meter replacement process.

In Process According to PUD, this recommendation is a component of the implementation plan.

The target implementation date is dependent on the outcome from the meet and confer process. This discussion and resolution timeline is currently unclear and might be revised in consultation with the City Auditor in the next reporting period.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	July 11, 2019	February 2020	February 2020 January 2021

#12 The Public Utilities Department (PUD) and Department of Information Technology (DoIT) should work together to evaluate the control environment of any application to be used for endpoint installations—such as EAM—and ensure that it meets PUD’s needs for complete, accurate, and timely data entry for endpoint installations. Specifically, these should include controls at the device level that prevent incomplete and inaccurate data from entering the meter replacement workflow. Additionally, this evaluation should include maintaining an awareness of business processes and associated activities, and comprehensive testing of any application to be used for endpoint installation—such as EAM—for the endpoint installation process.

In Process According to PUD, this recommendation is a component of the implementation plan.

The target implementation date is dependent on the outcome from the meet and confer process. This discussion and resolution timeline is currently unclear and might be revised in consultation with the City Auditor in the next reporting period.

Priority 2	Issue Date: July 11, 2019	Original Target Date: June 2020	Current Target Date: June 2020 July 2021
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#13 The Public Utilities Department should track the causes, resolution, and duration of all exceptions cases resulting from AMI meter replacements, including but not limited to EMMA and the SAP Workflow Inbox, and review the data to perform trending and root cause analyses.

In Process According to PUD, this recommendation is a component of the implementation plan.

The target implementation date is dependent on the outcome from the meet and confer process. This discussion and resolution timeline is currently unclear and might be revised in consultation with the City Auditor in the next reporting period.

Priority 3	Issue Date: July 11, 2019	Original Target Date: July 2020	Current Target Date: July 2020 July 2022
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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 According to Purchasing & Contracting (P&C), many citywide contracts entered into Ariba include a catalogue based on contract pricing that is verified by P&C staff. For those citywide contracts that do not have catalogues, department staff creating a PO connect with their P&C liaison for a copy of the contract/contract pricing page. P&C will be moving that information to their City intranet site for departments to access more easily. When that move is made we will consider this recommendation completed.

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

Purchasing & Contracting (P&C) reported this recommendation as implemented. P&C indicated when a contract is entered into Ariba, the entry includes a "not-to-exceed" amount for the contract. This amount is authorized either by the language within the executed contract or via Resolution/Ordinance if the contract went to Council. P&C staff enter contracts into Ariba and P&C management approve the data entered including the not-to-exceed amount. When POs are entered into Ariba that are tied to a contract, the amount of the PO automatically accumulates against the contract amount. If the dollar amount of POs are more than the contract allows for, the system places a hard stop on the Purchase Requisition and it will not be approved.

OCA is working with P&C to obtain supporting documentation to verify implementation.

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

Purchasing & Contracting (P&C) reported this recommendation implemented, indicating that P&C has entered all contracts into Ariba and therefore contracts are held to expiration dates and not-to-exceed amounts (expiration dates and not-to-exceed amounts are considered hard stops.) All contract documentational also stored in Ariba.

OCA is working with P&C to obtain supporting documentation to verify implementation.

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

According to Purchasing & Contracting (P&C), the contract compliance training and resources for department contract administrators are currently being updated. They anticipate having all updates ready and rolled out by the end of this calendar year.

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

According to Purchasing & Contracting (P&C), the contract compliance training and resources for department contract administrators are currently being updated. They anticipate having all updates ready and rolled out by the end of this calendar year.

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

According to Purchasing & Contracting (P&C), training was provided to PCOs in February 2020. As part of our annual review of contract compliance processes we will also review the City's debarment process. We are finalizing updates to our compliance manual and will consider this recommendation closed when they are completed.

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

However, City Management has not provided sufficient evidence of a monitoring program.

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

#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 Purchasing & Contracting (P&C) reported this recommendation as implemented. P&C indicated that it has input all contracts into Ariba. Pre-existing vendor catalogues have been implemented and in addition P&C staff have worked with departments to assist them in creating catalogues for their contracts, where appropriate. P&C staff from both the procurement and systems teams routinely reach out to departments about contracts that would be good candidates for catalogue creation including during training efforts (for example, Department of Finance's Finance Academy) and Ariba "check-ins" where P&C Systems staff will meet with departments to discuss how Ariba is working with them.

OCA is working with P&C to obtain supporting documentation to verify implementation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	April 21, 2016	November 2016	January 2017 June 2017 June 2022 December 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 READ reported that due to constraints related to limited City Council meetings, the new draft policy is now anticipated to go to the Land Use and Housing committee on September 17, 2020.

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 March 2020 September 2020

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	Issue Date:	Original Target Date:	Current Target Date:
2	May 7, 2014	June 2017	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 constraints related to limited City Council meetings, the Portfolio Management Plan is now anticipated to go to the Land Use and Housing committee on September 17, 2020. The FY2019 Portfolio Management Plan was sent to the Mayor and Council electronically on July 15, 2019.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 23, 2018	June 2019	June 2019 December 2019 March 2020 September 2020

#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 READ reported that due to constraints related to limited City Council meetings, the new draft policy is now anticipated to go to the Land Use and Housing committee on September 17, 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 23, 2018	January 2019	January 2019 June 2019 November 2019 March 2020 September 2020

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

The department has reported this recommendation as implemented, however, supporting documentation has not been reviewed. The department reported that both the daily staffing and allocation models have been compiled for the upcoming shift change in September 2020. The Department is analyzing the resulting reports to develop an appropriate implementation that continues to balance model projections with operational discretion. SDPD indicated the resulting average response time reports are more accurate than historical reports, particularly due to improved data, however, some data may not be comparable for various reasons.

OCA will work with the department to review the supporting documentation to provide an update during our next reporting period .

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

(RG)

#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 updated the street light asset information and developed operational guidelines for updating street light asset data as necessary; however, the open the recommendation remains in process until the recommended positions are filled.

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

Transportation & Storm Water

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 SDPD Traffic Division has taken significant steps to implement this recommendation. The Traffic Division has set a 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%. 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. 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. TSW has assumed responsibility for this recommendation and will work with SDPD on incorporating an enforcement element to the Vision Zero Strategic Plan. The City's Vision Zero Strategic Plan is under development and will be completed by the end of 2020.

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

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 January 2021 June 2021

#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

As a part of the scoping of the workflow and processes that would be needed to implement a cost-recovery program for storm water re-inspections, the Storm Water Division identified the need for additional resources to administer the program. A budget request was submitted by the Transportation & Storm Water Department (Department) as part of the FY 21 budget request. However, the request was prioritized against other budgetary needs and was not selected for funding. The Department will continue to prioritize this request as part of future budget processes.

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

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

(CK)

#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 We are in the process of developing a memo to Council to be released in the Fall. The memo will outline fiscal year 2020 citywide tree activities from several departments, and include, for fiscal year 2020, TSW service notification receipt and closure rates by tree maintenance type. In addition, TSW plans to add additional KPI's in the fiscal year 2022 budget document to display initial response times for certain tree maintenance types focused on high priority work in which response time is vital. TSW also plans to report the number of trees trimmed and continue to report tree trimming numbers as part of the budget document.

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

June 2020

ATTACHMENT D

Recommendations Deemed As In Process And Not Due

Sorted by Department

This schedule includes all recommendations as of June 30, 2020 that are **In Process** of implementation based on the status information provided and current target dates are not due.

ATTACHMENT D
RECOMMENDATIONS DEEMED AS IN PROCESS – NOT DUE

Assistant Chief Operating Officer

20-007 HOTLINE REPORT OF PUBLIC RECORDS ACT RESPONSES

(AH)

#2 We recommend that the Assistant Chief Operating Officer, in consultation with the City Attorney's Office, revise Administrative Regulation 95.21, titled "Responding to California Public Records Act Requests" to:

- a) clarify that the three actions the City is required to take to assist requesters, according to the PRA, includes the phrase "shall do all of the following, to the extent reasonable under the circumstances"
- b) include the four factors City staff should consider regarding writings kept in personal accounts: the content, purpose, audience, and whether the writing was within the scope of his or her employment
- c) clarify the requirement that PRA denials, in whole or in part, include the names and titles or positions of "each person" responsible for the denial
- d) specifically address whether City employees who are asked to search for responsive records must determine whether they have responsive "public records" residing on their personal devices and accounts only when the request specifically includes references to private devices and accounts, or whether the requirement is presumed for all requests (whether or not the personal devices and accounts are specifically referenced in the request)

In Process The Administration indicated they are on target for implementation of the recommendation as reported.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 13, 2019	December 2020	December 2020

#3 We recommend that the Assistant Chief Operating Officer, in consultation with the City Attorney's Office, review the contents, legal implications, and necessity of the confidentiality agreement referenced in Administrative Regulation 95.21, titled "Responding to California Public Records Act Requests."

In Process The Administration indicated they are on target for implementation of the recommendation as reported.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 13, 2019	December 2020	December 2020

Chief Compliance Officer

20-015 PERFORMANCE AUDIT OF THE CITY'S PUBLIC LIABILITY MANAGEMENT

(AH) (GT)

#2

The City's enterprise risk management (ERM) manager and Risk Oversight Committee should provide City departments incurring trip and fall liabilities with sufficient information and resources to identify and mitigate public liability risks based on a proactive approach to risk mitigation.

- a. The City's ERM manager and Risk Oversight Committee should ensure the Transportation and Storm Water Department (TSW) and other operational departments are appropriately prioritizing damaged sidewalk mitigation efforts in high pedestrian usage areas given the much higher potential liability each damaged location presents in these areas. Specifically, this should include all departments that incur significant trip and fall liabilities documenting and implementing a procedure to prioritize sidewalk repairs in high pedestrian usage areas.
- b. TSW should expand on our analysis using at least five years of data to determine whether larger sidewalk uplifts do increase the risk and cost of trip and fall liabilities relative to smaller uplifts. TSW's sidewalk maintenance prioritization procedure should include prioritizing maintenance of larger sidewalk uplifts if this analysis shows that such prioritization would more effectively address trip and fall risks.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	December 2021	December 2021

#3

The City's enterprise risk management (ERM) manager and Risk Oversight Committee should provide City departments incurring City vehicle accident liabilities with sufficient information and resources to identify and mitigate public liability risks based on a proactive approach to risk mitigation.

- a. The City's ERM manager and Risk Oversight Committee should ensure the City is taking a comprehensive and consistent approach to vehicle accident mitigation efforts by assisting departments in monitoring trends and patterns in the cause of accident by department and type of vehicle involved. This information should be used to develop more robust and consistent department-specific and City-wide proactive vehicle trainings.
- b. The City's ERM manager and Risk Oversight Committee should evaluate the resources the City provides to the Risk Management Department for the development and implementing of City-wide proactive vehicle trainings.
- c. The Risk Management Department should provide its proactive vehicle training course, "Being Safe While Working for the City of San Diego," on an annual basis to City departments experiencing the highest number of City vehicle accidents.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	December 2021	December 2021

#4

The City's enterprise risk management (ERM) manager, Risk Oversight Committee, and Risk Management Department should work with the Performance and Analytics Department to construct a dashboard to provide City departments with comprehensive and department-specific claims data. This should include the following:

- a) The City's ERM manager, Risk Oversight Committee, and Risk Management Department should consult with the top five liability-incurring City departments to determine the type of data to be tracked and aggregated through the dashboard system.
- b) The City's ERM manager, Risk Oversight Committee, and Risk Management Department should work with City departments to determine the most effective and timely method to communicate relevant public liability trend-related data and analyses and formalize the frequency and method in which this information will be provided, such as through the Risk Management Department's

bi-annual presentations to City departments and its annual report to City Council.

- c) The Risk Management Department should include relevant public liability trend-related data and analyses, such as trends for the most frequent types of public liability claims or the types of public liability claims with the highest costs, in its Annual Report to the City Council. Trends should be reported over at least a five-year period.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	February 2021	February 2021

#6

The City's ERM manager and Risk Oversight Committee should document and implement a process to periodically identify and categorize risks that could impact the City's ability to achieve high-priority initiatives (e.g., homelessness, Climate Action Plan, infrastructure projects, etc.).

- a) City-wide risks should be documented and assessed for likelihood, impact, and risk appetite, and monitored to ensure strategic risks are mitigated through the completion and submittal of annual risk assessment plans to the Risk Oversight Committee for approval.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	December 2020	December 2020

#9

The City's ERM manager and Risk Oversight Committee should lead the City's efforts in conducting and formulating regular enterprise risk assessments of business processes or programs, and overseeing processes that identify, assess, prioritize, respond to, and monitor enterprise risks. In conducting these duties, the City's ERM manager and Risk Oversight Committee should ensure that reviews take place regularly, necessary data and staff support are obtained, and ensure that risks are communicated appropriately to internal and external stakeholders.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	December 2020	December 2020

20-001 HOTLINE REPORT OF IMPROPER FREE TRASH COLLECTION AT SHORT-TERM RESIDENTIAL OCCUPANCY UNITS

(AH)

#1 Because the City Attorney's Office determined that free trash collection for short term residential occupancy (STROs) is "very likely" prohibited by the People's Ordinance, and the City continues to provide trash service to STROs at no cost, we recommend that the Chief Operating Officer implement one or more of the following solutions (Priority 1):

- a) identify and remove free trash service for City households generating "nonresidential refuse;"
- b) recommend that the Council submit an initiative proposing a repeal of the People's Ordinance; and/or
- c) recommend that the Council submit an initiative proposing to amend the People's Ordinance to allow "nonresidential refuse" collection from STROs, which could include cost recovery.

In Process No update was provided for this recommendation for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 10, 2019	December 2020	December 2020

20-010 HOTLINE INVESTIGATION OF GIFT RECEIVED BY A CITY EMPLOYEE

(GR)

#1 We recommend that the Chief Operating Officer present a revision of SDMC §26.0413(a)(4) to the City Council to include Classified employees who file SEIs be under the jurisdiction of the Ethics Commission for both education and enforcement purposes.

In Process No update was provided for this recommendation for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 13, 2020	December 2020	December 2020

#4 We recommend that the Chief Operating Officer consider permanent debarment for Vendor B for lack of business integrity. Under SDMC 22.0807 Grounds for Permanent Debarment, (1) (B) states, "any offense, action, or inaction indicating a lack of business integrity or business honesty."

In Process No update was provided for this recommendation for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 13, 2020	August 2020	August 2020

20-013 IT PERFORMANCE AUDIT OF CITYWIDE DATA CLASSIFICATION AND SENSITIVE DATA ENCRYPTION

(SG) (WM)

#4 The Chief Operating Officer should ensure appropriate resources are allocated to the City Clerk, Chief Information Officer, and Chief Data Officer to coordinate and execute the data management strategy based on that governance model.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	May 29, 2020	July 2021	July 2021

20-015 PERFORMANCE AUDIT OF THE CITY'S PUBLIC LIABILITY MANAGEMENT

(AH) (GT)

#1 The City should implement a proactive enterprise risk management (ERM) framework to manage and address its public liability risks. This should include the following:

I.) The City should create an Executive-Level Risk Oversight Committee, headed by a sufficiently empowered executive official (ERM manager), that has sufficient authority and resources to direct, coordinate, and support the work of departments that incur public liabilities for the City. The City should codify this authority through an appropriate mechanism, such as an Administrative Regulation.

II.) The City's ERM manager and Risk Oversight Committee's role in directing and coordinating the operations of liability-incurring departments should include, but not be limited to, the following responsibilities:

a.) Requiring the top five City departments incurring the highest public liability claims costs to perform an annual risk assessment for all claim types incurring cumulative costs of \$500,000 or more in the preceding

three fiscal years. Specifically, this should include identifying risks, the likelihood and impact of identified risks, and mitigative measures to address such risks (see Appendix D for a sample risk assessment template).

b.) Assisting City departments to develop annual public liability risk assessments and monitoring City departments' implementation of mitigation plans to ensure risks are effectively identified and mitigation measures are effective. Information on mitigation measures employed and their effectiveness should be aggregated and included in the City's Risk Management Annual Report to City Council, such as the number and percent of City vehicle drivers that attended the Risk Management Department's proactive vehicle driving course.

c.) Supervising the collection, processing, and presentation of City-wide liability data to the top five liability-incurring City departments through dedicated risk management reports, information-sharing sessions, and trainings.

d.) Requiring and facilitating collaboration between liability-incurring departments, such as through the recently created City-wide Risk Oversight Committee, to identify, develop, and implement risk mitigation strategies for specific categories of public liabilities (e.g., City vehicle accidents, trip & falls, storm drain backups, etc.)

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	December 2020	December 2020

City Clerk

20-013 IT PERFORMANCE AUDIT OF CITYWIDE DATA CLASSIFICATION AND SENSITIVE DATA ENCRYPTION

(SG) (WM)

#5

The City Clerk, Chief Information Officer, and Chief Data Officer should create an Administrative Regulation defining a citywide data governance model and the roles and responsibility of each of the City's data management entities.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	May 29, 2020	July 2023	July 2023

Development Services Department

20-008 PERFORMANCE AUDIT OF DSD ADMINISTRATION OF DEPOSIT ACCOUNTS FOR DEVELOPMENT PROJECTS

(CK) (MG) (ZA)

#2 We recommend Development Services Department (DSD) automate minimum required balance (MRB) calculation in project tracking system or Accela. Specifically, the approval types should be tied to specific MRB amounts as set forth in DSD's information bulletins, 502 and 503.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	November 2020

#3 We recommend Development Services Department revise Information Bulletin 503 to clearly state that the specific minimum required balance (MRB) amounts for discretionary projects with multiple approval/policy types will be combined to calculate total required MRB. This process should also be automated in project tracking system and/or Accela.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	November 2020

#4 We recommend Development Services Department train project managers on the new policy for establishing the authority and approvals for setting and changing the MRB in project tracking system or Accela.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	October 2020	October 2020

#5 We recommend Development Services Department work with the Public Works Department to develop procedures that clearly define roles and

responsibilities for setting the MRB in applicable ministerial deposit accounts and stopping work on projects with deficit deposit account balances.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	October 2020	October 2020

#6 We recommend Development Services Department develop policies and procedures to suspend work on projects with a negative balance until a positive balance has been reestablished for projects with deficit deposit accounts.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	October 2020	October 2020

#7 We recommend Development Services Department automate the following information technology controls in project tracking system (PTS) and/or Accela to:

- Fix the glitch in the PTS that causes the minimum required balance (MRB) to revert to \$0;
- Calculate the MRB automatically – e.g., tie approvals to the appropriate dollar amounts; and
- Notify staff to stop working on projects with deficit deposit account balances.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	November 2020

#9 We recommend Development Service Department establish written procedures for monthly review and invoicing of deficit deposit accounts that includes criteria for number of months the account has been in deficit and whether to invoice for accounts where payments made have not resulted in a positive balance.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	July 2020	July 2020

#10 We recommend Development Service Department work with the Office of the City Treasurer, Department of Finance, and Department of Information Technology to implement direct invoicing of all deposit accounts through SAP to establish receivables for customers with outstanding balances.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	September 2020	September 2020

#11 We recommend Development Service Department (DSD) automate the information technology controls in project tracking system and/or Accela to stop DSD permit issuance and/or Public Works Department completion of work for projects with deficit balances.

In Process No updated was provided by the department for this reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	November 2020

Homeless Strategies Division

20-009 PERFORMANCE AUDIT OF THE CITY'S EFFORTS TO ADDRESS HOMELESSNESS

(DN) (LB)

#1 The Homeless Strategies Division should work with the Communications Department to develop and execute a strategic communications plan designed to educate the public on the importance of addressing homelessness, specifically related to how best to fund the needs identified in the City of San Diego Community Action Plan on Homelessness.

In Process The City has updated the City of San Diego's website to better offer resources for both people experiencing homelessness and for other constituents interested in learning more about the City's homeless serving programs. Additionally, during the COVID-19 pandemic, significant social media outreach and press conferences related to services offered allowed additional opportunities for City leadership to connect with citizens to provide an effective stream of information. The City will continue to develop and execute a strategic communications plan and intends to satisfy this recommendation by taking action through the implementation of the Community Action Plan, under which:

- Strategy 1 is to "Implement a systems-level approach to homeless[ness] planning,"
- Priority 3: under the strategy is to "Lead systems change through alignment, communication and strategy," and its components include:
 - "Creat[ing] a communications workgroup and plan and develop[ing] and provid[ing] quarterly reports to community stakeholders on progress against plan."

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	November 2020	November 2020 September 2021

#2

To ensure that the City has the funding necessary to implement the new City of San Diego Community Action Plan on Homelessness (Strategic Plan on Homelessness), the Homelessness Strategies Division (HSD) should develop long-term funding options, such as: continued or increased reliance on the General Fund, State or Federal funding, bonds, tax measures, and any other options that may significantly contribute to closing a funding gap.

Once outcomes of the 2020 ballot measures have been determined, HSD should immediately initiate the development of a long-term funding strategy to meet its present and future homelessness needs identified in the Strategic Plan on Homelessness. The funding strategy should identify permanent and sustainable funding sources and should be finalized, publicly documented, and presented to the City Council upon completion.

When developing its funding strategy, HSD should solicit public input. Specific strategies HSD should consider include, but are not limited to:

- 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.

The funding strategy should include a plan to pursue the desired funding mechanism(s) based on consideration of information obtained from stakeholders, expert knowledge, and objective data.

In Process

The City, during the FY21 budget process, developed a funding proposal that significantly utilized State of California grant funding in order to ensure continuity of services provided during a very tight budget cycle. Moving forward, the City will continue to address funding needs. The City intends to satisfy this recommendation by implementation of the Community Action Plan, under which:

- Strategy 1 is to: "Implement a systems-level approach to homeless planning"
- Priority 2 under that strategy is to: "Develop and maintain a funding strategy for housing and crisis response needs identified in the Action Plan" and its components include:
 - Prepare and maintain a master record of all dedicated funding contributing to ending homelessness in the City.
 - Develop a City-wide funding plan for homeless services.
 - Conduct joint budget planning and use of common language in budget process (use 2-year projections).
 - Execute the funding plan and monitor goals versus actuals on a quarterly basis.
 - Work with foundations and other private funders to align their investments.
 - Work closely with the County, and other funders to anticipate shifts in funding and ensure partner agencies are prepared for those changes.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	December 2021	December 2021

#4

In accordance with the City of San Diego Community Action Plan on Homelessness (Strategic Plan on Homelessness), the City should immediately conduct a staffing analysis of all departments and offices involved in addressing homelessness and in implementing the plan.

Once the staffing analysis is completed, the City should dedicate adequate funding to support any additional positions that the analysis determines are needed.

In Process

The City analyzed its staffing needs and proposed additions to the City Council as part of the FY20 budget process, which were denied at that time. The City again analyzed its staffing needs and proposed to the City Council the development of a Homelessness Strategies Department. The City Council has yet to formally approve that request. During the FY21 budget process, the City Council approved an additional four grant-funded FTEs, one of which is filled. The City is underway on the recruitment process for three positions. The City will continue to monitor workload and make staffing requests as appropriate.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	November 2020	November 2020 June 2021

#5

In accordance with the City of San Diego Community Action Plan on Homelessness, the City should formally establish and document procedures for publicly reporting on its progress in implementing the plan, and should publicly report this information and present it to City Council, at least annually.

In Process

The City, as part of the Implementation Team, has a structure in place to report to the City Council on progress made with respect to the Action Plan. The Project Manager for the Action Plan, employed by the Housing Commission, is responsible for ongoing reporting. The Implementation Team is prepared to provide its first annual report and has requested that the Council President schedule time for this update as soon as the end of October 2020. The presentation will include information on performance measures.

OCA will review the information that is presented to City Council and determine whether this recommendation has been implemented during the next recommendation follow-up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	December 2020	December 2020

#6

In accordance with the City of San Diego Community Action Plan on Homelessness, the City should formally establish and document procedures for publicly reporting on how the City is performing in regard to the system performance measures outlined in the plan.

In Process

The City, as part of the Implementation Team, has a structure in place to report to the City Council on progress made with respect to the Action Plan. The Project Manager for the Action Plan, employed by the Housing Commission, is responsible for ongoing reporting. The Implementation

Team is prepared to provide its first annual report and has requested that the Council President schedule time for this update as soon as the end of October 2020. The presentation will include information on performance measures.

OCA will review the information that is presented to City Council and determine whether this recommendation has been implemented during the next recommendation follow-up period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	December 2020	December 2020

#7

The City should develop and implement a comprehensive homeless outreach strategy. This strategy should include:

- Formal direction and training to all City-funded outreach workers, including those under contract with the San Diego Housing Commission, to conduct their outreach in line with best practices (i.e., to perform persistent, person-centered outreach and use a by-name list); and
- Guidance on how to determine where to conduct outreach and how to share data and information among outreach teams to avoid unnecessary overlap and promote additional coordination.

In Process

The City and the San Diego Housing Commission are currently coordinating the work already being done by City-funded outreach workers in addition to the work that will be done as a result of additional investments in outreach.

The City, through contracts administered by the Housing Commission, already requires and retains control to implement best practices such as those named in the audit.

With respect to the element regarding coordination, the City currently promotes coordination in several ways. One is through SDPD's Homeless Outreach Team, which is the only entity that organizes regular coordinated outreach events, taking into account areas where there are a high number of individuals in need and bringing together institutional resources (such as public health and behavioral health care) and human resources (service providers both City-funded and otherwise) to provide focused attention to a specific neighborhood at each event. In addition, a formal outreach coordination strategy is outlined in each contract between the service providers and SDHC. SDHC staff hosts regular meetings with City-funded outreach workers to determine areas of need, whether there are trends occurring in the field, and how to address obstacles that may arise.

City staff proposed, and the City Council approved, expenditure from a state grant to fund an Outreach Coordinator position, to carry forward these principles in a structured manner. Recruitment for that position is underway at this time.

Further, the City has participated in the development of regional outreach protocols, which have been adopted by the Regional Task Force on the Homeless and is in the process of participating in development of standards that will apply to outreach work - the standards are expected to provide additional specifications with respect to recommended training.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	October 2020	October 2020 September 2021

#8

While the regional outreach approach is being developed through the Regional Task Force on the Homeless, the City should conduct an analysis, or initiate an analysis through the San Diego Housing Commission, to determine whether the current level of City-funded non-law enforcement outreach workers is sufficient to execute the comprehensive homeless outreach strategy produced in response to Recommendation 7, and fund additional outreach positions for City-wide outreach, as needed.

In Process

The City has made significant investment in expanding the number of outreach workers in the system over the past several years, and in improving delivery of services through street outreach.

The City has hired a significant amount of outreach staff over the past approximately two years: the City has between 15-18 full-time equivalent positions through the bridge shelter contracts alone, plus additional staff that support outreach work and those from other programs.

Most recently, the City allocated an additional one-year allotment of \$1.5 million in the FY21 budget to fund person-centered outreach to complement outreach currently being conducted through its various contracted providers. These new outreach teams, which will be operational this fall, will have flexibility to provide person-centered outreach for street outreach and encampment abatements.

The success of an outreach program is not dictated solely by the number of outreach workers, however, the quality of outreach depends also on how the workers are trained and how the resource is deployed, among other factors. The City must ensure it employs effective outreach practices in order to be good stewards of limited funds and instill faith in the system for clients agreeing to shelter and services.

As such, Management will continue to evaluate if the \$1.5 million in additional funding is the appropriate level of enhanced investment, including how the City could continue to fund this need in future years, and will make adjustments based on an evaluation of these efforts. The City will also undertake efforts to better coordinate outreach, ensure the workers are properly trained and equipped with resources, and that the approach be consistent with the Action Plan and regional efforts.

OCA will determine whether this recommendation has been implemented once the new outreach teams are operational and documentation regarding how the outreach teams are being used is provided.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	December 2020	December 2020

- #9 The City should formalize the collection of data on reasons for refusal of service, establish responsibility and methodology for data collection and analysis, and identify how the data is to be shared with appropriate stakeholders. The City should utilize this data analysis to make improvements that address these concerns and increase rates of acceptance of services and shelter.

In Process

The City and the San Diego Housing Commission mandate the collection of data and use the data to analyze programs. As part of its continual improvement process, the agencies are in discussions to further improve the collection of data already being done by City-funded outreach workers in order to share results with the Implementation Team. This relates to the work that the Outreach Coordinator will be responsible for.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 12, 2020	November 2020	November 2020 December 2021

- #10 The Homelessness Strategies Division should, in consultation with the City Attorney's Office, implement an outreach and encampment protocol to better align encampment abatement procedures with the City's goal to increase opportunities for unsheltered individuals to access short-term shelter and long-term housing, and other services designed to provide stability, while continuing to fulfill the City's responsibility to protect public health and safety. The City should direct departments to comply with the protocol, and develop and formally document new encampment abatement policies and procedures accordingly. Specifically, the protocol should ensure that when addressing encampments:

- Whenever possible, non-law enforcement outreach workers are given adequate time to provide the persistent outreach necessary to build relationships, assess individual needs, and connect the encampment residents to shelter and services prior to their forced dispersal;
- Outreach is person-centered rather than provider-centered. Specifically, all City-funded outreach workers should be able to provide connection (i.e., a “warm hand-off”) to all available shelters and services, not just to one particular service provider; and
- Outreach is primarily conducted by non-law enforcement outreach workers, with assistance provided by law enforcement as needed or requested.

When developing this protocol, the City should consider an evaluation of the feasibility of making non-law enforcement outreach the first point of contact for complaints regarding homeless encampments when an immediate health and safety hazard is not reported.

In Process

Currently, the City follows strict protocols that relate to the treatment of belongings that may belong to homeless individuals, including advance notification of abatement of items in the right-of-way and storage of such items for retrieval. Currently, the City uses an ad hoc approach to direct service provider outreach workers to encampments and areas with high concentrations of homeless individuals in advance of a known abatement. For example, abatements occur on a periodic basis in City parks. When an abatement is scheduled in advance, Park & Recreation staff inform Homelessness Strategies staff, who request that service provider outreach visit the area frequently in the time leading up to the abatement. The time available for outreach between notification and abatement depends in part on operational resources and largely on the health and safety risks present. In response to the requests for advance outreach, service providers exercise discretion, balancing their other responsibilities, about whether and how frequently to visit the area to comply with the request. Homelessness Strategies staff, similarly, reaches out to the Homeless Outreach Team to perform advance outreach. The Homeless Outreach Team, which operates within City control, reliably complies with the request. In the future, one of the functions of the Outreach Coordinator may be to formalize this process in order to provide a more consistent approach.

Further, the City has participated in the development of regional outreach protocols, which have been adopted by the Regional Task Force on the Homeless, and is in the process of participating in development of

standards that will apply to outreach work. Once adopted, the City will evaluate how to incorporate relevant standards into departmental operations.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	December 2021	December 2021

#11

The City should, in consultation with the City Attorney's Office, identify or establish and fund additional non-law enforcement outreach teams to implement the outreach and encampment protocol produced in response to Recommendation 10.

In Process

The City has made significant investment in expanding the number of outreach workers in the system over the past several years, and in improving delivery of services through street outreach.

The City has hired a significant amount of outreach staff over the past approximately two years: the City has between 15-18 full-time equivalent positions through the bridge shelter contracts alone, plus additional staff that support outreach work and those from other programs.

Most recently, the City allocated an additional one-year allotment of \$1.5 million in the FY21 budget to fund person-centered outreach to complement outreach currently being conducted through its various contracted providers. These new outreach teams, which will be operational this fall, will have flexibility to provide person-centered outreach for street outreach and encampment abatements.

The success of an outreach program is not dictated solely by the number of outreach workers, however, the quality of outreach depends also on how the workers are trained and how the resource is deployed, among other factors. The City must ensure it employs effective outreach practices in order to be good stewards of limited funds and instill faith in the system for clients agreeing to shelter and services.

As such, Management will continue to evaluate if the \$1.5 million in additional funding is the appropriate level of enhanced investment, including how the City could continue to fund this need in future years, and will make adjustments based on an evaluation of these efforts. The City will also undertake efforts to better coordinate outreach, ensure the workers are properly trained and equipped with resources, and that the approach be consistent with the Action Plan and regional efforts.

OCA will determine whether this recommendation has been implemented once the new outreach teams are operational and documentation regarding how the outreach teams are being used, specifically

demonstrating that the teams are involved in providing outreach in coordination with encampment abatements, is provided.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 12, 2020	December 2021	December 2021

#12

To improve data collection and inform decision-making related to homeless encampment abatement, in consultation with the City Attorney's Office, the City should:

- Clearly establish responsibility for tracking the number of homeless individuals contacted, offered, and provided services at each encampment abatement; and
- Formally establish responsibility and procedures for the data to be analyzed and shared with the Homelessness Strategies Division and other City departments, offices, and regional stakeholders involved in addressing homelessness.

In Process

The City, through contracts administered by the Housing Commission, already requires and retains control to have service providers performing outreach collect data, such as number of individuals contacted, those who refuse all offers of service, those who accept offers of service, those who accept offers of shelter, etc. The Homeless Outreach Team also collects such data.

Analysis of such data occurs regularly, and the City will recommend it be a part of the function of the Outreach Coordinator, for the purposes of informing future decisions regarding outreach work.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 12, 2020	December 2020	December 2020 December 2021

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

Per a memo issued by the COO to the City Council on August 8, 2019, it states:

In response to further recommendations in the audit, the City's Human Resources (HR) Department is creating an action plan to mitigate unadjusted earnings gaps. Pending any implementation requirements - such as meet and confer with recognized employee organizations - required by the Meyers-Milias-Brown Act and Council Policy 300- 06, the action plan will be finalized and executed after the conclusion of the citywide pay equity study. Additionally, on August 1, 2019, HR requested the City's six recognized employee organizations provide ideas and suggestions on how to address earning gaps, by Friday, August 16, 2019.

No additional updates have been provided since the issuance of the memo.

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

20-011

Performance Audit of Strategic Human Capital Management

(NO) (GT)

#1

The Human Resources Department (HR), working collaboratively with the Department of Finance and the City's Executive Management, should document and articulate a Total Compensation Strategy, including but not limited to compensation and benefits components, levels, and market

competitiveness to guide labor negotiations and set employee expectations with respect to compensation.

- a) Informed by HR's assessment efforts (see Recommendations 4 and 5), the strategy should include what role "non-economic" incentives can play – and how such incentives can help the City achieve its total compensation strategy.
- b) The City's strategy should include fiscal consideration and appropriate long-term forecasting for how the City can financially achieve its total compensation goals.

In Process

On September 15, 2020, the Human Resources (HR) Department presented to Council several of the efforts they have initiated to address the SHCM issued raised by the audit. OCA will work with HR and Department of Finance to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	June 2021	June 2021

#2

Upon completion of the City's Total Compensation Strategy outlined in Recommendation #1, the Department of Finance should ensure that fiscal outlooks should incorporate and align with the Total Compensation Strategy

In Process

On September 15, 2020, the Human Resources (HR) Department presented to Council several of the efforts they have initiated to address the SHCM issued raised by the audit. OCA will work with HR and Department of Finance to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	June 2022	June 2022

#3

To mitigate employee dissatisfaction over low base pay, the Human Resources and Personnel Departments should build on their work to periodically communicate to employees the total value of their overall compensation and benefits—for example, via a periodic benefits summary or individual benefits statement.

In Process

On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council several of the efforts they have initiated to address the SHCM issued raised by the audit. The presentation did not provide details, however, OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	April 23, 2020	December 31, 2020	December 31, 2020

#4

The Human Resources Department should document and implement a more data-driven methodology—such as a periodic survey like the Employee Satisfaction Survey—for assessing:

- a) How satisfied employees are with their level of compensation and benefits;
- b) Which forms of compensation or benefits are or would be most valued by employees; and
- c) A comparison of these results to some sort of benchmarking criteria, such as results from the federal Employee Viewpoint Survey, the Society for Human Resource Management’s annual Employee Benefits report, etc.

- I. Such an assessment should place particular emphasis on which non-economic incentives are most valued by employees and best align with the City’s Total Compensation Strategy (from Recommendation 1).

In Process

On September 15, 2020, the Human Resources (HR) Department presented to Council that they are making progress on this recommendation, such as developing a point-in-time sentiment assessment to eventually replace the Employee Satisfaction Survey. OCA will work with HR to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 23, 2020	December 2022	December 2022

#5

The Human Resources Department should build on its work related to flex work arrangements, specifically by:

- a) Identifying how the City can minimize its risk and liability while offering flex work options;
- b) Articulating updated guidance for employees and supervisors regarding flex work arrangements;
- c) Encouraging expansion of flex work opportunities where appropriate; and
- d) Developing a monitoring and reporting capability for flex work’s effects.

In Process

On September 15, 2020, the Human Resources (HR) Department presented to Council that they are making progress on this recommendation, such as flex work which has expanded considerably with the onset of COVID. Although the recommendation also addresses issues related to updated

guidance and related items. OCA will work with HR to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	June 2021	June 2021

#6 The Human Resources Department (HR) should outline and formally document its own plan, including goals, responsibilities, and the organizational efforts it is undertaking internally to strengthen its emphasis on Strategic Human Capital Management efforts. City Executive Management should also consider the feasibility of maintaining support for—if not expanding—professional development opportunities that HR provides for departments across the City.

In Process

On September 15, 2020, the Human Resources (HR) Department presented to Council that they are making progress on this recommendation and outlining several ways they are increasing their focus on SHCM and development opportunities Citywide. OCA will work with HR to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 23, 2020	June 2021	June 2021

#7 HR and Personnel should jointly present an annual, publicly available Workforce Report to the City Council and Mayoral administration, updating City leadership by identifying key City positions facing challenges related to recruitment, retention, employee satisfaction and other metrics.

- a) The Workforce Report should include fundamental Human Capital Management (HCM) metrics on turnover rates, quits rates, vacancy rates, employee satisfaction, and others and should include benchmarking/comparative information, such as data from the U.S. Bureau of Labor Statistics, other large cities, the Society for Human Resource Management, etc.
- b) Among other content, the Workforce Report should identify:
 - a. A reasonable number—e.g. 10—of the job types for full-time employees, regardless of classification status, with:
 - i. The highest rates of turnover and/or voluntary separations;
 - ii. The highest rates of vacancies; and
 - iii. A metric assessing employee recruitment—for example, the number of “qualified” vs. “highly qualified” applicants. If they are not included among the job types above, the Workforce Report should also include the results for Police officers and Firefighters as well.

- iv. ii. An assessment of the differences, if any, between employees with Defined Contribution retirement plans and the rest of the City workforce, with respect to recruitment and retention patterns and/or other metrics (e.g. satisfaction or engagement).
- c) The Workforce Report should identify key elements of concern within the workforce, such as recruitment, development, satisfaction/engagement, and retention problems, an action plan to address these issues, and a timeline for completion.
- d) The Workforce Report should be required by a strong mechanism, such as a Council Policy or Municipal Code amendment.

In Process

On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council that they are making progress on this recommendation, including developing a turnover dashboard. OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	December 2021	December 2021

#8

In order to aid in the production of the workforce report—as well as ongoing monitoring during the intervening periods—the Human Resources, Personnel, Information Technology, Finance, and Performance and Analytics Departments should strengthen an interactive dashboard with monitoring and reporting capabilities for core Strategic Human Capital Management metrics. Specifically:

- a) Convene a working group to solicit concerns about reliability of the workforce data within the dashboard and issue a resulting action plan to address concerns raised.
- b) Expand the dashboard's historically available data to the maximum extent possible, not less than a period of five years.
- c) Display additional key workforce metrics, such as those listed in Exhibit 22. A metric on employee retention, including but not limited to turnover and quits rates, should be a top priority.
- d) Ensure the dashboard is widely accessible to stakeholders, such as analysts within each of their own departments, the Office of the City Auditor, the Office of the Independent Budget Analyst, and interested individual operational departments that request access and have a reasonable business purpose.
- e) The dashboard should have “break-out” and export capabilities for at least the following dimensions:
 - a. By department;
 - b. By job classification;

- c. By labor group; and
- d. By retirement plan type

In Process

On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council that they are making progress on this recommendation, including developing a turnover dashboard. OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	December 2021	December 2021

#9

The Human Resources and Personnel Departments should develop and monitor target goals or metrics for key aspects of the City's workforce, such as target turnover rates, quits rates, vacancy rates, etc. These should be formally documented, for example, by incorporation into the City's Total Compensation Strategy (from Recommendation 1) and annual Workforce Report (from Recommendation 7).

In Process

On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. The presentation did not go into detail on this recommendation, but OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 23, 2020	December 2021	December 2021

#10

The Human Resources Department should ensure the labor agreements currently being negotiated (in Spring 2020) do not preclude the possibility of re-negotiation once the City has developed more robust workforce analytics, which may identify particular areas of concern that need to be immediately addressed.

In Process

On September 15, 2020, the Human Resources (HR) Department presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. OCA does not believe this recommendation was implemented in time for the Spring 2020 renegotiations, but the spirit of the recommendation (using workforce information from this audit and other recommendations to inform contract negotiations) still applies to future negotiations. OCA will work with HR to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 23, 2020	N/A	N/A

#12 The Personnel Department (Personnel) should reform the way it calculates the rationale for whether Special Salary Adjustments (SSAs) are needed to conform with standard methodology employed by the U.S. Bureau of Labor Statistics. Personnel’s methodology should include all employees who separated from City employment and use a more accurate measure of the average workforce size for the period in question when calculating turnover rates and quits rates.

a) If Personnel continues to perform their current methodology as well, the calculation should be referred to as something other than a “turnover” rate. The more standard definition of turnover and/or quits—as defined by U.S. Bureau of Labor Statistics—should accompany SSA analyses brought before the Civil Service Commission and other forums.

In Process

In its management response, Personnel did not agree to the most important aspect of this recommendation (including standard turnover rates and quits rates along with its calculations). During the September 15, 2020 Council presentation Personnel maintained its position as questions were asked by Council Members, however, Personnel indicated to OCA that it the Council meeting stated to auditors that it would reflect on this position and consider including the calculations going forward. OCA will work with Personnel on this issue in the future.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	December 2020	December 2020

#13 Special Salary Adjustments should consistently present and include recruitment and retention information to the Civil Service Commission and other stakeholders in terms of rates, in addition to total number of employees.

In Process

On September 15, 2020, the Personnel Department presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. This discussion did not provide details, but OCA will work with Personnel to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 23, 2020	December 2020	December 2020

#14 The Personnel Department, collaborating with the Human Resources Department, should proactively facilitate the Special Salary Adjustment (SSA) application process by identifying yearly which classifications have the highest recruitment and retention difficulties; communicating with affected department directors; and working with them to submit SSA applications as appropriate.

- a) This effort could be included as part of the annual Workforce Report from Recommendation 7.

In Process

On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. While Personnel agreed to help with this in future, the management response from HR stated that this was already implemented, although that is not consistent with what OCA observed during the audit, and this may be a misunderstanding. Implementation of Recommendations 7 (workforce report) and 8 (workforce dashboard capability) may help with implementation of this recommendation.

OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	December 2021	December 2021

Parks and Recreation Department

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

(CK)

- #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

The department reported that Recommendation 1A - Revise Memorandum of Understanding (MOU).

The Parties are developing a draft Memorandum of Understanding (MOU) that would replace the 2002 MOU. Although this document continues to undergo changes, this current draft of the MOU follows this general outline:

1. Introduction

- a. Background
- b. History of City-District relationship

2. Purpose

- a. Goal of the joint use program
- b. Mutual benefits to City and District
- c. Consideration
- d. Previous MOU and debt forgiveness

3. Objectives

- a. Criteria for selection of new joint use facilities
- b. Prioritization of elementary and middle schools for joint use
- c. Assignment of maintenance
- d. Determination of active and passive uses at joint use fields
- e. Public input process
- e. Public input process
- f. Typical joint use amenities

4. Execution

- a. Individual joint use agreements supersede MOU
- b. Use of joint use agreement template
- c. Acceptance of previous joint use agreements
- d. Extension of agreements beyond expiration date

5. Agency Communication

- a. Communication during design and construction
- b. Tracking system
- c. Regular meetings
- d. Expansion of the program

6. References

- a. City Policies and Procedures
- b. District Policies and Procedures

As the Parties continue to refine this outline and the MOU document, the new timeline to bring the MOU forward for Board of Education and City

Council consideration will be Fall 2020 with a completion date in December 2020.

Recommendation #1B - Create Joint Use Contract Template and 1C. Create Interim Joint Use Contract Template: Between April 2019 and February 2020, the Department and District negotiated a new joint use agreement template. The Parties agreed that the template would contain necessary terms and conditions that the Parties would apply to revised and new joint use agreements. Working with District legal counsel and the City Attorney's Office, the Parties completed the first draft joint use agreement in fall 2020.

The Parties used this template for three agreements associated with first batch of agreements for Standley Middle School field, Standley Middle School aquatics complex, and Spreckels Elementary School field. The Board of Education approved these three agreements on September 10, 2019, and the City Council approved this set of agreements in February 2020. The City Council approved the agreement per Resolution R-312848 on February 11, 2020, and Ordinance O-21175 on February 24, 2020.

After the Board and City Council approvals, the Parties agreed to use the Standley and Spreckels agreements as a template for future joint use agreements. Attachment 3 provides a copy of the current joint use agreement template, exhibits, and a sample approved agreement. The attached template is intended to serve all upcoming agreements. As noted in 1a, the Parties do not expect changes to the template as related to the proposed new memorandum of understanding.

The Department submits this information and associated documentation to the Office of the City Auditor for consideration of recommendations 1b and 1c as completed.

Recommendation #1D - Revise all existing and pending agreements to match new contract template:

The Parties are currently implementing the joint use agreement template for over 90 existing agreements and more than 20 future Play All Day joint use sites in design or construction. The Department will batch agreements for City Council consideration in 2020 based on the Joint Use Agreement Implementation Schedule, enclosed as Attachment 4. With existing resources, the Parties estimate that about six joint use agreements can be completed per month. Given this estimate, it will take approximately 16 months to revise all joint use agreements. Therefore, the new estimated timeframe to submit all agreements to the Board of Education and City Council is December 2021.

Recommendation #1E - Determine whether any amounts are owed between agencies: As noted in 1a above, the MOU is intended to address consideration and any amounts owed between City and District. As the MOU is targeted for completion in December 2020, the determination of amounts owed (if any) would be completed at the same time.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 9, 2019	July 2020	July 2020 December 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 The Parks and Recreation department is making progress on all recommendations related to this audit. Parks and Recreation has implemented a tracking system for facility joint use agreements that includes all of the recommended elements with the exception of land, capital and maintenance costs. The tracking system does not contemplate these costs as they are part of a draft MOU which will address consideration for any amounts owed under the parity formula. We will continue to follow up on this recommendation.

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 Department staff are currently developing a process narrative that outlines the procedure for making updates to the shared spreadsheet and ensuring only certain staff have access to ensure the integrity of the spreadsheet. As this is an ongoing effort, staff intends to have this process narrative approved and in effect by December 2020.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 9, 2019	July 2020	July 2020 December 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
 - Total financial contributions by the City.

In Process

After the Board of Education and City Council approve the draft MOU, Department staff will revise Council Policy to integrate the tenets outlined in the MOU and ensure consistency between the MOU with San Diego Unified School and the relationship between the City and other area school districts with joint use agreements. Staff intends to bring this policy forward to the City Council by March 2021.

Priority
2

Issue Date:
April 9, 2019

Original Target Date:
July 2020

Current Target Date:
July 2020
April 2021

Performance & Analytics Department

20-013

IT PERFORMANCE AUDIT OF CITYWIDE DATA CLASSIFICATION AND SENSITIVE DATA ENCRYPTION

(SG) (WM)

#1

The three city data management authorities—the Chief Data Officer (CDO), Chief Information Officer (CIO), and City Clerk—should work collaboratively to create a centralized data management strategy based on a centralized data governance model. All three authorities should sign off on the policy

and the City Attorney should conduct a legal review to ensure compliance with applicable laws and regulations. Further, this strategy should incorporate the different roles of the CDO, CIO, and City Clerk to clarify their data management objectives and potential areas of collaboration.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	May 29, 2020	July 2022	July 2022

#2

The Chief Data Officer and Chief Information Officer should work with the City Clerk to create a citywide data classification of the various data types that leverage information gathered to create the Department Record File Plans, which outlines and classifies records and their retention requirements. This data classification should contain attributes required and usable by all involved parties in addition to incorporating the current classifications.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	May 29, 2020	July 2023	July 2023

#3

The Chief Data Officer (CDO) and Chief Information Officer (CIO) should work with the City Clerk to ensure departments coordinate efforts to create a data inventory containing the data/records, its location, owner, classification, and attributes. This effort can leverage the City Clerk's Department Record File Plans to improve the efficiency of the effort. Each department should define the person and position responsible in their department for data management that may mirror the records management representative to coordinate data management for the department in accordance with the City's data strategy.

In Process

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	May 29, 2020	July 2021	July 2021

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

No update provided by the department. OCA will continue to follow up during the next reporting cycle.

Priority
2

Issue Date:
April 8, 2019

Original Target Date:
December 2020

Current Target Date:
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 No change since the last reporting period. The Personnel Department is working with the Office of the City Attorney and the Information Technology Department to evaluate the feasibility of allowing employees to request changing their gender via SAP.

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

20-011 Performance Audit of Strategic Human Capital Management

(NO) (GT)

#11 The Personnel Department should ensure that the summary analyses behind Special Salary Adjustment (SSA) requests are retained for a period of at least several years to substantiate decisions regarding SSAs.

In Process On September 15, 2020, the Personnel Department presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. This discussion did not provide details, but OCA will work with Personnel to gather more information about tangible evidence of progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 23, 2020	N/A	N/A

Risk Management

20-015 PERFORMANCE AUDIT OF THE CITY'S PUBLIC LIABILITY MANAGEMENT

(AH) (GT)

#5 The Risk Management Department should coordinate with public liability claims-incurring City departments to identify and record data related to the identification and completion of corrective measures, such as cause(s) of claim-incurring incidents and date of corrective action completion, for claims with settlement amounts of \$25,000 and above for the City's top ten public liability claims resulting in the highest annual aggregated settlement amounts. This information should be recorded and tracked in a manner that is accessible to City departments and personnel.

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

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

The Storm Water Division (SWD) development of a long-term storm water funding strategy as identified in Recommendation Number 5 is in process. In addition, SWD provided an informational update at the December 11, 2019 Audit Committee meeting to provide an overview of the project's schedule and key components that are currently in development. Since then, SWD has continued work and remained firm in its commitment to fulfill the audit recommendation. Work has advanced and progress has been made on the WAMP (Watershed Asset Management Plan) cost updates, evaluation of funding and financing options, engagement with the San Diego Water Board, and continued coordination with the City Attorney's Office and the Office of the Independent Budget Analyst. SWD is mindful of the unprecedented times we are navigating due to the COVID-19 pandemic and will continue to monitor the project schedule to ensure the integrity of the process, including stakeholder engagement, analysis of funding needs and options, and public communication. If SWD determines that changes are needed to the project schedule, SWD will communicate any schedule adjustments to the City Auditor's Office, City Council and stakeholders.

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

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