

---

# Audit Recommendation Follow-Up Report

*STATUS UPDATE AS OF  
December 31, 2016*

Office of the City  
Auditor

City of San Diego



This Page Intentionally Left Blank



## THE CITY OF SAN DIEGO

DATE: April 26, 2017  
TO: Honorable Members of the Audit Committee  
FROM: Eduardo Luna, 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 December 31, 2016. We will continue reporting on open recommendations semiannually for periods ending around June 30<sup>th</sup> and December 31<sup>st</sup>.

We have provided a short summary of data, highlighted one recommendation, and attached the status updates for all recommendations. Again, significant progress has been made by the Administration to implement audit recommendations. We look forward to presenting this report at the May 17, 2017 Audit Committee meeting.

The intent of this report is to keep the Audit Committee informed about the implementation status of recommendations made by the Office of the City Auditor. We welcome any suggestions or recommendations for improving this report to enhance your ability to monitor the effective implementation of City Auditor recommendations.

We would like to thank all the staff from the various departments that provided us with information for this report. All of their valuable time and efforts are greatly appreciated.

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

## SUMMARY

The Administration has continued to make significant progress towards implementing open audit recommendations. During this reporting period, the Administration has implemented 42 of the outstanding recommendations. Additionally, we issued 12 reports and added 71 new recommendations, and the Administration agreed to implement 100 percent of the recommendations.

There is one recommendation that we deemed as not implement – n/a for the reason stated in the report. This recommendation can be found in Attachment A, and will be discussed at an Audit Committee meeting. We will request the Audit Committee consider dropping this one recommendation. We have also added a new Attachment C for recommendations that are In Process with past due or revised target dates since the last report. Additionally, we removed the Not Implemented status and combined all open recommendations into an “In Process” status. Historically, this category has only captured “New” audit recommendations that were issued in the last three months of the reporting period and there was no expectation that the recommendation be implemented, and no evidence of implementation was provided. All other categories will remain as they are.

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

## IMPLEMENTATION STATUS OF OPEN RECOMMENDATIONS

This report reflects the status of all Office of the City Auditor open audit recommendations as of December 31, 2016. We contacted departments directly to gather recommendation status information, reviewed all outstanding recommendations, and placed the recommendations into the following status categories:

<b>Implemented</b>	City staff provided sufficient and appropriate evidence to support all elements of implementing the recommendation;
<b>In Process</b>	City staff indicated they agree to implement the recommendation and they provided a target implementation date; additionally, City staff periodically provided updates to the OCA on the status of the implementation.
<b>Will Not Implement</b>	The Administration disagreed with the recommendation, did not intend to implement, and no further action will be reported; and
<b>Not Implemented – N/A</b>	Circumstances changed to make the recommendation not applicable (n/a).

As of our last recommendation follow-up report for the period ending June 30, 2016, there were 98 open recommendations. Since then, we have issued seven performance audits, one agreed-upon procedure and four hotline reports adding an additional 71 new recommendations for a total of 169 outstanding recommendations for the period ending December 31, 2016. The table below summarizes this activity:

Activity for the Period Ending December 31, 2016	Number of Recommendations
<b>Open Recommendations Carried Forward from Period Ending June 30, 2016</b>	
In Process	95
Not Implemented	3
<b>Sub-Total</b>	<b>98</b>
Recommendations issued July – December 2016	71
<b>Total Outstanding Recommendations as of December 31, 2016</b>	<b>169</b>

During this reporting cycle, we verified that departments and related entities have implemented 42 recommendations out of 169 (25 percent) since our last report. The results of our review for this reporting cycle are as follows for the 169 recommendations:

Number of Recommendations	Status of Recommendations
42	Implemented
55	In Process - With Revised or Past Due Target Dates
71	In Process – Not Due
1	Not Implemented – N/A
<b>169</b>	<b>Total</b>

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

- **Exhibit 1** - Summarizes the status of the 169 recommendations by audit report in chronological order.
- **Exhibit 2** - Summarizes the distribution of the 42 recommendations **Implemented** by Department/Agency.
- **Exhibit 3** - Summarizes the distribution of the 55 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency.
- **Exhibit 4** - Summarizes the distribution of the 71 recommendations **In Process - Not Due** by Department/Agency.
- **Exhibit 5** - Breaks down the 169 recommendations by their status and the length of time the recommendation remains open from the original audit report date.
- **Exhibit 6** - Audit Recommendation Activity for the Period Ending December 31, 2016.

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

**Attachment A - Recommendations Highlighted for the Audit Committee's Attention**

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

**Attachment B – Recommendations Deemed as Implemented**

This schedule includes all recommendations as of December 31, 2016 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 December 31, 2016 that are **In Process** of implementation based on the status information provided; however, target dates have been revised since the last reporting period or the dates are past due with no revised date.

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

This schedule includes all recommendations as of December 31, 2016 that are **In Process** of implementation based on the status information provided and target dates are not due.

## FUTURE RECOMMENDATION FOLLOW-UPS

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

The intent of this report is to keep the Audit Committee informed about the implementation status of recommendations made by the Office of the City Auditor. We welcome any suggestions or recommendations for improving this report to enhance your ability to monitor the effective implementation of City Auditor recommendations.

**Exhibit 1** below summarizes the status of the 169 recommendations by audit report in chronological order.

### EXHIBIT 1: Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process	Not Implemented <sup>1</sup>
09-013	The City Of San Diego Faces Unique Operational And Administrative Challenges In Managing Qualcomm Stadium			1
11-026	Performance Audit Of The Take-Home Use Of City Vehicles		3	
12-015	Performance Audit Of The Development Services Department's Project Tracking System		3	
13-003	Performance Audit Of The Procurement Card Program	1	1	
13-005	Hotline Investigation Report Of Cash Handling At Recreation Centers		2	
13-008	Performance Audit Of The General Services Department - Facilities Maintenance Division	2		
13-009	Performance Audit Of The Real Estate Assets Department		1	
13-011	Performance Audit Of The Public Utilities Department's Valve Maintenance Program		2	
14-002	Performance Audit Of The Public Utilities Department's Industrial Wastewater Control Program		7	

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

Report No.	Report Title	Implemented	In Process	Not Implemented <sup>2</sup>
14-003	Performance Audit Of The Utilities Undergrounding Program		1	
14-006	Performance Audit Of The Police Patrol Operations		1	
14-014	Performance Audit Of Graffiti Control Program		2	
14-016	Hotline Investigation Report Of Public Utilities Warehouse Supply Purchases		1	
14-019	Performance Audit Of Real Estate Assets Department	1	2	
15-001	Performance Audit Of The Office Of Homeland Security		1	
15-003	Performance Audit Of The City's Waste Reduction And Recycling Programs	1	4	
15-009	Performance Audit Of The Community Parking District Program		3	
15-010	Fleet Services Division Fraud Risk Assessment Report		3	
15-011	Performance Audit of the Utilities Undergrounding Program		5	
15-012	The City Needs to Address the Lack of Contract Administration and Monitoring on Citywide Goods and Services Contracts		2	
15-013	Performance Audit of the Park and Recreation Department's Golf Division	1	1	
15-016	Performance Audit of Citywide Contract Oversight		9	
15-017	Performance Audit of the Real Estate Department, Airports Division	2	1	
15-018	Performance Audit of the Fire-Rescue Department, Lifeguard Services Division		1	

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



Report No.	Report Title	Implemented	In Process	Not Implemented <sup>3</sup>
16-005	Performance Audit of the City's Business Improvement District Program		1	
16-006	Performance Audit of the Code Enforcement Division		9	
16-008	Internal Control Issues: San Diego Public Library		1	
16-010	Performance Audit of the City's Overhead Rate Calculation Process	2		
16-011	Performance Audit of the Street Preservation Ordinance		2	
16-012	Hotline Investigation of Vendor Fraud		1	
16-013	Hotline Investigation of Landscape Contracts	3	2	
16-016	Citywide Contract Oversight II - Contract Review	3	5	
16-017	Audit of San Diego Public Library		4	
17-002	Audit of the City's Implementation of San Diego County Grand Jury Recommendations Related to Property and Evidence Management	8		
17-003	Performance Audit of the San Diego Housing Commission – Affordable Housing Fund	2	6	
17-004	Hotline Investigation of Park and Recreation Department Activity Fee Collection Abuse	1	1	
17-005	Performance Audit of the San Diego Housing Commission		5	
17-006	Performance Audit of The City's Programs Responsible For Improving Pedestrian Safety	3	15	
17-007	Agreed-Upon Procedures Related to the Central Stores Physical Inventory - FY16	1	1	
17-008	Fraud Hotline Investigation of Abuse in the Public Utilities Department's Selection Phase of the Hiring Process	6	2	

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

Report No.	Report Title	Implemented	In Process	Not Implemented <sup>4</sup>
17-009	Performance Audit of Street Light Repair		7	
17-010	Performance Audit of the Affordable / In-Fill Housing and Sustainable Buildings Expedite Program	3	5	
17-011	Hotline Investigation of Personal Use of City Vehicles at the Public Utilities Department		3	
17-012	Hotline Investigation of Improper Use of Discretionary Leave	2		
<b>GRAND TOTAL</b>		<b>42 (25%)</b>	<b>126 (74%)</b>	<b>1 (1%)</b>

---

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

**Exhibit 2** summarizes the distribution of the 42 recommendations **Implemented** by Department/Agency as of December 31, 2016.

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

Number of Recommendations Implemented	Department/Agency
1	Assistant Chief Operating Officer
1	Chief Operating Officer and Communications
1	City Attorney
1	City Comptroller
3	Development Services
1	Environmental Services
1	Financial Management
7	Park & Recreation
1	Personnel

Number of Recommendations Implemented	Department/Agency
2	Planning Department-Facilities Financing Section
6	Public Utilities Department
2	Public Works - Facilities
3	Purchasing & Contracting
1	Real Estate Assets
2	Real Estate Assets - Airports
7	San Diego Police Department
2	Transportation & Stormwater

Exhibit 3 summarizes the distribution of the 55 recommendations In Process - With Revised or Past Due Target Dates by Department/Agency as of December 31, 2016.

**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
9	Code Enforcement Division - Development Services Department	1	Planning Department-Facilities Financing Section
3	Development Services	1	Public Works
1	Development Services and San Diego Housing Commission	12	Purchasing & Contracting
2	Economic Development	3	Real Estate Assets
1	Independent Budget Analysis and Library	1	Real Estate Assets - Airports
5	Fleet Services	1	San Diego Housing Commission
3	Library	1	San Diego Police Department
1	Library and Comptroller	1	Street Division and Fleet Services
5	Park & Recreation	3	Transportation & Stormwater
1	Park & Recreation – Golf Course		

**Exhibit 4** summarizes the distribution of the 71 recommendations **In Process - Not Due** by Department/Agency as of December 31, 2016.

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

Number of Recommendations Outstanding	Department/Agency	Number of Recommendations Outstanding	Department/Agency
4	Chief Operating Officer	3	Park and Recreation
1	Deputy Chief Operating Officer Infrastructure/Public Works	2	Personnel
10	Development Services	12	Public Utilities Department
2	Economic Development	1	Public Works – Field Engineering
3	Environmental Services	1	Purchasing & Contracting
1	Fire-Rescue Lifeguard Division and Real Estate Assets Department	1	Real Estate Assets
3	Fleet Services	4	San Diego Housing Commission
1	Office of Homeland Security	5	San Diego Police Department
4	Office of the Mayor	13	Transportation & Stormwater

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

Effective this reporting period, 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 December 31, 2016**

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

**EXHIBIT 5b: Current Report Audit Recommendations Implementation Aging for June 30, 2016**

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

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

**EXHIBIT 5c: Current Report Audit Recommendations Implementation Aging for December 31, 2015**

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

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

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

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

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

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

**EXHIBIT 6: Audit Recommendation Activity for the Period Ending December 31, 2016**

---

Activity for the Period Ending December 31, 2016	Number of Recommendations
<b>Open Recommendations Carried Forward from Period Ending June 30, 2016</b>	
In Process	95
Not Implemented	3
<b>Sub-Total</b>	<b>98</b>
Recommendations issued July - December 2016	71
<b>Total Outstanding Recommendations as December 31, 2016</b>	<b>169</b>
<b>Recommendations Resolved for Period Ending December 31, 2016</b>	
Recommendations Implemented	42
Recommendations Not Implement – N/A	1
<b>Recommendations Resolved for Period Ending December 31, 2016</b>	<b>43</b>
<b>Carry Forward Open Recommendations</b>	<b>126</b>



December 2016

# ATTACHMENT A

## Recommendations for the Audit Committee's Attention

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

**ATTACHMENT A  
RECOMMENDATIONS FOR THE AUDIT COMMITTEE'S ATTENTION**

**Requested Action by the Audit Committee:**

We request the Audit Committee consider dropping the following recommendation because it has been deemed no longer applicable for the reasons stated below.

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

(SM)

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

**Not Implemented – N/A**                    The Stadium has developed a business and marketing plan; however, the future of the Stadium is unknown and the City will not be marketing for future events. Management has notified staff that no events should be booked past 12/31/2018.

December 2016

# ATTACHMENT B

## Recommendations Deemed As Implemented

This schedule includes all recommendations as of December 31, 2016 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**

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

(DK) (SM)

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

**Implemented**      Purchasing & Contracting initiated a monitoring practice for the P-card program to help ensure that P-cards were being used in compliance with City regulations and law. We reviewed P&C's Contract Compliance Unit's P-Card review handbook and found that it has established a monthly monitoring system to review P-Card purchases and to identify if certain purchases were outside of program rules. The handbook instructs the reviewer to contact card holders and billing officials if allowable transactions are identified.

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

(SA)

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

**Implemented**      The Department of Public Works has determined the desired level of facilities maintenance for City assets based on the replacement value of those assets using the industry standard FCI calculation. This calculation takes into account the cost of current maintenance, the capital replacement backlog, and the plant replacement value. The Department has made budget adjustment requests that reflect the identified desired maintenance level.

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

**Implemented**      Facilities Maintenance has increased staffing over the last several years and has also improved their operating model and funding structure by no longer anticipating revenue from enterprise funds for facilities maintenance. This removes the incentive for Facilities to prioritize enterprise fund maintenance requests over others. Facilities Maintenance also participated in a zero-based budgeting model pilot project in FY 17, which resulted in funding increases.

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

(SA) (DK)

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

**Implemented** READ has developed a process to ensure that all inhabited City-owned residential properties have a lease. READ issued an internal memorandum to document the process so that every property agent understands the process.

READ also secured a signed lease agreement with the individual auditors identified in the audit report who was living in a City-owned residential property without a lease.

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

(AH)

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

**Implemented** The annual report was heard at the Environment Committee on December 8, 2016, and was heard at City Council on January 9, 2017.

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

(NK)

#5 By retaining an external vendor, internal expertise, or a combination of both, the Golf Division should develop and execute a comprehensive marketing and business development strategy that includes tactics for the following:

- Specials and promotions;
- Media outreach;
- Customer database development;
- Customer communication and outreach; and
- An enhanced web presence for Golf Division properties.

**Implemented** The Golf Division's "Marketing and Business Strategy Plan," signed by the Deputy Director on December 12, 2016, satisfies the intent of the recommendation. The plan covers media outreach, customer database development, customer communication and outreach, web site management, and contains outlines of existing and planned youth golf initiatives. In addition to those general strategies, the plan contains specific marketing and business development strategies for Balboa Park and Mission Bay golf courses.

**15-017 PERFORMANCE AUDIT OF THE REAL ESTATE DEPARTMENT, AIRPORTS DIVISION**

(SP) (SA)

#1 The Airports Division should determine and document the cost, timeline, and elements required for completion of Airport Layout Plan Update Narrative Reports or new Master Plans for Brown Field and Montgomery Field airports to supplement and/or update the existing Master Plans written in 1980.

**Implemented** The Airports Division (Airports) has secured a contract to begin Master Plan studies for both Montgomery and Brown Field Airports. Additionally, Airports secured two grants totaling \$1 million from the Federal Aviation Administration which funds at least 55 percent of the costs and Airports will fund the remaining. As of January 2017, the Master Plan Studies have commenced with an estimated completion timeline of 15 months.

#2 The Airports Division should develop an annual planning document that defines short-and long-term goals for development and revenue generation for Brown Field and Montgomery Field airports. The Airports Division should present the plan to the Airports Advisory Committee and the Economic Development and Intergovernmental Relations Committee annually. Specifically, the plan should include:

- a. Vision, Mission, Value, Objectives;
- b. Updated inventory of leasing agreements and City assets;
- c. A plan for completing regular market rate studies for all relevant leaseholds;
- d. Identification of aviation and non-aviation leaseholds; and
- e. A review of the status of the long-term airports planning documents, specifically the Master Plans or Airport Layout Plan Update Narrative Reports for Brown Field Airport and Montgomery Field airports.

**Implemented** The Airports Division developed a Business Plan (plan) that presents a clear vision, mission, and objectives. The plan also assesses the Division's financial condition and identifies areas of focus, inclusive of the need to eliminate holdover and month-to-month leases, as well as, the need to use fair market pricing to increase revenue opportunities. The Department is updating the plan consistently, has publicly posted the plan on its website, and intends to continue updating the plan annually.

As of January 2017, the Airports Division has secured a contract, and services have begun for the completion of Master Plan studies for both Brown and Montgomery Field Airports. The contract estimates a 15-month timeline for completion, thus estimated completion of the studies should occur around April 2018.

16-010

## PERFORMANCE AUDIT OF THE CITY'S OVERHEAD RATE CALCULATION PROCESS

(SP) (NO)

#2

In order to develop a more formalized structure for maintaining supporting documentation for non-discretionary budget allocations and improve its communication with provider departments, Financial Management should enhance its monitoring, control, and review of the non-discretionary process by:

- a) Engaging provider departments after allocations have been formalized by providing more detailed updates in the Budget Reference Manual;
- b) Requiring provider departments to document assumptions made, adjustments made, and discretion taken within supporting documentation submitted to Financial Management as part of its budget allocation submissions;
- c) Requiring provider department Directors to formally sign-off acknowledgement that non-discretionary allocations submitted to Financial Management have been properly reviewed and documented; and
- d) Assessing the feasibility of implementing SD Share to track its review of and maintain documentation for the non-discretionary allocation process.

**Implemented**

Financial Management (FM) developed a more formalized structure for maintaining supporting documentation for non-discretionary budget allocations. It also instituted mechanisms to improve its communication with provider departments. Specifically, FM formalized the requirement for provider departments to document assumptions and supporting information for cost allocation submissions in its Non-Discretionary Budget Process guidance. FM also requires department Directors to formally sign and acknowledge review of non-discretionary allocations submitted to FM. Lastly, FM uses SharePoint to provide updates to provider departments and track and maintain cost allocation documentation.

#3

In order to formalize its cost allocation review process and strengthen guidance provided to department staff, the Public Utilities Department should:

- a) Ensure that cost classification reviews are housed in a central repository; and
- b) Formalize the internal cost classification review process by developing a department instruction outlining the steps of the process.

**Implemented**

The Public Utility Department (PUD) has developed a Department Instruction (DI) that formalizes its internal cost allocation review process and strengthens guidance provided to department staff. The DI designates PUD's Finance and Information Technology Division (FIT) as the lead division for preparing the department's annual review of its cost allocations. According to the DI, FIT will review and classify the department's cost centers, internal orders, and if needed, commitment items as direct or indirect costs and will work with other department divisions for input. FIT is also the central repository for cost allocation reviews as it will annually document the review process and maintain files supporting the final overhead rate developed for PUD.

**16-013 HOTLINE INVESTIGATION OF LANDSCAPE CONTRACTS**

(AH)

#5 Review the identified equipment rental expenditures and develop an action plan to address the discrepancies between the invoices (identified in the confidential report) and the existing contract language. The equipment rental rates could be clarified in future contracts and/or be included in the existing contracts as an addendum.

**Implemented** The Park and Recreation Department management reviewed the identified equipment rental expenditures and provided additional training to staff regarding the circumstances under which the expenditures are reimbursable based on the terms of the contracts. In addition, management revised future contract language to include details regarding equipment rental cost reimbursements.

#6 Review the invoice (identified in the confidential report), and supporting information, to determine the basis for the document preparation charges and develop an action plan to address the review and approval process.

**Implemented** Park and Recreation Department management reviewed the identified invoice and provided additional training to staff regarding invoice review and approval procedures. Going forward, Extra Labor authorization paperwork will be reviewed by management on a quarterly basis.

#7 Review the procedures in place to ensure that the Department's invoice payment files are accurate and complete, and develop an action plan to address the identified process weaknesses.

**Implemented** City management reviewed their procedures related to invoice payment files and added new recordkeeping requirements. We reviewed the evidence, including training attendance records, and believe that the actions taken by City management satisfy the intent of this recommendation.

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

(SM) (KC)

#5 Park and Recreation should update its Extraordinary Labor Authorization process to reflect intended, most effective business practices while still ensuring the use of internal controls such as management approval and monitoring. To ensure its authorization process is being used as intended, management should develop a system that performs periodic spot checks of the extraordinary labor preauthorization process. The spot checks should be reported to the deputy directors of the division as to inform them if the process is working as intended.

**Implemented** Park & Recreation has updated its extraordinary labor procedures to allow electronic approvals of extraordinary work. The policy still requires pre-approval of work for non-emergency services, however the process has been streamlined to allow for approvals to happen through email. This new process is designed to provide cost controls and management oversight while still allowing work to progress. Further, as recommended,



the department has instituted a quarterly review process to ensure that the policy is being used as intended. The results of the review are reported to the Assistant Deputy Director.

#6 Park and Recreation, in consultation with the City Attorney's Office, should review boilerplate language in Maintenance Assessment District and other landscape contracts to clarify language related to allowable extraordinary labor, extraordinary labor authorization processes, the scope of work, and associated markups.

**Implemented** As new maintenance assessment district contracts have come up for bid, Park & Recreation in collaboration with Purchasing & Contracting and the Office of the City Attorney, has clarified contract language around extraordinary labor and handling fees. These changes are intended to clarify what activities are considered extraordinary labor services and when handling fees for goods are allowable.

#8 The Office of the Comptroller should develop or include in its invoice payment procedures the written requirements that all departments maximize full early payment discounts to the extent possible. This guidance should be included in any contract administration training that is developed.

**Implemented** Comptroller's completed the Process Narrative and Purchasing and Contracting has included the invoice payment requirement in its contract administration training.

17-002 **AUDIT OF THE CITY'S IMPLEMENTATION OF SAN DIEGO COUNTY GRAND JURY RECOMMENDATIONS RELATED TO PROPERTY AND EVIDENCE MANAGEMENT**

(NK)

#1 San Diego Police Department (SDPD) should revise policies and procedures for quality assurance audits to ensure alignment with POST best practices. Revisions should include:

- Updates to the Property Unit Operations Manual so that it reflects current audit processes and guidelines;
- Updates to the Property Unit Operations Manual so that it reflects current processes and guidelines for monthly gun room audits;
- A requirement that the Property Unit retain audit reports separately from employee personnel files to allow for the compilation and reporting of audit results;
- Establishment of an audit report retention schedule; and
- A requirement that audit results be directed to the agency head.

**Implemented** The Property and Evidence Unit Operations Manual, revised January 2017, satisfies the intent of OCA's recommendations related to quality assurance audits. Specifically, the manual:

1. Calls for a quarterly quality assurance audit of impounded items and includes a list of each item for review during the audit;
2. Updates procedures for audits of impounded firearms;
3. Stipulates that reports will be saved under a Property Unit share file;
4. Stipulates that audit reports are to be retained for five years; and

5. Notes that while POST and IAEP guidelines recommend audit reports be directed to the Chief, the SDPD Chief has delegated review of those reports to the Assistant Chief, Neighborhood Policing.

#2 San Diego Police Department (SDPD) should revise policies and procedures for inventories to ensure alignment with POST best practices. Revisions should include:

- Updates to the Property Unit Operations Manual to include procedures for rectifying discrepancies if staff is unable to locate an item; and
- A requirement that inventory results be directed to the agency head.

**Implemented** The Property and Evidence Unit Operations Manual, revised January 2017, satisfies the intent of OCA's recommendations related to inventories. Specifically, the manual contains the revisions listed below.

1. The manual contains an "Unable to Locate" section that lists specific steps staff should take if they are unable to locate an item. It covers "unable to locate" items with active property tags, and disposition authorized property tags.
2. The manual notes that while POST and International Association for Property and Evidence guidelines recommend inventory reports be directed to the Chief, the SDPD chief has delegated review of those reports to the Assistant Chief, Neighborhood Policing.

#3 San Diego Police Department (SDPD) should conduct formal inspections of Property Unit facilities, as recommended by POST. Inspections should be documented, with the results forwarded to the agency head.

**Implemented** SDPD's revisions to the Operations Manual and documentation of the completed September 2016 quarterly inspection report satisfy the intent of OCA's recommendation. Specifically, the manual states that managers will conduct quarterly inspections that cover the safety, cleanliness, functionality, and efficiency of Property and Evidence Unit facilities. The manual then lists 23 items that managers will inspect during the process.

The completed inspection reports demonstrate that management is conducting the inspections called for in the Operations Manual. Inspection reports of headquarters and division facilities address whether a facility is (1) clean/orderly; (2) providing correct information to stakeholders and SDPD staff; (3) safe/secure; (4) stocked with the proper computer equipment; and (5) stocked with proper supplies. Inspection reports of long term storage facilities address whether the facility is (1) clean/orderly; and (2) safe/secure.

#4 The Chief of Police should direct an appropriate office which does not have responsibilities in the Property Unit to conduct regular quality assurance reviews of Property Unit operations. The reviews should assess the systems in place to locate, track, and account for impounded items in SDPD custody.

**Implemented** SDPD provided a memorandum designating the Research, Analysis and Planning Unit as the unit responsible for conducting annual audits of the Property and Evidence Unit effective February 7, 2017. The Assistant Chief notes that the POST quality assurance audit guidelines should serve as an audit methodology baseline.

While the memorandum is not signed by the Chief of Police, the approval of the directive was delegated to an appropriate authority. The Assistant Chief, Neighborhood Policing, is

responsible for both the Property and Evidence Unit and the Research, Analysis and Planning Unit.

#5 San Diego Police Department (SDPD), in consultation with the Real Estate Assets Department, should develop a formal plan for obtaining a property and evidence storage site that will meet long term operational needs. The plan should include the department's square footage, design, security, and staff safety requirements for the facility. The plan should also assess the benefits of using a City owned site compared to leasing a private facility.

**Implemented** The original recommendation directed SDPD to develop a plan that includes the department's square footage, design, security, and staff safety requirements for the facility, and assess the benefits of using a City owned site compared to leasing a private facility. However, these specific requirements have been superseded by the fact that SDPD will be taking over a portion of the soon-to-be vacated City Operations Building (COB).

The memorandum serves as a planning document which demonstrates that SDPD and the City's Real Estate Assets Department are coordinating to identify (1) which portion of COB will be used for property and evidence storage; (2) when SDPD will take control of the facility; (3) the amount of square footage to be allotted for property and evidence storage; (4) necessary security upgrades; (5) shelving and storage plans; and (6) the length of time SDPD will be able to occupy the space. SDPD plans to begin necessary facility upgrades in January 2018.

#6 To ensure the Headquarters property and evidence room facility addition complies with applicable building codes, SDPD should ensure it has obtained required permits and inspections for the facility addition project.

**Implemented** SDPD's project plans and inspection record satisfy the intent of OCA's recommendation. The project plan contains general information about the project, the scope of work, and a description of the materials used for the project. The plans, listed as project #536781, were approved by a DSD staffer on 3/1/2017.

A DSD Inspection Record for Project #536781, which corresponds to the plans described above, was also provided. A DSD staffer approved the inspection record as "FINAL" on 3/28/2017.

#7 SDPD, in consultation with the Real Estate Assets Department, should direct the warehouse owner to address water damage risks at SDPD's leased warehouse.

**Implemented** SDPD provided documentation to satisfy the intent of the recommendation. A representative of the property management company confirms that the company has permanently addressed plumbing issues in the facility, and hired a contractor to clean hazardous waste issues caused by the plumbing problems. The communication demonstrates that senior City of San Diego management worked with the property manager to address water damage risks at the leased facility.

#8 The City Attorney's Office should establish formal policies and procedures for identifying closed cases where SDPD can make an evidence disposition determination. The policies and procedures should establish a schedule for referring the information to SDPD.

**Implemented** The City Attorney's Office's Procedure 1.003, approved March 22, 2017, describes the CAO review of a "combination of court documents and CMS fields to log and track cases that have dispositions indicating that evidence is no longer needed." It applies to all employees

in the Criminal and Community Justice Divisions. An Operations Support Manager will generate ad hoc reports to identify evidence eligible for disposition. Reports derived from this process will be provided to SDPD's Senior Property and Evidence Supervisor on a quarterly basis.

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

(CK) (MG)

#6 We recommend Facilities Financing assess the linkage fees after the building plans are finalized.

**Implemented** The revised procedure is effective September 1, 2016 and requires two reviews by Facilities Financing-one at initial plan submission and another after all DSD reviews have been completed including the Structural review. Facilities Financing will reconfirm the information on the plans for the fees; stamp the two (2) identical and final building plans for permit issuance; and provide project signoff.

#7 We recommend Facilities Financing implement a supervisory review of staff's assessments on a periodic basis to ensure accuracy of linkage fee assessments.

**Implemented** Management has developed and implemented a supervisory review procedure to ensure accuracy of the staff assessment of linkage fees.

**17-004 HOTLINE INVESTIGATION OF PARK AND RECREATION DEPARTMENT ACTIVITY FEE COLLECTION ABUSE**

(AH)

#2 We recommend that the Park and Recreation Department review the information contained in this report, conduct an independent Fact Finding investigation as necessary, and take the appropriate corrective action.

**Implemented** The Park and Recreation Department reported that an independent Fact Finding investigation was completed and the appropriate corrective actions were taken. Therefore, this recommendation is considered implemented.

**17-006 PERFORMANCE AUDIT OF THE CITY'S PROGRAMS RESPONSIBLE FOR IMPROVING PEDESTRIAN SAFETY**

(AH) (DN)

#1 The Transportation and Storm Water Department should use available data to develop a methodology for identifying the locations that pose the greatest risk to pedestrians. This methodology should utilize at least five years of pedestrian collision data, and incorporate factors such as:

- The number of pedestrian collisions at each location; and
- The severity of pedestrian collisions (injury, severe injury, fatality).

**Implemented** The Transportation and Storm Water Department has developed a methodology to use 5 years of pedestrian collision data to identify the intersections that pose the greatest risk to pedestrians. The methodology incorporates both the number of pedestrian collisions at each location, as well as the severity of the collisions. Specifically, intersections are ranked first by the number of severe injury and fatal pedestrian collisions that have occurred. In the event that multiple intersections have experienced the same number of severe injury and fatal collisions, the location that has experienced the greatest total number of pedestrian collisions will be prioritized.

#4 In the event that the Transportation and Storm Water Department (TSW) is not successful in receiving grant funding to develop a more robust methodology for identifying high-collision locations that takes into account additional factors such as vehicle speeds, TSW should seek other opportunities to fund the development of this methodology.

**Implemented** The Transportation and Storm Water Department was awarded \$247,500 through the California Department of Transportation's (Caltrans) Systemic Safety Analysis Report Program (SSARP) Grant Program. The purpose of the grant is to prepare a citywide collision analysis.

The analysis will identify locations that are at greater risk of crashes, and will assist City staff with selection of the most effective improvements. The analysis will identify crash patterns that are systemic in nature, and roadway characteristics that are closely related to crashes. Staff will use the results of the analysis to implement safety improvements citywide.

TSW is in the process of selecting a consultant to perform the analysis funded by the grant.

#18 The Chief Operating Officer should direct staff to develop a comprehensive Vision Zero website and post the status of the City's implementation of Vision Zero initiatives on the website. The Chief Operating Officer should also consider directing staff to include this information on the City's Open Data Portal website.

**Implemented** The City's Vision Zero website, including a list of Vision Zero initiatives and planned completion dates, went live in October 2017. The website is available at:

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

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

(DK)

#1                    Based on our observations and discussions with Central Stores Personnel, we recommend organizing a space at Store 1 (separate from other stock items) to accumulate such items until they are properly disposed.

**Implemented**                    Central Stores has designated a separate area for obsolete items to ensure proper and timely disposal and to exclude obsolete items from current stock.

**17-008                    FRAUD HOTLINE INVESTIGATION OF ABUSE IN THE PUBLIC UTILITIES DEPARTMENT'S  
SELECTION PHASE OF THE HIRING PROCESS**

(AH)

#1                    We recommend that the Public Utilities Department clarify the invitation letters sent to applicants for limited-hourly, part-time, and full-time Laborer positions when the processes are combined, and document the factors used to place candidates into these positions.

**Implemented**                    We reviewed the Public Utilities Department's revised invitation letters that will be sent to applicants for limited-hourly, part-time, and full-time Laborer positions when the processes are combined. The new letters are more clear about the distinctions between the types of positions. In addition, the Department will use a standard form to document the factors relevant to each position type.

#2                    We recommend that the Public Utilities Department document all certification lists used in each interview process, including the list used for applicant screening.

**Implemented**                    We reviewed the Department's new internal Process Narrative document, and the new or revised forms associated with the Laborer hiring process. These documents provide sufficient evidence that the Department will document all certification lists used in each interview process, including the list used for applicant screening.

#3                    We recommend that the Personnel Department Director randomize the certification lists for Laborer positions in the Public Utilities Department.

**Implemented**                    The Department provided evidence to show that certification lists for Laborer positions in the Public Utilities Department will be provided to PUD in a randomized order, rather than in alphabetical order. This satisfies the intent of the recommendation and reduces the risk that a biased selection method will be used to invite candidates to participate in the interview process.

#4                    We recommend that the Public Utilities Department develop procedures to document and verify that the applicant screening criteria are accurately and consistently applied.

**Implemented** The Department's new internal Process Narrative document includes procedures to ensure that the applicant screening criteria are accurately and consistently applied for each candidate using new and revised forms. Therefore, this recommendation is considered implemented.

#6 We recommend that the Public Utilities Department develop procedures to record the names of applicants invited to apply for Laborer positions in PUD, and to ensure that all hiring-related documentation is complete.

**Implemented** We determined that the Department's new internal Process Narrative document, a new document checklist, and a new form to document the names of applicants invited to apply for Laborer positions satisfy the intent of the recommendation. This recommendation is therefore considered implemented.

#7 We recommend that the Public Utilities Department document the selection of candidates from within ranked categories, consistent with existing Personnel Manual regulations.

**Implemented** The Department developed a new internal Process Narrative document and a new form to record the selection of candidates from within ranked categories. According to the Department, the new form has already been used for a hiring process. Therefore, we consider this recommendation implemented.

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

(KC) (NO)

#4 In the short run, the Development Services Department (DSD) should ensure that the program clients have the accurate expectation about permit processing times for projects in the Expedite Program. DSD should revise the "50 percent faster" language in its internal and external program advertisements to state that achieving this permit processing is a program goal, not an expectation. In the long run, DSD should use the information collected in overall performance tracking to determine an achievable expedite processing rate and advertise those deadlines.

**Implemented** This item is implemented as the intent is to provide the customer with the timeline goals of the expedite program.

#5 The Development Services Department should immediately cease to allow new Expedite Program applications for single-family homes and other small residential projects of less than four units to access the Expedite Program, consistent with program eligibility requirements that the City Council approved.

**Implemented** In December 2016, DSD issued an email to staff which clearly communicates that, effective immediately, all new residential discretionary projects within the Expedite program shall have a minimum of 4 units or more, in conformance with the criteria in the 2003 version of Council Policy 900-14. The intent of the recommendation has been satisfied.

#7 Expedite Program managers within the Development Services Department should keep consistent track of why a project is considered sustainable in the Master List-e.g. which of the Climate Action Plan sustainability strategies and standards the project is qualifying under.

**Implemented** DSD provided a spreadsheet example demonstrating a proposed method of tracking a project's qualifying sustainability elements. It contains columns indicating whether a project achieved LEED status, for example, and how elements of the project conform to the City's Climate Action Plan strategies.

**17-012 HOTLINE INVESTIGATION OF IMPROPER USE OF DISCRETIONARY LEAVE**

(AH)

#1 We recommend that the City Comptroller take action to revise the existing Internal Controls Process Narrative regarding Discretionary Leave Awards to include a review step to ensure that future Discretionary Leave award documents are accurate, and that the awards are only granted in a manner consistent with City policy.

**Implemented** The City Comptroller revised the Internal Controls Process Narrative regarding Discretionary Leave Awards to include a review by the Human Resources Department if the award is for purposes other than performance or service years.

#2 We recommend that the Assistant Chief Operating Officer take the appropriate corrective action with respect to the identified Department Director.

**Implemented** According to the Assistant Chief Operating Officer, the appropriate personnel action was taken and this recommendation is considered closed by management. This response is sufficient to consider the recommendation implemented.



December 2016

# ATTACHMENT C

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

This schedule includes all recommendations as of December 31, 2016 that are **In Process** of implementation based on the status information provided; however, target dates for implementation were revised from the last reporting period.

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

<b>11-026</b>	<b>PERFORMANCE AUDIT OF THE TAKE-HOME USE OF CITY VEHICLES</b>	
	(AH)	
#5	To ensure that the City establishes a uniform and effective process to review the public safety needs and justification of take-home vehicle assignments, we recommend that the City Administration work in consultation with the San Diego Police Department and the San Diego Fire-Rescue Department to revise Council Policy 200-19 regarding the use of City vehicles by City employees. The revised policy should require that a complete listing of take-home vehicles be provided by each City department yearly with a justification for those assignments. In addition, the revised policy should clearly define the purpose of take-home vehicles and restrict their assignment to the greatest extent possible.	
<b>In Process</b>	During information gathering discussions with Human Resources and Comptrollers it was determined that additional Department collaboration is required to draft the new A.R. This is delaying the completion and the revised target date is March 31, 2017.	
	Priority 2	Original Target Date: January 2012      Current Target Date: <del>December 2016</del> March 2017
#6	To increase oversight of the costs associated with take-home vehicles, we recommend the San Diego Police Department and the San Diego Fire-Rescue Department work with the Fleet Services Division to calculate the cost of commuting in department vehicles. These costs should be calculated and reported to the City Administration on an annual basis by the Fleet Services Division.	
<b>In Process</b>	The first report of this kind will be after the 1st quarter of the 2016 CY. This report & memo is expected to be complete in February of 2017. All subsequent years the report will be provided in the 1st quarter of the subsequent FY.	
	Priority 3	Original Target Date: January 2012      Current Target Date: <del>October 2016</del> March 2017
#11	In addition, to ensure that adequate data is available to enable the City to track, and where applicable, seek reimbursement for vehicle-related costs, we recommend that the Public Works Department's Fleet Services Division maintain backup files of all data on vehicle maintenance and fuel costs according to Internal Revenue Service records retention regulations.	
<b>In Process</b>	The upgrade for the "Fleet Focus" system is more complicated than originally envisioned. As such it will be developed and implemented in a two-phase approach. The upgrade will allow for more accurate data capture, and the pertinent data will be retained for the life span of the vehicle plus an additional 3 to 5 years for prior trends analysis.	

Priority 1

Original Target Date:  
August 2012

Current Target Date:  
~~June 2016~~  
May 2017

13-005

**HOTLINE INVESTIGATION REPORT OF CASH HANDLING AT RECREATION CENTERS**

(AH)

#5

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

**In Process**

The Department has been working closely with the Office of the Comptroller and the Human Resources Department. The Department Instructions and Process Narrative are currently under review with the Office of the City Attorney. Upon completion of their review, the documents will be forwarded to the labor organization for review of any potential meet and confer issues. We anticipate implementation by the end of March 2017.

Priority 3

Original Target Date:  
December 2015

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

#11

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

**In Process**

The Department has been working closely with the Office of the Comptroller and the Human Resources Department. The Department Instructions and Process Narrative are currently under review with the Office of the City Attorney. Upon completion of their review, the documents will be forwarded to the labor organization for review of any potential meet and confer issues. We anticipate implementation by the end of March 2017.

Priority 3

Original Target Date:  
December 2015

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

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 is working with the City Attorney's Office on draft proposed changes to 700-10, which among other things will address the eligibility criteria for non-profit organizations seeking non-revenue agreements with the City.

Priority 3

Original Target Date:  
June 2013

Current Target Date:  
~~March 2017~~  
April 2017

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

(SA)

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

**In Process** The CAD replacement project is progressing according to the timeline described in the last report and cutover to the new system is expected in October 2017. It is anticipated the new system will allow improved reporting and analysis capabilities, and staffing/service delivery will be reviewed as the improved data becomes available.

Priority 3

Original Target Date:  
June 2017

Current Target Date:  
~~June 2017~~  
October 2017

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

(AH)

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

**In Process** As discussed in previous follow-up reports, the City has taken steps to centralize the Graffiti Control Program by moving all intake channels to the Transportation and Storm Water Department as well as the City's recently-launched Get It Done mobile app and web reporting platforms. In addition, in Fiscal Year 2016, TSW evaluated the efficiency and effectiveness of using City crews to abate graffiti versus a vendor. While this analysis supports the use of City crews to abate graffiti, City abatement crew staffing was not sufficient to handle the increased volume of graffiti abatement service requests that were received once the Get It Done reporting platforms were launched. As a result, TSW continued to retain the vendor to perform graffiti abatement on residential property. As detailed in the audit report, this arrangement causes several inefficiencies. TSW received funding for 6 additional graffiti FTE in FY 2017, and OCA will continue to follow up on this recommendation as TSW evaluates whether these additional staffing resources are sufficient to meet graffiti abatement demand.

The Transportation and Storm Water Department notified OCA that additional technology has been employed, such as mobile work tablets for staff to use in the field. According to TSW, this technology has mitigated many of the inefficiencies the audit identified which were caused by using two separate work groups in the field. As such, TSW plans to continue to use both City crews and Urban Corps to abate graffiti. TSW is still collecting documentation to provide OCA, and OCA will continue to follow up to ensure the intent of

the recommendation is met.

Priority 2

Original Target Date: September 2015  
Current Target Date: ~~July 2016~~  
~~December 2016~~  
June 2017

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

**In Process**

Transportation Storm Water (TSW) is coordinating with the Communications Department to produce literature (flyers, handouts, etc.) and develop media promoting the Spray and Pay program. The literature will be provided to San Diego Police Department (SDPD) Community Relations Officers (CROs) for dissemination in their respective areas of responsibility across the City.

Priority 2

Original Target Date: September 2014  
Current Target Date: ~~January 2017~~  
May 2017

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

(AH)

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

**In Process**

The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 -Debarment. City Council approved the revisions in August 2016, and the implementing A.R. is in development.

Priority 2

Original Target Date: N/A  
Current Target Date: ~~January 2017~~  
June 2017

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

(SA) (DK)

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

**In Process** Market rent report is due before the end of January 2017, will be reviewed by the City's MAI Appraiser and should be finalized by the end of February.

Priority 3 Original Target Date: August 2014 Current Target Date: ~~December 2016~~ February 2017

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

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

**In Process** READ is continuing to work with the City Attorney's office. READ is the lead department to ensure implementation of this item. This recommendation is transferred to READ, who will have the responsibility of ensuring they meet the timeline reflected in the Department update for this response.

Priority 2 Original Target Date: January 2015 Current Target Date: ~~July 2016~~ July 2017

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

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

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

**In Process** Process Narrative to account for (1) parking meter revenues and (2) implement parking projects have been submitted to the Office of the City Comptroller for review and approval on December 20, 2016.

Priority 3 Original Target Date: November 2016 Current Target Date: ~~November 2016~~ April 2017

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

(AH)

#5 The Fleet Services Division should complete a wall-to-wall inventory of parts at the four primary Fleet Services Division locations and the Kearny Villa Fire Repair Facility as planned to ensure current, complete, and accurate inventory records by the end of the 2014 calendar year.

**In Process** As of January 25, 2017 a physical inventory of every parts location has been complete. Staff are currently drafting a report to present a summary of the findings and revised procedures to the Director.

Priority 1 Original Target Date: April 2015 Current Target Date: ~~June 2017~~  
February 2017

#6 The Fleet Services Division should perform the revised cyclical inventory count procedures at the four primary Fleet Services Division locations by the beginning of the 2015 calendar year.

**In Process** As of January 25, 2017 a physical inventory of every parts location has been complete. Staff are currently drafting a report to present their summary of the findings and revised procedures to the Director.

Priority 1 Original Target Date: March 2015 Current Target Date: ~~May 2016~~  
February 2017

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

(SP) (SA)

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

**In Process** On March 7, 2017, UUP and Auditor staff met with SDG&E's financial staff and agreed on a specific review process and disclosure of relevant financial documents.

Below is a summary of the actions that SDG&E has agreed to take to ensure the success of this process.

SDG&E will annually provide the City with documentation detailing the breakdown of direct and overhead costs according to the sample format provided during the meeting of March 7, 2017. These documents are to be provided for all job tasks upon completion, and for a sample of jobs in-progress as requested by the City.

For the annual sample of jobs selected by the City, SDG&E will provide the City with documentation that demonstrates records of direct costs adding up to the total amount claimed in the invoice line item titled "Subcontractor Charges".

The supporting documentation for Subcontractor Charges for each requested job shall be

made available for City's review in a single file folder. The file will included a summary sheet that lists all of the supporting documents and the cost represented by each document, and a sum of all line items that matches the sum of the Subcontractor Charges. The records within the file shall be presented in the same order as they appear in the summary sheet, and the matching cost for the line item shall be clearly indicated by markings or tags.

If the requested file of supporting documentation does not contain the above described information, the City will request SDG&E to provide a complete file in a timely manner, so that the cost verification can be completed within the planned time period.

UUP staff is documenting the above agreement in a letter to SDG&E and has scheduled a meeting with SDG&E's management on March 29 to discuss and confirm the agreement. The cost verification process will start soon after.

Priority 2

Original Target Date:  
December 2015

Current Target Date:  
~~December 2016~~  
February 2017

15-012

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

(SG) (AE)

#1

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

**In Process**

The Purchasing and Contracting Department has created and filled job classifications responsible for, among other things, administering all Citywide contracts. All Procurement Contracting Officers have been trained on contract administration. The department is in the process of identifying all Citywide contracts as part of the transition to the Ariba contract sourcing platform. If departments are identified as contract administrators for Citywide contracts, Purchasing and Contracting will notify them and provide the necessary tools and guidance for proper contract management.

Priority 2

Original Target Date:  
April 2015

Current Target Date:  
~~November 2016~~  
July 2017



#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 and Contracting and the Department of IT continue to make significant progress on the multi-phase implementation of the P2P Overhaul project.

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

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

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

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

Priority 2

Original Target Date:  
N/A

Current Target Date:  
~~January 2017~~  
June 2017

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

(NK)

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

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

**In Process** Integration and system testing in a closed environment has been completed. The next steps include testing in a live environment for all golf courses and execution of a contract. Full implementation is expected to be completed by June 30, 2017.

Priority 2

Original Target Date:  
September 2015

Current Target Date:  
~~October 2016~~  
June 2017

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

(SG) (MG)

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

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

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

**In Process**

Purchasing and Contracting and the Department of IT continue to make significant progress on the multi-phase implementation of the P2P Overhaul project.

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

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

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

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

Priority 2

Original Target Date:  
TBD

Current Target Date:  
~~January 2017~~  
June 2017

#2

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

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

**In Process**

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

Priority 2

Original Target Date:  
November 2015

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

#3

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

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

**In Process**

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

Priority 2

Original Target Date:  
November 2015

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

#4

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

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

**In Process**

P&C is working on developing clear processes and staff resources on the Contract Closeout Process. Additionally, the contract amendment process will be detailed and explained in the forthcoming P&C Manual. P&C has drafted the manual and is collaborating with the Communications Department on the final production of the document.

Priority 3

Original Target Date:  
N/A

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

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

**In Process**

CMFS is working with Docket Liaison to create an electronic version of our divisions' Change Orders (CCO). CMFS met with the team to define the criteria requirements, they were very positive about our request and identified our needs to be covered in their requirements to hire their new vendor. The vendor to replace the systems has been secured and the Docket Liaison is working on the details for the successful replacement of the SIRE system for processing of 1472s and PA2625. At this time the new software (On-Base) is still believed to be the best path to convert the CCOs from paper to electronic. However, further meetings will be scheduled with the Docket Liaison to confirm this prior to working with the On-Base software vendor.

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

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

Priority 3

Original Target Date: N/A  
Current Target Date: ~~November 2016~~  
December 2017

#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**

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

Priority 2

Original Target Date: TBD  
Current Target Date: ~~November 2016~~  
June 2017

#8

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

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

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

**In Process**

The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 - Debarment. City Council approved the revisions in August 2016, and the implementing A.R. is in development.

Priority 2

Original Target Date: N/A  
Current Target Date: ~~January 2017~~  
June 2017

#9

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

**In Process**

The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 -Debarment. City Council approved the revisions in August 2016, and the implementing A.R. is in development.

Priority 2

Original Target Date: July 2016  
Current Target Date: ~~January 2017~~  
June 2017

15-017 PERFORMANCE AUDIT OF THE REAL ESTATE DEPARTMENT, AIRPORTS DIVISION

(SP) (SA)

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

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

**In Process** Airport properties continue to be inspected on a regular scheduled basis and randomly on a "as observed" basis. The Minimum Standards document is to be reviewed by a sub-committee established by the Airport Advisory Committee at their January meeting, with the intent to present to the SG & LU Committee by the end of the 3rd Quarter of FY 2017 and then onto the City Council. The Airports Real Property Management Manual is anticipated to be complete by the end of January and administratively implemented thereafter.

Priority 3	Original Target Date:	Current Target Date:
	May 2016	<del>December 2016</del> March 2017

16-005 PERFORMANCE AUDIT OF THE CITY'S BUSINESS IMPROVEMENT DISTRICT PROGRAM

(NK)

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

**In Process** Staff has identified and prepared a draft of the most relevant performance indicators to track annually. Once the performance indicators have been finalized and approved, the plan is to start implementation in July 2017 to establish a baseline during the BIDSs FY 18 budget year.

Priority 3	Original Target Date:	Current Target Date:
	N/A	<del>January 2017</del> July 2017

16-006 PERFORMANCE AUDIT OF THE CODE ENFORCEMENT DIVISION

(AH)

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

**In Process** The new CED Procedures Manual (dated September 2016) was successfully implemented beginning October 26, 2016, after review and acceptance by both HR and MEA. Supervisors conduct weekly 1:1 meetings to monitor response times. Manual reporting on P1 and P2 timeframes is reported daily. Reporting on initial response time goals for P3 cases will occur after transition to Accela.

Priority 1 Original Target Date: April 2016 Current Target Date: ~~April 2017~~ May 2017

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

**In Process** The new CED Procedures Manual (dated September 2016) was successfully implemented beginning October 26, 2016, after review and acceptance by both HR and MEA. Supervisors and managers are conducting weekly 1:1 meetings to regularly review and monitor investigator response times. Ability to obtain the data reports to more easily monitor response times is expected to occur after transition to Accela.

Priority 1 Original Target Date: June 2016 Current Target Date: ~~November 2016~~ May 2017

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

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

**In Process** The new CED Procedures Manual (dated September 2016) was successfully implemented beginning October 26, 2016, after review and acceptance by both HR and MEA. The new CED Procedures Manual details available remedies (per SDMC 12.0301) and clarifies when re-inspection fees shall be assessed. The SDMC delineates factors used in determining appropriateness and amount of penalties. Because each situation is unique, CED is in the process of developing a supplement to the CED Procedures Manual that will provide a framework for assessing fines and penalties.



Priority 2

Original Target Date:  
June 2016

Current Target Date:  
~~November 2016~~  
May 2017

#7

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

**In Process**

The new CED Procedures Manual (dated September 2016) was successfully implemented beginning October 26, 2016, after review and acceptance by both HR and MEA. The new Procedures Manual details available remedies (per SDMC 12.0301). It is generally not typical for an ACW to be sent prior to the first inspection, since that would presume a violation exists. However, CED is evaluating low-level priority cases to seek increased efficiencies and more opportunities to incorporate alternative compliance measures. These will be added as supplements to the CED Procedures Manual as they are developed. The ability to obtain data reports to more easily monitor the use of appropriate remedies and their timing is expected to occur after the transition to Accela. Supervisors and managers conduct weekly 1:1 meetings to regularly review and monitor appropriate use of enforcement remedies.

Priority 2

Original Target Date:  
June 2016

Current Target Date:  
~~October 2016~~  
May 2017

#8

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

**In Process**

The new CED Procedures Manual (dated September 2016) was successfully implemented beginning October 26, 2016, after review and acceptance by both HR and MEA. The new Procedures Manual includes the expectation that PTS Investigator Action entries must be properly selected and have corresponding documentation to support the chosen action (p. 16). This is a performance requirement that is evaluated in the Employee's Performance Review. Supervisors conduct weekly 1:1 meetings to review staff's work, including data entry. Detailed ability to review and verify accuracy of data entry is expected to occur after transition to Accela.

Priority 2

Original Target Date:  
June 2016

Current Target Date:  
~~April 2017~~  
May 2017

#9

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

<b>In Process</b>	No new update. Priority 1 and 2 initial inspections are tracked by spreadsheet outside of PTS, as an interim process until Accela is implemented in May 2017.		
	Priority 2	Original Target Date: April 2016	Current Target Date: <del>April 2017</del> May 2017
#10	Revise performance metrics to include measures of response times and time to achieve compliance, including: <ul style="list-style-type: none"> <li>a) Percentage of initial inspections completed on time or average response time, by case priority;</li> <li>b) Average days to achieve voluntary compliance, or percentage of cases achieving voluntary compliance within a specified timeframe; and</li> <li>c) Average days to achieve forced compliance, or percentage of cases achieving forced compliance within a specified timeframe.</li> </ul>		
<b>In Process</b>	Accela implementation required prior to implementation of remaining recommendations.		
	Priority 2	Original Target Date: April 2016	Current Target Date: <del>April 2017</del> May 2017
#11	Configure PTS to generate reports on these metrics for CED managers, elected officials, and the public. If configuring PTS to produce these reports is not feasible, CED should develop a more efficient alternative process for calculating and reporting on these metrics, to be used until PTS is replaced.		
<b>In Process</b>	Accela implementation required prior to implementation of reporting process on all metrics.		
	Priority 2	Original Target Date: April 2016	Current Target Date: <del>April 2017</del> May 2017
#12	The Development Services Department's Code Enforcement Division should actively participate in the configuring of Accela, ensuring that the system includes the following features necessary for efficient code enforcement management: <ul style="list-style-type: none"> <li>a) The capability to assign priorities to each case, and assign initial inspection due dates for high-priority cases.</li> <li>b) The capability for Code Enforcement Division management and staff to generate reports for essential performance metrics on-demand, including those listed below. The system should produce reports on these metrics by case priority, investigator, and inspection district. <ol style="list-style-type: none"> <li>1. Percent of initial inspections completed on time</li> <li>2. Average days to achieve voluntary compliance</li> <li>3. Average days to achieve non-voluntary compliance</li> <li>4. Percent of cases achieving voluntary compliance</li> </ol> </li> <li>c) Mobile access for investigators, to reduce the need to travel to the Development</li> </ul>		

Services Department to enter case information.

d) The capability to upload relevant case documentation such as photographs, correspondence, administrative citation and penalty notices, thus eliminating the need for hardcopy files.

e) The capability to invoice and track administrative citations and penalties.

**In Process**

CED staff has created and submitted a spreadsheet prepared to Accela's specifications that contains almost 300 code sections and corresponding correction requirements. This information is expected to be uploaded into the Accela database, and will provide a streamlined approach to Administrative Citation and Civil Penalty Notice and Order preparation. In addition, both the Administrative Citation form and Civil Penalty Notice and Order shell have been modified and updated to reflect a streamlined, easier understood approach. Accela implementation will be required prior to implementation of remaining recommendations.

Priority 1

Original Target Date:  
April 2017

Current Target Date:  
~~April 2017~~  
May 2017

**16-008**

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

(AE)

#1

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

**In Process**

Library has worked with OCA and City Management to develop a plan to address issues brought forward in report.

Priority 2

Original Target Date:  
July 2016

Current Target Date:  
~~December 2016~~  
December 2017

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

(NK)

#2                      To comply with the Street Preservation Ordinance, City Standard Drawings, the Service Level Agreement, and other applicable regulations, the Street Division should:

- In conjunction with Fleet Services, expedite acquisition of paving equipment; and
- Hire additional street repair staff.

**In Process**                      The positions within the new trench repair crew have been filled and all 18 pieces of equipment have been ordered. Eight of eighteen pieces are in-service and the remaining ten pieces of equipment are anticipated to be in-service by early March 2017.

Priority 2	Original Target Date: July 2016	Current Target Date: <del>January 2017</del> March 2017
------------	------------------------------------	---

**16-013                      HOTLINE INVESTIGATION OF LANDSCAPE CONTRACTS**

(AH)

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

**In Process**                      The Department is continuing to work with the Office of the City Attorney. It is anticipated the recommendation will be implemented by the end of the fiscal year.

Priority 3	Original Target Date: December 2016	Current Target Date: <del>December 2016</del> June 2017
------------	--	---

16-016

**PERFORMANCE AUDIT OF SELECTED CONTRACTS**

(SM) (KC)

#1

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

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

**In Process**

Purchasing and Contracting and the Department of IT continue to make significant progress on the multi-phase implementation of the P2P Overhaul project. To date, we have successfully completed 2 of the 7 project phase releases, which have resulted in early wins, including streamlining of:

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

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

Priority 3

Original Target Date:  
November 2016

Current Target Date:  
~~January 2017~~  
June 2017

#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 and Contracting and the Department of IT continue to make significant progress on the multi-phase implementation of the P2P Overhaul project. To date, we have successfully completed 2 of the 7 project phase releases, which have resulted in early wins, including streamlining of:

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

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

Priority 3	Original Target Date: November 2016	Current Target Date: <del>January 2017</del> June 2017
------------	--	--

#7

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

**In Process**

The Department is continuing to work with the Office of the City Attorney. It is anticipated the recommendation will be implemented by the end of the fiscal year.

Priority 2	Original Target Date: November 30, 2016	Current Target Date: <del>November 30, 2016</del> June 2017
------------	--	---

16-017

**PERFORMANCE AUDIT OF THE SAN DIEGO PUBLIC LIBRARY SYSTEM**

(AE)

#1

The San Diego Public Library (SDPL) Director should:

- Develop and document a resource model that will evaluate resource equity between branches within the SDPL.
- Take action to address any resource equity issues identified between branches.
- Develop SDPL guidance that requires the resource model to be updated, results reviewed, and appropriate action taken based upon the results annually.

**In Process**

Staff met with IBA to discuss potential changes to matching fund policy. Analysis is being done on impact of potential changes.

Priority 2

Original Target Date: December 2016  
Current Target Date: ~~December 2016~~  
July 2017

#2

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

**In Process**

Staff met with IBA to discuss potential changes to matching fund policy. Analysis is being done on impact of potential changes.

Priority 2

Original Target Date: January 2017  
Current Target Date: ~~January 2017~~  
July 2017

#4

The San Diego Public Library (SDPL) Director should:

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

**In Process**

Two new positions have been hired for programming and outreach. The Education and Outreach Librarian has been working with the Youth and Family Services Coordinator and Youth Services Librarians in all branch locations to develop programming based on demographics, community needs and to identify programming gaps. The new Programming Development and Implementation Librarian has also been working with branches in the Southern region of San Diego to analyze community data and develop targeted programming. They have both been working on a system wide STEAM program that will be available at every branch location.

The Program Manager for Innovation and Community Engagement has been filled and is working on developing program goals. Her staff is also working on a program evaluation form.

Priority 2

Original Target Date: January 2017  
Current Target Date: ~~January 2017~~  
August 2017

#5

The San Diego Public Library (SDPL) Director should:

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

**In Process**

A consultant has been working with the Executive team and a staffing committee to analyze current staffing at SDPL, benchmark other libraries, assess the needs of the library and develop recommendations for a number of different areas such as Library Class Specifications, Career Paths, and Recruitments; Organizational Structure and redeployment after RFID implementation. The consultant is working on a final report to be issued in February 2017.

Priority 2

Original Target Date:	Current Target Date:
January 2017	<del>January 2017</del> December 2017

17-003

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

(CK) (MG)

#1

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

**In Process**

DSD staff has incorporated inclusionary fee training into their regularly scheduled training program. A refresher course on the affordable housing in-lieu fees was recently conducted for planning review and over-the-counter zoning staff. The topic will also be a permanent agenda item for discussion at on-going training/project discussion meetings with staff involved with the application of the fees.

In addition to ongoing training for review and issuance staff, the department clarified the requirement for pay in-lieu fees for phased projects by revising Information Bulletin 189-partial permits by adding the following paragraphs.

**“Pay In-Lieu Fee**

All projects subject to pay in-lieu fee will be required to pay this fee upon issuance of the permit for the first phase that includes the building, such as frame. The plans shall include a table in accordance with Section II.A.4 in this information bulletin. The fee will be assessed at the rate in effect at the time the application for this phase is filed. For additional information regarding the Inclusionary Housing, refer to Information Bulletin 532.”



And section II.A.4. "The plans shall include a table specifying floor area and use of each floor for the purpose of school and pay in-lieu fee assessment. This information shall be provided on the plans for the permit for the first phase that includes the building, such as frame. This information will be verified on each subsequent phase and adjustments may be required which results in additional fees to be paid as the future phases are permitted."

DSD reported this as implemented, however, OCA did not have sufficient time to review documentation prior to the issuance of this report so OCA will verify implementation during the next reporting period.

Priority 2 Original Target Date: August 2016 Current Target Date: July 2017

#3 We recommend that the Development Services Department consult with the City Attorney's Office to determine if inclusionary fees not assessed (totaling \$5,960) should be recouped.

**In Process** DSD is presently working with the City Attorney's Office to determine if the under-assessed inclusionary fees should be recouped.

Priority 2 Original Target Date: November 2016 Current Target Date: ~~November 2016~~ May 2017

#4 The Development Services Department and the San Diego Housing Commission establish a written service level agreement to determine mutual timelines as to when SDHC should provide the updated inclusionary rates to DSD, and when DSD will update the rates in the system so they will take effect after July 1st of each fiscal year.

**In Process** The Housing Commission has agreed to provide the Development Services Department updated inclusionary rates no later than May 1st every year. A formal written MOU is in process and will be executed prior to April 30, 2017.

Priority 2 Original Target Date: January 2017 Current Target Date: ~~January 2017~~ April 2017

#5 We recommend that the Development Services Department consult with the City Attorney's Office to determine if the under-assessed inclusionary fees (totaling \$1,565) should be recouped.

**In Process** DSD is presently working with the City Attorney's Office to determine if the under-assessed inclusionary fees should be recouped.

Priority 2 Original Target Date: November 2016 Current Target Date: ~~November 2016~~ May 2017

#8 We recommend Facilities Financing consult with the City Attorney's Office to determine if the over/under-assessed linkage fees identified should be refunded/recouped.

**In Process** The City Attorney Office has been consulted and will work with Facilities Financing to decide how to handle the particular accounts identified in the audit.

Priority 2

Original Target Date:  
November 2016

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

**17-004                    HOTLINE INVESTIGATION OF PARK AND RECREATION DEPARTMENT ACTIVITY FEE  
COLLECTION ABUSE**

(AH)

#1                    We recommend that the Park and Recreation Department develop procedures to ensure that all participants in City-sponsored programs pay all required fees.

**In Process**                    The Department has been working closely with the Office of the Comptroller and the Human Resources Department in developing a Process Narrative to address the issue. The Department Instructions and Process Narrative are currently under review with the Office of the City Attorney. Upon completion of their review, the documents will be forwarded to the labor organization for review of any potential meet and confer issues.

Priority 3

Original Target Date:  
January 2017

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

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

(CK) (LB)

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

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

Priority 2

Original Target Date:  
October 2016

Current Target Date:  
~~October 2016~~  
June 2017

December 2016

# ATTACHMENT D

## Recommendations Deemed As In Process And Not Due

This schedule includes all recommendations as of December 31, 2016 that are not due but are **In Process** of implementation based on the status information provided.

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

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

(SG)

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

- a) Remove the IT Program Manager position's programmer account and ability to directly log into the system's database.
- b) Remove programmer access to the Production Environment.
- c) Remove programmer access to privileged accounts, except those used by the database administrators and for emergency fixes, by locking the accounts and changing the passwords. Where privileged accounts are required for emergency fixes, DSD should limit programmer access through a restricted number of highly monitored accounts. In addition, the permissible use of these accounts should be governed through formal policies.
- d) Ensure that programmers do not have access to modify or disable system triggers in the Production Environment.
- e) Ensure PTS records a detailed audit trail of key information, including the prior data entries, the username of the person who changed the data and the timestamp noting when the change Occurred.

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

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

Priority 1

Original Target Date:    Current Target Date:  
Disagreed                      May 2017

#2

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

- a) Review all PTS user roles and limit the capabilities for roles that provide broad access to PTS' functions.
- b) Review current user access to PTS' roles and restrict access to only those roles necessary and appropriate for each user's function. This includes restricting the DSD Director's access to a more appropriate level, such as "read-only."
- c) Review current role combinations to ensure that no combination grants excessive or inappropriate access, and immediately remove any conflicting combinations.
- d) Create a comprehensive policy that identifies all prohibited role combinations and documents compensating controls to mitigate any risk when a segregation of duty conflict must exist for business purposes.

**In Process**

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

Priority 1

Original Target Date: April 2017  
Current Target Date: May 2017

#13

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

- a) Current and anticipated business needs;
- b) Internal and external customer requirements;
- c) Current trends in system functionalities and security, including services that can be offered via the internet;
- d) Options to meet business and customer requirements cost-effectively, including a cost benefit analysis of retaining PTS over the long term or replacing it with a new system— either developed in-house or a customized commercial software system; and
- e) Anticipated funding needs and source of funds.

**In Process**

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

Priority 2

Original Target Date: December 2017  
Current Target Date: May 2017

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

(DK) (SM)

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

**In Process** New procurement procedures have not been finalized to-date. Procurement staff are working closely with consultant and upgrade team to ensure procedures are in-line with upgraded system. This alignment is causing a slight delay in finalizing the procedures however it is expected to be completed along with the upgrade project.

Priority 3 Original Target Date: January 2016 Current Target Date: June 2017

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

(AH) (MG)

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

- The development of criteria to determine which valves and hydrants are the most critical. Criteria to be considered should include type of area served, potential for the associated main to break, potential for damage and injury resulting from appurtenance failure, and the water shut-off area if the valve fails to operate.
- The recording of this information in the Sewer and Water Infrastructure Management (SWIM) and System Planning and Locator Application for Sewer and Hydrographics (SPLASH) systems so it is easily accessible to PUD’s valve maintenance group when scheduling maintenance activities.
- The development of policies and procedures to schedule maintenance according to the criticality tiers developed. These policies and procedures should be developed in conjunction with other audit recommendations.
- An analysis to determine if the valve maintenance section is properly staffed to meet requirements of the risk based approach.

**In Process** On January 2, 2015 the Water Construction and Maintenance (WCM) Division of the Public Utilities Department started implementing its three year accelerated valve maintenance program. As of December 31, 2016, WCM Division performed preventive maintenance on 60,555 valves of the total 74,828 within the distribution system. In addition, staff has gathered the necessary valve field data to update the database for the valves that were maintained and acquired the equipment and vehicles needed for the implementation of this maintenance program. At the end of three year period (January 2, 2018) the division will then transition into the established risk based 5 and 3 year maintenance program.

Priority 3 Original Target Date: December 2013 Current Target Date: January 2018

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

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

**In Process**

On January 2, 2015 the Water Construction and Maintenance Division of the Public Utilities Department implemented its three year accelerated valve maintenance program and is now utilizing reports which identifies the number of valves maintained during the reporting period and the maintenance progress by geographical area. The risk based valve maintenance program will be implemented on January 2, 2018. At that time reports will be produced for each maintenance priority cycle.

Priority 3

Original Target Date: December 2013  
Current Target Date: January 2018

**14-002**

**PERFORMANCE AUDIT OF THE INDUSTRIAL WASTEWATER CONTROL PROGRAM**

(SM) (AH)

#1

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

**In Process**

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

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

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

Priority 2

Original Target Date: January 2014  
Current Target Date: July 2018

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

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

Priority 2

Original Target Date: Current Target Date:  
January 2014 July 2018

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

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

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

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



Priority 2

Original Target Date: Current Target Date:  
January 2014 July 2018

#4

Upon completion of the fee study, the Public Utilities Department should work with the Office of the City Attorney and the Participating Agencies to review and revise, as appropriate, Interjurisdictional Agreements to include fees for service that achieve appropriate cost recovery under the guidelines of Council Policy 100-05 and Administrative Regulation 95.25. The revised agreements should include mechanisms to adjust fees in response to changes in the cost of service.

**In Process**

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

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

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

Priority 2

Original Target Date: Current Target Date:  
January 2014 July 2018

#5

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

**In Process**

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

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

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

structure is critical because of the complexity associated with developing accurate costs and reprogramming the billing system. The department expects to implement the new fees by July 1, 2018.

Priority 2

Original Target Date: January 2014  
Current Target Date: July 2018

#7

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

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

**In Process**

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

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

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

Priority 2

Original Target Date: January 2014  
Current Target Date: July 2018

#8

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

**In Process**

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

The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the

evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis), assessment of current fees, and internal PUD review of any recommended changes.

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

Priority 2

Original Target Date:  
January 2014

Current Target Date:  
July 2018

**14-003 PERFORMANCE AUDIT OF THE UTILITIES UNDERGROUNDING PROGRAM**

(SA) (AH)

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

**In Process** The Department is continuing progress on this recommendation. This work has focused on allocating a sufficient number of new projects, and moving projects more quickly to the "construction ready" stage. It is anticipated that 21 additional projects will be construction ready by the end of the fiscal year, resulting in higher expenditures in Fiscal Year 2018.

Priority 3

Original Target Date:  
December 2017

Current Target Date:  
December 2019

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

(SA) (DK)

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

**In Process** After a period of scope-of-work revisions and public input, the Public Works Department has finalized the contract and is in the final stages of processing mayoral approval (PA2625) for the selected consultant, Rick Engineering. Barring any unforeseen delays, work should begin in February, 2017.

Priority 2

Original Target Date:  
June 2017

Current Target Date:  
Fiscal Year 2018

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

(SP)

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

**In Process** The proposed draft Administrative Regulation (AR) is currently with the OHS Executive Director for final internal review. It will be submitted for formal routing on or by February 1, 2017.

Priority 3 Original Target Date: June 2015 Current Target Date: February 2017

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

(AH)

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

**In Process** The RFP was issued September 2, 2016, closed October 25, 2016, and the proposal evaluation process is currently taking place. The Notice of Intent to Award is scheduled to be issued December 2016. The study is anticipated to be presented at Committee by October 2017.

Priority 1 Original Target Date: March 2016 Current Target Date: November 2017

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

**In Process** Implementation of this recommendation is contingent on the completion of Recommendation #3 and approval to proceed.

Priority 1 Original Target Date: June 2016 Current Target Date: November 2017

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

**In Process** Code Compliance Officers are part of the Zero Waste Plan, and will be included in ESD's submission for the proposed FY 2018 budget.

Priority 2 Original Target Date: June 2015 Current Target Date: July 2017

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

(AE)

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

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

**In Process** No change in status since previous reporting period. Performance factors were identified for each Community Parking District. Economic Development collected and compiled the accomplishments of those performance factors and City Council was briefed on each parking districts' accomplishments related to the factors. Moving forward Economic Development will use those reported accomplishments as a baseline to develop future measurable performance metrics. By establishing measurable metrics, Economic Development will have the ability to note when performance is less than expected and have information available to investigate and report to Council any roadblocks that may exist that prevent the goals from being accomplished.

Priority 3 Original Target Date: June 2016 Current Target Date: June 2017

- #3 Economic Development should establish written procedures that encompass:
- Monitoring of (revenues and) expenditures from CPD funds to enable key program stakeholders, including City Council, City Management, Community Parking Districts, and other interested parties to monitor CPD performance;
  - Strengthened monitoring procedures to enable Economic Development staff to have access to the status of City-implemented projects in progress in order to plan and report on those accomplishments in the respective CPD annual plans.
  - Process and quality assurance procedures to monitor program activities and outputs, and enable communication between City departments to resolve compliance and quality issues with the staff and managers regarding City's use of 55% share of parking meter revenue.

**In Process** Process Narrative to account for parking meter revenues have been submitted to the Office of the City Comptroller for review and approval on December 20, 2016

Priority 3	Original Target Date: Fiscal Year 2017	Current Target Date: October 2017
------------	---	--------------------------------------

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

(AH)

- #3 The Public Works Department should consider evaluating the costs and benefits of acquiring a software bridge between FleetFocus and SAP once the other changes to the Fleet Parts function have been implemented.

**In Process** Preliminary evaluation began with upgrade project. The preliminary review concluded that a more thorough cost benefit analysis review should be done after the system upgrade and new, more efficient procedures are in place. The second more thorough review is anticipated to begin after the primary modules are in place in May/June and conclude by July end. If the costs benefit analysis concludes that a software bridge would be of benefit the Department anticipates implementation would be complete by February 2018.

Priority 1	Original Target Date: July 2015	Current Target Date: February 2018
------------	------------------------------------	---------------------------------------

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

(SP) (SA)

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

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

**In Process** Progress toward implementing this recommendation is on-track for meeting the target implementation date of June 30, 2017.

Priority 2 Original Target Date: June 2016 Current Target Date: June 2017

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

**In Process** Progress toward implementing this recommendation is on-track for meeting the target implementation date of June 30, 2017.

Priority 2 Original Target Date: June 2016 Current Target Date: June 2017

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

**In Process** Progress toward implementing this recommendation is on-track for meeting the target implementation date of June 30, 2017.

Priority 2 Original Target Date: January 2016 Current Target Date: June 2017

- #6 The Transportation & Storm Water Department should: Comply with Council Policy 600-08 for twice yearly utility undergrounding reports to City Council and include:
- Scheduling analysis including, at minimum, an evaluation of project timeliness in comparison to the timelines prescribed in the Municipal Code; and
  - Cost variance analyses including, at minimum, an evaluation of project actual costs in comparison to project estimates.

**In Process** The Department has added cost and schedule variance information to the January 2017 Report to Council, and is planning to add additional cost and schedule variance information in the June 2017 Report to Council. Consultant work to establish formal tools is progressing and is expected to be in place by the target implementation date.

Priority 2 Original Target Date: May 2016 Current Target Date: December 2017

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

(SG) (MG)

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

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

**In Process** CMFS is staying with the Virtual Project Manager (VPM) software, which is the existing Construction Management (CM) software in use, but we are working with the developer/programmer to update current division/department needs (Storm Water Planning Prevention Plan (SWPPP) and electronic payments – adding more functionality).

We have recently (August 2016) established a process with our PW-IT team to automatically set-up VPM accounts for ALL our CIP projects in Public Works. We have a pilot team (from the Mobility Committee) working on VPM with a few CIPs to make sure it meets the current demands of our Resident Engineers in the field and to see if any other updates to the software is necessary.

Priority 3 Original Target Date: N/A Current Target Date: December 2017



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

(SM) (KC)

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

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

Priority 3 Original Target Date: February 2018 Current Target Date: February 2018

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

(NK)

#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** This report was issued after the contract was set for PTS replacement. The functionality can be added as a new report to Accela after go-live.

Priority 3 Original Target Date: March 2017 Current Target Date: ~~March 2017~~ July 2017

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

(AH)

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

**In Process** A decision was made by the Administration to wait to proceed until the SDMC revisions were complete. The Purchasing and Contracting Department, in consultation and cooperation with the Office of the City Attorney and Public Works submitted to City Council proposed revisions to SDMC Ch. 2, Article, 2, Div. 8 -Debarment. City Council approved the revisions in August 2016, and the implementing Administrative Regulation is in development.

Priority 3 Original Target Date: June 2016 Current Target Date: January 2017

**16-013 HOTLINE INVESTIGATION OF LANDSCAPE CONTRACTS**

(AH)

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

**In Process** Park and Recreation Department staff have participated in a focus group and pilot training developed by the Purchasing and Contracting Department for Contract Administration. The final training will be completed by Purchasing and Contracting by the end of this fiscal year.

Priority 3 Original Target Date: July 2016 Current Target Date: June 2017

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

(SM) (KC)

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

**In Process** Park and Recreation Department staff have participated in a focus group and pilot training developed by Purchasing and Contracting Department for Contract Administration. The final training will be completed by Purchasing and Contracting by the end of the fiscal year.

Priority 2 Original Target Date: September 2016 Current Target Date: June 2017

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

inventory procedures on a periodic basis. The department should monitor and periodically review inventory procedures.

**In Process** The Department has implemented a process for additional internal controls. Staff continues to evaluate various methods to track inventory.

Priority 3 Original Target Date: April 2017 Current Target Date: April 2017

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

(CK) (MG)

#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** This recommendation came after the issuance of the contract with Accela and is therefore outside the contract's scope of work. The Department has the ability to modify the database controls and will move forward with program modifications once Accela is live and has been stabilized.

Priority 2 Original Target Date: May 2017 Current Target Date: May 2017

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

(CK) (LB)

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

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

Priority 2 Original Target Date: June 2017 Current Target Date: June 2017

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

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

Priority 2 Original Target Date: June 2017 Current Target Date: June 2017

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

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

Priority 2 Original Target Date: June 2017 Current Target Date: June 2017

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

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

Priority 2 Original Target Date: July 2017 Current Target Date: July 2017

**17-006 PERFORMANCE AUDIT OF THE CITY'S PROGRAMS RESPONSIBLE FOR IMPROVING PEDESTRIAN SAFETY**

(AH) (DN)

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

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

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

**In Process**

TSW has established a goal of proactively evaluating, programming, and seeking funding for comprehensive pedestrian safety improvements at 5 high-pedestrian collisions per year, based on the methodology developed per Recommendation #1. TSW is in the process of developing a procedure to achieve this goal.

In addition, TSW is evaluating the other high-collision intersections identified in the audit and installing 'quick and easy' pedestrian safety improvements such as pedestrian countdown timers, audible pedestrian signals, and high-visibility crosswalks at these locations.

OCA will continue to follow up on this recommendation as TSW finalizes the procedure to evaluate, program, and seek funding for comprehensive improvements at high-pedestrian-collision intersections, and begins reporting progress on the City's Vision Zero website.

Priority 1

Original Target Date: Current Target Date:  
September 2017 September 2017

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

**In Process**

The Transportation and Storm Water Department (TSW) is in the process of developing this policy / procedure, as also described in the update to Recommendation #2. OCA will continue to follow up on the recommendation.

Priority 1 Original Target Date: Current Target Date:  
September 2017 September 2017

#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** Traffic Division has set a measurable goal of increasing enforcement by 10% this year of the most likely violations, in the most common locations, contributing to pedestrian and bicycle accidents. This will include a minimum of two Traffic Division grant funded enforcement/educational details per month in the identified areas. Additionally, proactive enforcement, on the part of patrol officers assigned to the identified areas, will augment Traffic Division's efforts and assist with increasing awareness through education and enforcement. As noted in recommendations #6, #7, #8, and #9, plans are in place to utilize data and educate the public prior to, and during enforcement details. In addition to planned media press conferences and releases scheduled to take place in February of 2017, we are currently working with data services and media relations to create a link on our department website which will publicly report on our efforts and progress towards meeting our goals.

Priority 1 Original Target Date: Current Target Date:  
January 2017 March 2017

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

**In Process** Traffic Division Community Resource Officer Emilio Ramirez is currently working with Media Services on the production of a training video. The video will introduce the pedestrian safety efforts we are undertaking, including the most likely violations and locations contributing to the problem, and will be disseminated to all patrol commands. The video will include an introduction by Chief Zimmerman expressing the seriousness of the problem and our commitment to the Vision Zero goal of accident reduction. Specific instructions on where and how to assist with the effort to reduce pedestrian and bicycle accidents will also be addressed in the training.

Priority 2 Original Target Date: Current Target Date:  
January 2017 March 2017

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

**In Process** Traffic Division has analyzed three years of fatal and serious injury pedestrian and bicycle accidents. Data Systems is still evaluating their records which, when received, will be added to the evaluation process. The most likely locations for accidents to occur, and the most common violations contributing to these accidents, will be identified and distributed to all area stations to guide their respective enforcement and educational details. Traffic Division's grant funded enforcement and educational details will also focus on the areas identified. The evaluation process will continue annually to identify changes and/or trends using the prior three years of data.

Priority 1 Original Target Date: January 2017 Current Target Date: February 2017

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

Actions to make targeted pedestrian safety enforcements highly visible to drivers and pedestrians in the targeted area. Examples of actions taken by other jurisdictions to make targeted enforcements highly visible include temporary signage and the use of volunteers to provide information verbally and hand out pamphlets. Signage may be placed at the targeted location in advance of the enforcement effort to increase the number of drivers and pedestrians made aware of the enforcement.

A strategy to publicize the enforcement effort specifically focusing on earning media coverage to maximize the exposure of residents to enforcement and education efforts.

**In Process** Traffic Division has several educational and enforcement details planned beginning in January of 2017. These details will be occurring throughout the year. Warnings and educational material will be distributed during the first few details. Citations will be issued during future details. Social media will be utilized and several press conferences are in the planning stage for Mid-February 2017. Liberal usage of signage in the areas of concern are planned to maximize exposure.

Priority 1 Original Target Date: January 2017 Current Target Date: March 2017

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

<b>In Process</b>	Our training and instruction to officers assigned to pedestrian enforcement details will emphasize the use of warnings and educational materials. The concept of changing public behavior will be reinforced during all grant funded pedestrian enforcement detail briefings and debriefings by supervisors.		
	Priority 1	Original Target Date: January 2017	Current Target Date: March 2017
#10	The Chief Operating Officer should direct staff to develop a Citywide public education campaign designed to raise awareness of pedestrian safety issues and improve driver and pedestrian behavior.		
<b>In Process</b>	The Communications Department (COMMD) is tasked with the development of a citywide public education campaign. COMMD staff will lead an interdepartmental effort to incorporate expertise and resources from various city departments. Data from the citywide crash analysis in addition to consultation with the San Diego Police Department (SDPD) and local stakeholders will be used to target areas in which the media campaign will be most effective.		
	Priority 1	Original Target Date: March 2017	Current Target Date: March 2017
#11	The development of Recommendation #10's campaign should be a collaborative approach which includes the Communications Department, any other City departments that can contribute resources and expertise, and community partners, such as Vision Zero stakeholders and advocacy groups, where needed.		
<b>In Process</b>	The Communications Department (COMMD) is tasked with the development of a citywide public education campaign. COMMD staff will lead an interdepartmental effort to incorporate expertise and resources from various city departments. Data from the citywide crash analysis in addition to consultation with the San Diego Police Department (SDPD) and local stakeholders will be used to target areas in which the media campaign will be most effective.		
	Priority 2	Original Target Date: March 2017	Current Target Date: March 2017
#12	Recommendation #10's campaign should include a core message that can be customized to fit different neighborhood needs, such as examples of behaviors that have placed pedestrians at risk in specific neighborhoods, or the use of different languages to reach non-English speakers. These messages should be developed using available data on the locations and causes of pedestrian collisions in the City's neighborhoods. If funding is available, development should also utilize focus groups or other research methods to ensure the effectiveness of the campaign.		
<b>In Process</b>	No update provided.		
	Priority 2	Original Target Date: March 2017	Current Target Date: March 2017



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

**In Process** The Communications Department (COMMD) is tasked with the development of a citywide public education campaign. COMMD staff will lead an interdepartmental effort to incorporate expertise and resources from various city departments. Data from the citywide crash analysis in addition to consultation with the San Diego Police Department (SDPD) and local stakeholders will be used to target areas in which the media campaign will be most effective.

Priority 2 Original Target Date: Current Target Date:  
March 2017 March 2017

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

**In Process** The identification and review of potential grant funding opportunities is included in the FY17 Vision Zero Strategic Plan, as adopted in June 2016. Budget priorities for FY 18 will be discussed at the February 2017 Vision Zero Task Force meeting.

Priority 2 Original Target Date: Current Target Date:  
February 2017 February 2017

#15 The Vision Zero Task Force should annually determine what engineering, enforcement, and education initiatives the City should consider implementing to achieve its Vision Zero goals, and provide information on funding needs for consideration during the annual budget process.

**In Process** No update provided.

Priority 2 Original Target Date: Current Target Date:  
February 2017 February 2017

#16 The Vision Zero Task Force should work to identify and recommend the City pursue additional grants or other funding sources that can be used to further its Vision Zero efforts.

**In Process** The identification and review of potential grant funding opportunities is included in the FY17 Vision Zero Strategic Plan, as adopted in June 2016. Budget priorities for FY18 will be discussed at the February 2017 Vision Zero Task Force meeting.

Priority 3 Original Target Date: Current Target Date:  
February 2017 February 2017

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

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

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

**In Process** No update provided.

Priority 2 Original Target Date: December 2017 Current Target Date: December 2017

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

(DK)

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

**In Process** The policy and processes for disposing of obsolete inventory are set forth in Administrative Regulation (A.R.) 35.50, and specifically described in Process Narrative PN-0253. Going forward, Purchasing & Contracting will ensure that the obsolete inventory regulations and processes are followed more systematically through improved communication with client departments and effectuating the process earlier in the fiscal year to allow more time for review and timely accounting.

Priority 3 Original Target Date: June 2017 Current Target Date: June 2017

**17-008 FRAUD HOTLINE INVESTIGATION OF ABUSE IN THE PUBLIC UTILITIES DEPARTMENT'S SELECTION PHASE OF THE HIRING PROCESS**

(AH)

#5 We recommend that the Personnel Department review our findings and conduct an independent investigation to determine if interview process participants, including Appointing Authorities, violated City policies or Personnel regulations.

**In Process** No update provided.

Priority 1 Original Target Date: June 2017 Current Target Date: June 2017

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

**In Process** No update provided.

Priority 3 Original Target Date: April 2017 Current Target Date: April 2017

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

(AE) (NK)

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

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

Priority 2 Original Target Date: December 2017 Current Target Date: December 2017

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

<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.		
	Priority 2	Original Target Date: August 2017	Current Target Date: August 2017
#3	The Street Division Deputy Director should develop written policies and procedures for all street light repair operations to ensure: standardized repair operations that include a prioritization methodology and geographic considerations; and document retention procedures that comply with City retention policy.		
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.		
	Priority 2	Original Target Date: December 2017	Current Target Date: December 2017
#4	The Street Division should formally assess the feasibility of using portable electronic devices in order to eliminate the need for paper work orders, and collect street light data through an automated process to improve efficiency.		
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.		
	Priority 2	Original Target Date: January 2018	Current Target Date: January 2018
#5	In order to improve the operational efficiency of street light repairs and reduce the risk of theft, the Street Division Deputy Director should: create an inventory to account for street light repair parts and materials; establish inventory controls over parts and materials that encompass receipts, distribution, and periodic inventory of the items on hand; and develop inventory thresholds that will automatically trigger parts reordering in response to demand.		
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.		
	Priority 2	Original Target Date: December 2017	Current Target Date: December 2017
#6	To ensure the City has accurate asset data used for street light repairs, the Street Division Deputy Director should: prioritize hiring of asset management positions; update street light asset information to include fixture and pole data needed to make street light repairs more efficient; and develop operational guidelines for updating street light asset data when the City makes modifications to assets, and if asset additions and removals occur.		
<b>In Process</b>	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.		
	Priority 2	Original Target Date: December 2018	Current Target Date: December 2018

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

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

Priority 2 Original Target Date: Current Target Date:  
June 2017 June 2017

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

(KC) (NO)

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

**In Process** This recommendation came after the issuance of the contract with Accela and is therefore outside the contract's scope of work. The Department has the ability to add additional reporting capability and will move forward with a package of additional reports once the Accela is live and has been stabilized.

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

Priority 1 Original Target Date: Current Target Date:  
N/A July 2017

#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** Management and Staff will use Critical Path Method to evaluate Expedite project processing during the months of February and March 2017.

Priority 1 Original Target Date: Current Target Date:  
March 2017 March 2017

#3 The Development Services Department (DSD) should ensure that project data maintained is coherent and revise its Performance Measurement Report (PMR) methodology to track both the timeliness of each milestone and the timeliness of the project timeliness from

beginning to when the permit is issued. DSD should also improve managerial quality control and review of the tracking data timeliness entries. DSD should articulate these steps in a written procedure and ensure that new staff are trained on the proper data collection methodologies.

**In Process**

The existing decade old PMR methodology is being evaluated by Management and staff, and as part of the Critical Path discussions. The PMR is an added manual task that is duplicitous of PTS. Management is investigating a path to PMR type Expedite reports in PTS /Accela in order to eliminate this redundant step in the overall Expedite program tracking.

Priority 1

Original Target Date: Current Target Date:  
April 2017 April 2017

#6

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

**In Process**

According to Management, draft code changes for SDMC 143.0915 are being released in early March 2017, and will be presented to the Code Monitoring Team and DSD Technical Advisory Committee (TAC) for feedback.

DSD has drafted process changes to further incentivize affordable housing that will be presented in April 2017 to the TAC.

Priority 1

Original Target Date: Current Target Date:  
June 2017 August 2017

#8

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

**In Process**

DSD requested a date from SG&LU to present in calendar year 2017, and is prepared to make annual presentations to Committee and/or Council.

Priority 2

Original Target Date: Current Target Date:  
June 2017 June 2017

