Audit Recommendation Follow-Up Report

STATUS UPDATE AS OF December 31, 2017

Office of the City Auditor

City of San Diego

OCA

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THE CITY OF SAN DIEGO

DATE: March 29, 2018

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, 2017. We will continue reporting on open recommendations semiannually for periods ending around June 30th and December 31st.

We have provided a short summary of data, highlighted 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 April 11, 2018 Audit Committee meeting.

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

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

cc: Honorable Mayor Kevin Faulconer
        Honorable City Councilmembers
        Kris Michell, Chief Operating Officer
        Stacey LoMedico, Assistant Chief Operating Officer
        Rolando Charvel, Chief Financial Officer
        Scott Clark, Interim City Comptroller
        Deputy Chief Operating Officers
        Department Directors

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SUMMARY

The Administration has continued to make significant progress towards implementing open audit recommendations. During this reporting period, the Administration has implemented 41 of the outstanding recommendations. Additionally, we issued 11 reports and added 45 new recommendations, and the Administration agreed to implement 100 percent of the recommendations.

Since our last report, we have implemented an automated alert process to notify all departments as their recommendations are nearing their implementation date or have become past due. This notification prompts the departments to update the recommendation as necessary.

There is one recommendation that we deemed as Not Implemented – 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 recommendation.

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

We greatly appreciate the Administration's efforts as they have demonstrated a commitment to implementing audit recommendations to improve City operations and mitigate the risks identified during audits.

IMPLEMENTATION STATUS OF OPEN RECOMMENDATIONS

This report reflects the status of all Office of the City Auditor open audit recommendations as of December 31, 2017. We contacted departments directly to gather recommendation status information, reviewed all outstanding recommendations, and placed the recommendations into the following status categories:

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

As of our last recommendation follow-up report for the period ending June 30, 2017, there were 115 open recommendations. Since then, we have issued seven performance audits and four hotline reports which added 45 new recommendations for a total of 160 outstanding recommendations for the period ending December 31, 2017. The table below summarizes this activity:

Activity for the Period Ending December 31, 2017	Number of Recommendations
Recommendations In Process as of June 30, 2017	115
Recommendations Issued July 1, 2017 through December 31, 2017	45
Total Outstanding Recommendations as of December 31, 2017	**160**

During this reporting cycle, we verified that departments and related entities have implemented 41 recommendations out of 160 (25 percent) since our last report. The results of our review for this reporting cycle are as follows for the 160 recommendations:

Number of Recommendations	Status of Recommendations
41	Implemented
79	In Process - With Revised or Past Due Target Dates
39	In Process – Not Due
1	Not Implemented – N/A
160	**Total**

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

- **Exhibit 1** - Summarizes the status of the 160 recommendations by audit report in chronological order.

- **Exhibit 2** - Summarizes the distribution of the 41 recommendations **Implemented** by Department/Agency.

- **Exhibit 3** - Summarizes the distribution of the 79 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency.

- **Exhibit 4** - Summarizes the distribution of the 39 recommendations **In Process - Not Due** by Department/Agency.

- **Exhibit 5** - Breaks down the 160 recommendations by their status and the length of time the recommendation remains open from the original audit report date.

- **Exhibit 6** - Audit Recommendation Activity for the Period Ending December 31, 2017.

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

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

Attachment B – Recommendations Deemed as Implemented
This schedule includes all recommendations as of December 31, 2017 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments to support all elements of the recommendation.

Attachment C – Recommendations Deemed as In Process With Revised or Past Due Target Dates
This schedule includes all recommendations as of December 31, 2017 that are **In Process** of implementation based on the status information provided; however, target dates have been revised since the last reporting period or the dates are past due with no revised date.

Attachment D – Recommendations Deemed as In Process - Not Due
This schedule includes all recommendations as of December 31, 2017 that are **In Process** of implementation based on the status information provided and target dates are not due.

FUTURE RECOMMENDATION FOLLOW-UPS

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

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

Exhibit 1 below summarizes the status of the 160 recommendations by audit report in chronological order.

EXHIBIT 1: Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process	Not Implemented[1]
12-015	Performance Audit Of The Development Services Department's Project Tracking System		3	
13-009	Performance Audit Of The Real Estate Assets Department		1	
13-011	Performance Audit Of The Public Utilities Department's Valve Maintenance Program		1	1
14-002	Performance Audit Of The Public Utilities Department's Industrial Wastewater Control Program		7	
14-006	Performance Audit Of The Police Patrol Operations		1	
14-014	Performance Audit Of Graffiti Control Program		1	
14-016	Hotline Investigation Report Of Public Utilities Warehouse Supply Purchases		1	
14-019	Performance Audit Of Real Estate Assets Department		2	
15-001	Performance Audit Of The Office Of Homeland Security		1	

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[1] 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[2]
15-003	Performance Audit Of The City's Waste Reduction And Recycling Programs	2	2	
15-009	Performance Audit Of The Community Parking District Program		2	
15-010	Fleet Services Division Fraud Risk Assessment Report		1	
15-011	Performance Audit of the Utilities Undergrounding Program		2	
15-012	The City Needs to Address the Lack of Contract Administration and Monitoring on Citywide Goods and Services Contracts		2	
15-016	Performance Audit of Citywide Contract Oversight		9	
15-017	Performance Audit of the Real Estate Department, Airports Division	1		
15-018	Performance Audit of the Fire-Rescue Department, Lifeguard Services Division		1	
16-005	Performance Audit of the City's Business Improvement District Program		1	
16-006	Performance Audit of the Code Enforcement Division	2	4	
16-008	Internal Control Issues: San Diego Public Library		1	
16-011	Performance Audit of the Street Preservation Ordinance	1	1	
16-012	Hotline Investigation of Vendor Fraud		1	
16-016	Citywide Contract Oversight II - Contract Review		2	
16-017	Audit of San Diego Public Library		4	
17-003	Performance Audit of the San Diego Housing Commission – Affordable Housing Fund		1	

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[2] 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[3]
17-005	Performance Audit of the San Diego Housing Commission	1	1	
17-006	Performance Audit of The City's Programs Responsible For Improving Pedestrian Safety	7	6	
17-008	Fraud Hotline Investigation of Abuse in the Public Utilities Department's Selection Phase of the Hiring Process	2		
17-009	Performance Audit of Street Light Repair	1	3	
17-010	Performance Audit of the Affordable / In-Fill Housing and Sustainable Buildings Expedite Program	2	3	
17-013	Performance Audit of The San Diego Convention Center	1	3	
17-018	Performance Audit of City Gas and Electric Utility Billing	1	2	
17-020	Performance Audit of The City's Management of Its Advisory Boards	5	9	
17-021	Hotline Investigation of Recreation Activity Permit Calculation Errors and Abuse	2	3	
17-022	Hotline Investigation of a City Vendor	2	2	
18-001	Performance Audit of the City's Quality Management of Street Repaving Projects	1	1	
18-002	Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2016	1	1	
18-004	Performance Audit of the La Jolla Children's Pool Lifeguard Station	3		
18-006	Hotline Investigation of Charitable Activities Conducted on City Time	1		
18-007	Performance Audit of the Economic Development Department's Business Cooperation Program	1	3	
18-009	Performance Audit of the Park and Recreation Department's Maintenance Operations		4	

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[3] 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[4]
18-010	Performance Audit of the Communications Department's Charges for Services to Enterprise Funds		2	
18-011	Performance Audit of Grant Management		5	
18-012	Hotline Investigation of an Information Technology Contract	3	3	
18-013	Fraud Hotline Investigation Report of Waste in the Transportation Alternatives Program		12	
18-014	Fraud Hotline Investigation of Water Theft	1	3	
GRAND TOTAL		41 (25%)	118 (74%)	1 (1%)

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

Exhibit 2 summarizes the distribution of the 41 recommendations **Implemented** by Department/Agency as of December 31, 2017.

EXHIBIT 2: Number of Recommendations Implemented by Department/Agency

Number of Recommendations Implemented	Department/Agency	Number of Recommendations Implemented	Department/Agency
4	Chief Operating Officer	2	Personnel
4	City Clerks	4	Public Works
2	Code Enforcement Division - Development Services Department	2	Purchasing & Contracting
2	Development Services	3	Real Estate Assets
1	Economic Development	1	Real Estate Assets - Airports
2	Environmental Services	1	San Diego Convention Center Corporation
1	Independent Budget Analyst	1	San Diego Housing Commission
2	Office of the Assistant Chief Operating Officer	3	San Diego Police Department
1	Office of the Comptroller	1	Street Division and Fleet Services
1	Office of the Mayor and Communications Department	1	Transportation & Storm Water
2	Park & Recreation		

Exhibit 3 summarizes the distribution of the 79 recommendations **In Process - With Revised or Past Due Target Dates** by Department/Agency as of December 31, 2017.

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

Number of Recommendations Outstanding	Department/Agency	Number of Recommendations Outstanding	Department/Agency
5	Chief Operating Officer	1	Office of the Comptroller
4	Code Enforcement Division - Development Services Department	7	Office of the Mayor
3	Communications Department	2	Park & Recreation
2	Corporate Partnership and Development	1	Public Utilities – Water Operations
8	Development Services	2	Public Works
3	Economic Development	14	Purchasing & Contracting
2	Environmental Services	3	Real Estate Assets
1	Independent Budget Analysis and Library	2	San Diego Convention Center Corporation
2	Fleet Services	1	San Diego Housing Commission
3	Library	3	San Diego Police Department
1	Library and Comptroller	8	Transportation & Storm Water
1	Office of Homeland Security		

Exhibit 4 summarizes the distribution of the 39 recommendations **In Process - Not Due** by Department/Agency as of December 31, 2017.

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

Number of Recommendations Outstanding	Department/Agency	Number of Recommendations Outstanding	Department/Agency
3	Chief Operating Officer	1	Fire-Rescue Lifeguard Division and Real Estate Assets Department
1	City Treasurer	1	Office of the Mayor
2	Corporate Partnership & Development	5	Park and Recreation
1	Department of Information Technology	10	Public Utilities Department
1	Economic Development	1	Public Works
1	Environmental Services	1	Streets Division
1	Financial Management	10	Transportation & Storm Water

These exhibits do not include the one recommendation determined as Not Implemented - N/A.

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

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

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[5] Timing is rounded to the month.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT 6: Audit Recommendation Activity for the Period Ending December 31, 2017

Activity for the Period Ending December 31, 2017	Number of Recommendations
Open Recommendations Carried Forward from Period Ending June 30, 2017	
Recommendations In Process as of June 30, 2017	115
Recommendations issued July 1, 2017 through December 31, 2017	45
Total Outstanding Recommendations as June 30, 2017	**160**

Recommendations Implemented	41
Recommendations Not Implemented – N/A	1
Recommendations Resolved for Period Ending December 31, 2017	**42**
Carry Forward Open Recommendations	**118**

December 2017

ATTACHMENT A

Recommendations for the Audit Committee's Attention

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

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.

Public Utilities Department

13-011	PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S VALVE MAINTENANCE PROGRAM
	(AH) (MG)
#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.
Not Implemented – N/A	The Public Utilities Department (PUD) determined a 4 year linear program was a better valve maintenance approach, which is consistent with the data already gathered and is within the AWWA industry recommendations for valve maintenance, versus the recommended risk-based approach. Therefore, there is no need to create unique reports based on risk, which renders this recommendation as Not Applicable.
	PUD reported that as of December 31, 2017, PUD has completed a substantial portion of its three year accelerated valve maintenance program and upon its completion, recommends a four year linear preventative maintenance (PM) program. While a linear program negates the need for reports by priority cycle, PUD captured invaluable data while scoring its valves over the last three years, and is considering additional criteria to identify the most critical valves in order to best maintain the integrity of our system and the well-being of those it serves. Additionally, the current PM report includes geographical data based on Service Area (Council District) only. PUD originally requested geographical reports based on Field Book Page and Field Grid Number, but they were found to contain extraneous data and were not able to be corrected by our vendor. PUD is currently working with IAMSD to re-create those reports in an effort to enhance our ability to internally analyze and provide accurate geographical detail on the PM's we perform.

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

December 2017

ATTACHMENT B

Recommendations Deemed As Implemented

This schedule includes all recommendations as of December 31, 2017 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments to support all elements of the recommendation.

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

          (AH)

#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.

Implemented   The Environmental Services Department has budgeted and filled two additional
          Code Compliance Officer positions, and believes that with these additional
          resources, staffing is sufficient to conduct bin checks at least every five years, which
          ESD expects will improve compliance with the Citywide Recycling Ordinance and
          increase associated City revenues from recyclable materials. As previously reported,
          ESD developed a method to track violations in its EPACS system, and additional
          performance tracking functionality will be available once the legacy EPACS system
          is replaced with the Get It Done CRM system later in FY 2018. This performance
          information will be used to monitor bin check frequency and evaluate cost
          effectiveness.

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

Implemented   The Real Estate Assets Department has issued directives to staff to include
          compliance with the Citywide Recycling Ordinance when drafting lease
          agreements, both when the City is the lessor and lessee. In addition, READ provided
          a recent lease showing that the required language is being included in new lease
          agreements.

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

(SP)

#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 flow-age 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.

Implemented　　　The Airports Division has finalized its Airports Real Property Manual and its Minimum Standards for Commercial Aeronautical Services and Non-Commercial Flying Club Activities. Airports now incorporates these guiding documents as part of its day-to-day policies and procedures.

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

(AH)

#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.

Implemented　　　As previously reported, the Code Enforcement Division implemented a Procedures Manual in 2016 that established expectations for staff performance and supervisory review. In addition, CED has implemented a Penalty Policy and Penalty Framework which establish when fines, penalties, and reinspection fees should be issued. The Policy provides a range of factors to consider when choosing the appropriate remedy, and directs investigators to consult with supervisors when presented with unusual circumstances that warrant alternative remedies.

#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.
Implemented	CED adopted Procedure 5.03, 'Alternative Compliance Program' of February 1, 2018. Per the recommendation, the Alternative Compliance Program is intended to reduce CED staff time needed to investigate certain low-priority complaints by sending a notice to the responsible party in lieu of conducting an initial inspection, thereby allowing CED investigators to focus on higher-priority health and safety issues.

16-011	**PERFORMANCE AUDIT OF THE CITY'S STREET PRESERVATION ORDINANCE**
	(SM)
#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.

Implemented	Fleet Operations Department and Transportation Storm Water, Street Division, provided evidence for the last outstanding item for complete implementation. All equipment needs that were identified in the Street Preservation Ordinance audit report have been received and are in service. And the additional repair staff positions have already been filled as previously reported.

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.
Implemented	The San Diego Housing Commission (SDHC) is reporting loan collection results on a quarterly basis to the SDHC Board. The last report was presented to the Board on March 1, 2018 and covered loan collections for the first quarter of 2018.

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

(AH) (DN)

#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.

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

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

The Traffic Division stated that its grant funded enforcement and educational details have focused on the areas identified since June of 2017. The Traffic Division has added the Traffic Division's role in support of Vision Zero to the Traffic Operations Manual. The manual now states that the Traffic Division Associate Management Analyst and the Community Relations Officers will work with the Vision Zero Task Force to ensure that all education and enforcement related to Vision Zero is data driven, and targets those areas identified by crash analysis as problematic.

Prior to targeted pedestrian safety enforcements, the commanding officer is sent instructions and data-based maps directing the officers to spend most of their time issuing citations and warnings at the locations specified on the maps. The email also provides information on the specific citations that officers should focus on during the enforcement, and includes a recap form for officers to fill out to keep track of the citation and warnings issues, as well as the specific locations of the enforcement detail.

#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.

Implemented   According to the Traffic Division, two educational and enforcement details are now conducted per month. According to the Traffic Division, warnings and educational material were initially emphasized during these details, and citations are now being issued to offenders during these operations. The Traffic Division now issues press releases for its targeted enforcements and has attracted media attention for some enforcements. The Traffic Division plans to deploy the OTS mascot "Pete Walker" in the areas of concern to maximize exposure.

In addition, the Traffic Division updated its Operations Manual to include language assigning responsibility for ensuring media notifications are forwarded to the appropriate news agency and/or Department office for distribution. The Traffic Division also updated its Operations Manual to include language assigning responsibility for ensuring that electronic signage is used to make the enforcements highly visible. The electronic signage advises motorists and pedestrians of the stepped up enforcement and includes a safety message. Photos of the efforts to make the enforcements highly visible have been provided to the OCA.

The Traffic Division also now conducts community outreach regarding pedestrian safety at farmers markets and Padres games. In addition, a link to the City of San Diego Vision Zero webpage has been placed on the police department's webpage, and will be updated to include information on the police department's Vision Zero efforts.

#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.

Implemented   The Traffic Division stated that the concept of changing public behavior is to be reinforced during all grant funded pedestrian enforcement detail briefings and debriefings by supervisors. Prior to targeted pedestrian safety enforcements, the commanding officer is emailed instructions and data-based maps directing the officers to spend most of their time issuing citations and warnings at the locations specified on the maps. The email also provides information on the specific citations that officers should focus on during the enforcement and directs the commanding officer to have the officers take pedestrian safety pamphlets to pass out when issuing warnings.

#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.

Implemented   The Communications Department led the development of the City's Vision Zero Communications Plan, which is designed to raise awareness of pedestrian safety issues and improve driver and pedestrian behavior. The Communications Plan was developed in consultation with other stakeholder departments such as the Transportation and Storm Water department and San Diego Police Department, as well as stakeholder groups such as the Vision Zero Task Force. The Communications Plan includes core messaging, which will be tailored based on analysis showing the locations and causes of pedestrian crashes, injuries, and fatalities. The Communications Department also provided information showing that the plan is beginning to be executed. For example, a news conference including Circulate San Diego and Councilmember Chris Ward was held on November 17, 2017 on University Ave., which has one of the highest pedestrian crash rates of any corridor in the City. The Communications Department has also begun publishing the campaign through social media outlets.

#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.

Implemented   The Communications Department led the development of the City's Vision Zero Communications Plan, which is designed to raise awareness of pedestrian safety issues and improve driver and pedestrian behavior. The Communications Plan was developed in consultation with other stakeholder departments such as the Transportation and Storm Water department and San Diego Police Department, as well as stakeholder groups such as the Vision Zero Task Force. The Communications Plan includes core messaging, which will be tailored based on analysis showing the locations and causes of pedestrian crashes, injuries, and fatalities. The Communications Department also provided information showing that the plan is beginning to be executed. For example, a news conference including Circulate San Diego and Councilmember Chris Ward was held on November 17, 2017 on University Ave., which has one of the highest pedestrian crash rates of any corridor in the City. The Communications Department has also begun publishing the campaign through social media outlets.

#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.

Implemented   The Communications Department led the development of the City's Vision Zero Communications Plan, which is designed to raise awareness of pedestrian safety issues and improve driver and pedestrian behavior. The Communications Plan was developed in consultation with other stakeholder departments such as the Transportation and Storm Water department and San Diego Police Department, as well as stakeholder groups such as the Vision Zero Task Force. The Communications Plan includes core messaging, which will be tailored based on analysis showing the locations and causes of pedestrian crashes, injuries, and fatalities. The Communications Department also provided information showing that the plan is beginning to be executed. For example, a news conference including Circulate San Diego and Councilmember Chris Ward was held on November 17, 2017 on University Ave., which has one of the highest pedestrian crash rates of any corridor in the City. The Communications Department has also begun publishing the campaign through social media outlets.

#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.

Implemented   The Communications Department led the development of the City's Vision Zero Communications Plan, which is designed to raise awareness of pedestrian safety issues and improve driver and pedestrian behavior. The Communications Plan was developed in consultation with other stakeholder departments such as the Transportation and Storm Water department and San Diego Police Department, as well as stakeholder groups such as the Vision Zero Task Force. The Communications Plan includes core messaging, which will be tailored based on analysis showing the locations and causes of pedestrian crashes, injuries, and fatalities. The Communications Department also provided information showing that the plan is beginning to be executed. For example, a news conference including Circulate San Diego and Councilmember Chris Ward was held on November 17, 2017 on University Ave., which has one of the highest pedestrian crash rates of any corridor in the City. The Communications Department has also begun publishing the campaign through social media outlets.

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.

Implemented The Personnel Department's Equal Employment Investigations Office (EEIO) concluded that the Public Utilities Department (PUD) "failed to conduct the Laborer selection processes in accordance with City policies, Personnel Regulations Index Code F-1, and AAIT guidelines; some applicants who did not meet the screening criteria were afforded an invitation to interview for a Laborer position; and the Appointing Authority responsible for the selection process failed to provide sufficient oversight and monitoring, exposing the City's selection process to potential liability." The EEIO investigation also determined that as a result of the Fraud Hotline investigation, PUD has implemented procedures to "change the workplace culture and preserve the integrity of PUD's selection phase of the hiring process."

#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.

Implemented The Personnel Department included a discussion of documenting the rationale for candidate selection, and emphasized the importance of maintaining all documentation in the Appointing Authority interview training materials. The intent of this recommendation has been implemented.

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

(AE)

#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.

Implemented Street Division has ordered and received 65 touch screen tables and 25 laptops that crews can utilize for entering work order information into the IAM San Diego platform rescheduled for implementation in March 2018.

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

(KC) (NO)

#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.

Implemented   City Management shared an updated Council Policy for the program, with more holistic and appropriate sustainability eligibility requirements (e.g. exceeding state requirements within the Green Building Code, and/or located within City Transit Priority Areas). Muni Code amendments were also submitted and reflect a similar appropriate update.

#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.

Implemented   The September 2017 report and in-person presentation to the Smart Growth and Land Use Committee meets the requirements of the spirit of the recommendation. It provides a general overview of the program, including the number, types, and timeliness of projects that have utilized it. Discussion of the location of projects is limited to a brief mention on page 4, though was discussed at the in-person presentation.

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

(SP)

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

Implemented The Board of Directors for the San Diego Convention Center Corporation (SDCCC) approved Policy #113 which establishes policies and procedures for addressing utilization of excess funding from the City.

The policy requires City funding in excess of required payments under applicable sales and marketing contracts to be used to fund capital needs for the Convention Center. The policy also requires SDCCC to consult with the City if City funds remain unallocated after all required payments under applicable sales and marketing contracts and capital project needs have been considered.

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

(AE) (NK)

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

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

Implemented The MOU between the City (Environmental Services Department) and San Diego Gas and Electric (SDGE) was finalized. The MOU documents a process which clarified the roles and responsibilities related to rates and billing issues, a mechanism to provide required account and billing information necessary to request rates changes and resolve rate issues, and established timeframes for rate and billing resolutions.

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

(AH) (DN)

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

Implemented The City Clerk's Office provided documentation demonstrating that the process on how to calculate the 45-day period was developed in consultation with the City Attorney's Office. The 45-day period is calculate as a straight 45-day count from the date of term expiration or resignation.

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

Implemented   The City Clerk's Office provided examples demonstrating that the statement and projected date have been added to the notifications of unscheduled vacancies and expiring terms sent to City Council Offices.

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

Implemented   The City Clerk's Office has demonstrated that this column has been added to the matrix.

#6   The Mayor's Office, in conjunction with the Office of the Council President, the City Clerk's Office, and the Communications Department, should develop and document a standard strategy for publicizing Advisory Board vacancies and positions for which terms have expired.

Implemented   According to the Communications Department, upon receipt of vacancy notices from the City Clerk, the Mayor's Office will advise the Communications Department on which vacancies need promotion based on previous submissions of interested community members. When appropriate, the Communications Department will post on LinkedIn including information about required qualifications. The City Clerk's Office and potentially the Mayor's Office will retweet when possible. The Communications Department will periodically post messages on its social channels promoting all boards and commissions and linking to the page where they are listed. This process was developed by Communications Department staff. The Communications Department has started to promote some vacancies on LinkedIn and Twitter.

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

Implemented   The City Clerk's Office has formally documented its procedure for updating its matrix to include the annual reports in the form of a Process Narrative. The City Clerk's Office provided evidence that it has started to update its matrix with any annual reports that it has received, including links to the reports.

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

(AH)

#1   We recommend that the Park and Recreation Department:

- Review the details of the Confidential Hotline Investigation of Recreation Activity Permit Calculation Errors and Abuse report, conduct an independent fact-finding investigation to determine if City policy was violated, and take the appropriate corrective action.

Implemented   The Parks and Recreation Department conducted several fact-finding investigations.

#5   We recommend that the Park and Recreation Department:

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

Implemented   Administrative Regulation 95.60 was revised on December 1, 2017. As a result, the Department's long-standing policy allowing outside employment at non-assigned work locations is consistent with the new policy, as long as there is no attempt to influence the issuance of a permit.

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

(AH)

#2   We recommend that the Assistant Chief Operating Officer:

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

Implemented   The Purchasing and Contracting Department reviewed their internal document processing procedures related to the named vendor and determined that there were no improper actions taken by City employees. We reviewed the evidence provided and have deemed this recommendation implemented.

#3   We recommend that the Assistant Chief Operating Officer:

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

Implemented   Purchasing & Contracting validated and verified current documents for all existing vendors in the same line of business.

18-001   **PERFORMANCE AUDIT OF THE CITY'S QUALITY MANAGEMENT OF STREET REPAVING PROJECTS**

                    (CK) (SM)

#1   The Public Works Department and the Transportation and Storm Water Department should collaborate to strengthen their quality management process for all Capital Improvement Program repaving contracts. The process should include a quality control plan for contractors to record pertinent information for Resident Engineer verification and documentation to ensure workmanship meets contract specifications. At a minimum, the key information that is recorded should include:

- Asphalt Mix specification (continued testing and documentation);
- Base preparation (dig-out) work performed;
- Condition of surface preparation;
- Tack coat application;
- Asphalt temperature at placement;
- Asphalt depth; and
- Compaction tests (continued testing and documentation)

Implemented   The Department of Public Works has implemented this recommendation by updating its contract language, which will be included in the specification for all future advertised bids for street resurfacing contracts. The newly added contract language requires that contractors establish, implement, and maintain a quality control plan which includes testing of specific key activities. The new contract specifications also require that the contractor designate a Quality Control Plan administrator to ensure that inspections and quality testing is performed as required. Public Works has also developed a daily quality control inspection template for contractors to record key quality control information.

18-002   **PERFORMANCE AUDIT OF MISSION BAY AND SAN DIEGO REGIONAL PARKS IMPROVEMENT FUNDS, FISCAL YEAR 2016**

(RG)

#2   The Real Estate Assets Department in coordination with the City Comptroller's office should ensure the GL account is updated on this lease to deposit funds to the Mission Bay Park Rents account per Charter Section 55.2 requirements. Any previously recorded revenue in FY16 and FY17 should be transferred to General ledger account 418108 - Mission Bay Park Rents and subsequently transferred to the appropriate Improvement Fund based on Charter 55.2 allocation requirements.

Implemented   The Real Estate Assets Department and City Comptroller's Office made the necessary GL changes and transferred previously recorded revenue from FY 16 and FY17 to the appropriate Improvement Funds.

18-004   **PERFORMANCE AUDIT OF THE LA JOLLA CHILDREN'S POOL LIFEGUARD STATION**

(CK)

#1   Public Works, in conjunction with the asset-owning departments, should conduct scoping/partnering meetings early in the process to discuss lifeguard station program needs, special scope requests, and the impacts of codes and regulations on the project's overall cost and schedule.

Implemented   SOP D-455 (Charter Amendment) has been created and SOP P-309 (Project Charter) has been amended.

#2   Public Works should implement strict considerations for product and material applications applicable to Lifeguard Station environmental and occupant requirements.

Implemented   The department reported, SDFRD's Lifeguard Station Design Standards addresses the requirements of San Diego Lifeguards and the materials listed in the facilities design standard meet the need of the harsh costal climate that they reside in. PW & SDFRD have determined that no changes need to be made to the Lifeguard Station Facilities Design Standard at this time. If standard operating procedures, standard materials or lifeguard needs change at that time we will update the Lifeguard Station Facilities Design Standard.

#3   For facilities located in harsh environments such as a marine environment, Public Works should have a supplemental maintenance plan in place for high risk materials and components.

Implemented   The building contractor supplied the City with a 600 page Operations and Maintenance manual. Included in the manual are instructions for the cleaning of exterior steel. "Exterior Steel should be washed at least twice a year. Following the instructions above, use mildly soapy water or just plain water rinse the salt build up off of the steel. If the light spray from a hose does not remove the salt spray use a soft bristle scrub brush to lightly wipe off the salt build up." The exterior steel was noted in the audit as a high-risk material.

18-006   **HOTLINE INVESTIGATION OF CHARITABLE ACTIVITIES CONDUCTED ON CITY TIME**

(AH)

#1   We recommend that the Assistant Chief Operating Officer take the appropriate corrective action with respect to the identified Department Director to ensure that future City-sponsored charitable activities are performed according to written procedures, internal controls, and formal agreements with outside agencies.

Implemented   Based on the evidence we obtained and reviewed, the Assistant Chief Operating Officer has taken appropriate action. In the future, the Parks and Recreation Department will not initiate any departmental charitable programs or services without appropriate agreements and internal controls in place.

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

(AH) (KC)

#4   The Economic Development Department should work with the City Comptroller to establish and document policies and procedures for issuing payments through the Business Cooperation Program (BCP), including segregating key functions. As these policies and procedures are developed, EDD should reassign BCP payment processing duties from the Community Development Coordinator to other staff, such as clerical staff or analysts, who would normally perform these functions as part of their core job responsibilities.

Implemented   The Economic Development Department provided sufficient documentation to demonstrate that all elements of the recommendations are implemented.

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

(AH)

#1   We recommend that the Chief Operating Officer ensure that the updated staff report to the City Council related to the "Approval of the First Amendment to the Cooperative Procurement Contract between the City of San Diego and AT&T Corporation for the Provision of Multi-protocol Label Switching (MPLS) Assets and Services" includes all material facts or significant developments that would be important for the City Council to consider in making the contract amendment authorization decision.

Implemented   The Office of the IBA reviewed and analyzed the revised staff report and presented a detailed analysis of the fiscal considerations to Council on December 13, 2017.

#3   We recommend that the Office of the Independent Budget Analyst review the updated staff report to the City Council related to the "Approval of the First Amendment to the Cooperative Procurement Contract between the City of San Diego and AT&T Corporation for the Provision of Multi-protocol Label Switching (MPLS) Assets and Services" to ensure that the underlying data supporting the calculation of the monthly costs is sufficient and reliable, and to ensure that any additional contingent expenditures are accurately represented, including any amounts that may be used to supplement under-estimated monthly costs.

Implemented   The Office of the IBA reviewed and analyzed the revised staff report to Council and presented a detailed verbal report on the fiscal considerations.

#4   We recommend that the Office of the City Comptroller take the appropriate corrective action to address the journal entry errors related to the invoice we identified that contained charges for both FY 2017 and 2018.

Implemented   The Office of the City Comptroller took the appropriate corrective action to address the journal entry errors that were identified in our report.

18-014   **FRAUD HOTLINE INVESTIGATION OF WATER THEFT**

(AH)

#4   We recommend that the Airports Division of the Real Estate Assets Department include the Public Utilities Department's Fire Hydrant Meter Program as an addendum to the new contract, or otherwise address payment for water use

Implemented   The Airports Division of the Real Estate Assets Department included the Public Utilities Department's Fire Hydrant Meter Program as an addendum to the new contract.

ATTACHMENT C

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

Sorted by Department

This schedule includes all recommendations as of December 31, 2017 that are **In Process** of implementation based on the status information provided; however, target dates for implementation were revised from the last reporting period.

Chief Operating Officer

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

(AH) (DN)

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

In Process | This will be discussed at the next Vision Zero Task Force meeting to take place in March 2018. City staff does identify and review potential grant funding opportunities.

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

| #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 | This will be discussed at the next Vision Zero Task Force meeting to take place in March 2018.

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

| #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 | City staff has as an ongoing effort identifying, reviewing and pursuing grant opportunities.

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

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

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

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

In Process   The department indicated that Departments have ongoing communication and coordination on collection and tracking data.

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

17-013   PERFORMANCE AUDIT OF THE SAN DIEGO CONVENTION CENTER

(SP)

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

In Process   The City and San Diego Port District continue to meet to discuss a financing plan to address the capital projects needs. It is anticipated this will be completed by the next reporting period report.

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

Code Enforcement Division- Development Services Department

16-006   PERFORMANCE AUDIT OF THE CODE ENFORCEMENT DIVISION

            (AH)

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

In Process   The ability to monitor and review investigator response times will further improve
            after the Code Enforcement module of Accela has been implemented and at least
            three months of monitoring post-transition has been conducted. This information
            will be used to revise the necessary Code Enforcement Division's policies and
            procedures (contained in the CED Procedures Manual) as needed.

            Priority 1   Issue Date: Original Target Date: Current Target Date:
                          October 15, 2015   June 2016   ~~November 2016~~
                                                              ~~May 2017~~
                                                              ~~December 2017~~
                                                              April 2018

#10   Revise performance metrics to include measures of response times and time to
            achieve compliance, including:

            a) Percentage of initial inspections completed on time or average
                response time, by case priority;
            b) Average days to achieve voluntary compliance, or percentage of cases
                achieving voluntary compliance within a specified timeframe; and
            c) Average days to achieve forced compliance, or percentage of cases
                achieving forced compliance within a specified timeframe.

In Process   CED plans to review and revise (as necessary) its performance metrics after the Code
            Enforcement Module of the Accela system has been implemented and at least three
            months of monitoring post-transition has been conducted.

            Priority 2   Issue Date: Original Target Date: Current Target Date:
                          October 15, 2015   April 2016   ~~April 2017~~
                                                              ~~May 2017~~
                                                              ~~December 2017~~
                                                              April 2018

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

In Process   Instead of configuring PTS (which has been identified for replacement), CED plans to use the Code Enforcement Module of the Accela system to calculate and report on the metrics recommended by the Office of the Auditor. The methodology and the reporting will be finalized after at least three months of post-transition monitoring and analysis have been conducted.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 15, 2015	April 2016	~~April 2017~~
			~~May 2017~~
			~~January 2018~~
			April 2018

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

a) The capability to assign priorities to each case, and assign initial inspection due dates for high-priority cases.

b) The capability for Code Enforcement Division management and staff to generate reports for essential performance metrics on-demand, including those listed below. The system should produce reports on these metrics by case priority, investigator, and inspection district.

1. Percent of initial inspections completed on time

2. Average days to achieve voluntary compliance

3. Average days to achieve non-voluntary compliance

4. Percent of cases achieving voluntary compliance

c) Mobile access for investigators, to reduce the need to travel to the Development Services Department to enter case information.

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

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

In Process   Code Enforcement actively participated in the To Be Analysis phase of the Accela implementation and continues to be involved to ensure the system meets the needs of the Division, including those specified in Recommendation #12. At least three months of monitoring post-transition is required to evaluate how well system functionality and reporting requirements were met.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	October 15, 2015	April 2017	~~April 2017~~
			~~May 2017~~
			~~December 2017~~
			April 2018

Communications Department

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

(AH) (DN)

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

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

In Process Awaiting feedback from the City Attorney's office on the concept/script before we can move forward. After we receive their content, the video is expected to be complete four-six weeks later.

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

18-010	PERFORMANCE AUDIT OF THE COMMUNICATIONS DEPARTMENT'S CHARGES FOR SERVICES

(SP) (GC)

#1 The City Administration, in consultation with the City Attorney's Office, should provide a live Brown Act training for all Advisory Board members on a periodic basis, and should ensure that the staff liaisons for the boards attend this live training at least once per year.

In Process CommD is in the process of implementing the recommendations. For full implementation, OCA needs to review the steps CommD has taken since receiving our feedback in January 2018, as well as, ensure that the recommendations are integrated into its operations consistently.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	October 19 , 2017	November 2017	November 2017

#2 The Communications Department should provide Enterprise Fund Departments detailed and timely activity reports on a periodic basis, to justify charges for services. Detailed reports, at minimum, should include employee information, time charged, internal order number charged, and work or deliverable associated with the charge.

In Process	CommD is in the process of implementing the recommendations. For full implementation, OCA needs to review the steps CommD has taken since receiving our feedback in January 2018, as well as, ensure that the recommendations are integrated into its operations consistently.

Priority 3	Issue Date: October 19 , 2017	Original Target Date: November 2017	Current Target Date: December 2017

Corporate Partnerships and Development

18-011	PERFORMANCE AUDIT OF THE CITY'S GRANT MANAGEMENT
	(AE)

#1	Corporate Partnerships and Development Program staff should present the proposed streamlined process reducing the number of grants that require City Council approval to City Council for action.
In Process	Corporate Partnerships and Development and the City Attorney's Office have been working on the grants streamlining procedures for citywide implementation. Corporate Partnerships presented the streamlining process at Budget Committee as planned on Mach 14, 2018. Corporate Partnerships is planning to present the process to City Council by May 15, 2018. The Municipal Code requires two readings.

Priority 2	Issue Date: October 20, 2017	Original Target Date: December 2017	Current Target Date: ~~December 2017~~ ~~March 2018~~ July 2018

#3	After addressing suggested audit changes and incorporating revisions to Administrative Regulation 1.80, Corporate Partnerships and Development Program staff should publish and implement the draft Grant Administration Manual. This manual at a minimum should:

- Encourage City departments to systematically search for grant opportunities;
- Require departments to analyze grant requirements to ensure the grant is consistent with the government mission, strategic priorities and/or plans, and a multi-year cost/benefit analysis to avoid the risk that the government will unexpectedly spend its own funds to support a grant prior to preparing the grant application;
- Establish a Grant Oversight Committee and require departments to provide a comprehensive analysis before grant application and approval; and
- Create a review process for denied grant applications.

In Process   Corporate Partnerships and Development and the City Attorney's Office have been working on the grants streamlining procedures for citywide implementation. It was originally anticipated the item would be docketed for the November Council Committee. Based upon suggested changes to this process, it was pulled from the docket and will be rescheduled for March 2018.

Priority 2	Issue Date: October 20, 2017	Original Target Date: January 2018	Current Target Date: ~~January 2018~~ June 2018

Development Services

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

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

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

   a. Review all PTS user roles and limit the capabilities for roles that provide broad access to PTS' functions.

   b. Review current user access to PTS' roles and restrict access to only those roles necessary and appropriate for each user's function. This includes restricting the DSD Director's access to a more appropriate level, such as "read-only."

   c. Review current role combinations to ensure that no combination 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 and the remainder of this recommendation will be completed with the Accela implementation.

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

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

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

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

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

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

(SM)

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

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

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

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

(CK) (LB)

#2
The Development Services Department implement controls within Accela such as a default to the total number of units within the development to calculate the inclusionary fee. Additionally, we recommend DSD initiate a control within Accela to ensure that the Inclusionary Affordable Housing Fee will be assessed and collected within the first building permit phase of all future phased developments.

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

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

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

(KC) (NO)

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

In Process No change since last reporting period. Functionality in Accela is being evaluated and will be modified as needed to ensure performance tracking ability is realized. Confirmation will be available upon full implementation and stabilization of Accela.

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

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

In Process No change since last reporting period. Functionality in Accela is being evaluated and will be modified as needed to generate managerial reports on individual cycle review timeframes. Periodic reviews will be conducted to ensure that timeframes are changed as necessary to facilitate timely project completion. Confirmation will be available upon full implementation and stabilization of Accela.

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

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

In Process No change since last reporting period. Once Accela is fully implemented and stabilized, DSD management will be able to develop and generate reports specific to tracking individual project milestones and overall project schedule, from project application to permit issuance.

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

Economic Development

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 The department has worked with the Community Parking Districts to develop performance measurers and they have created a report template to report out to key program stakeholders. Once the completed results are reported out this recommendation will be considered implemented.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	November 7, 2014	June 2016	~~June 2017~~
			~~January 2018~~
			~~April 2018~~
			June 2018

#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   The department created a Process Narrative to address many of the recommendation components, however, it is lacking a monitoring component. The department will update the Process Narrative to include the missing component and once that is approved and codified this recommendation will be considered implemented.

Priority 3	Issue Date: November 7, 2014	Original Target Date: Fiscal Year 2017	Current Target Date: ~~October 2017~~ June 2018

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

(AE)

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

In Process   Economic Development Staff has worked with BID association management to establish metrics that will be collected on an annual basis and it has determined which metrics will be collected by the BID associations and by the City. The first annual reporting of metrics will be included in an established report template and presented to the Economic Development & Intergovernmental Relations Committee and City Council during the FY19 budget process starting in March 2018. This recommendation will be considered implemented when the reporting component is complete.

	Priority 3	Issue Date:	Original Target Date:	Current Target Date:
		September 9, 2015	~~N/A~~	~~January 2017~~
			January 2017	~~July 2017~~
				June 2018

Environmental Services

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   No change since last reporting period. R3 Consulting Group, Inc. was selected to perform the study. The Notice to Proceed was issued in March 2017, and the consultant is conducting the study. The study is anticipated to be presented at Committee by March 2018.

	Priority 1	Issue Date:	Original Target Date:	Current Target Date:
		August 11, 2014	March 2016	~~November 2017~~
				March 2018

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

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

	Priority 1	Issue Date:	Original Target Date:	Current Target Date:
		August 11, 2014	June 2016	~~November 2017~~
				March 2018

Independent Budget Analysis and Library

16-017   PERFORMANCE AUDIT OF THE SAN DIEGO PUBLIC LIBRARY SYSTEM

(AE)

#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   The Library has met with the IBA to discuss revisions to the matching fund policy that will create more equity. The Library now has a final draft policy which we are moving forward with (pending Auditor approval). The Library worked with the Performance and Analytics Dept on several occasions to develop a formula for determining how the matching pool distribution will be allocated to make the most significant impact and address priority needs for the branches and Library system. This model allows for data driven results accounting for demographics by library service area, such as population and median house hold income that determine an equitable allocation of matching funds via a pooled distribution model. Due to the complex nature of revamping the matching funds, the Library reached out to several stakeholders and organizations that support the library in an effort to minimize possible impacts to our donor base. Proposed changes to the matching funds require City Council approval. The Library plans to visit Council Committee in March with approval by April. The proposed distribution model and new Library Donations Matching Fund Policy is on target to be implemented by July 2018.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	May 26, 2016	January 2017	~~January 2017~~
			~~July 2017~~
			~~August 2017~~
			July 2018

Fleet Services

15-010	FLEET SERVICES DIVISION FRAUD RISK ASSESSMENT REPORT

(AH)

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

In Process	No change since the last reporting period. We determined that the Fleet Operations Department has not yet implemented cyclical inventory count procedures as planned. The Department plans to implement the procedures during Fiscal Year 2018. The OCA will conduct follow-up procedures to verify the implementation of this recommendation and will provide a status update in the next Recommendation Follow-Up report.

Priority 3	Issue Date: December 23, 2015	Original Target Date: May 2016	Current Target Date: ~~May 2016~~ ~~February 2017~~ June 2018

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

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

Library

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   The Library created a Department Instruction (DI) for staff to follow when the Library Donations Matching Fund Policy is implemented. The DI outlines specific steps which need to be taken to allocate funds from the pool distribution in accordance with the policy as well as how to proceed with updating the resource model with the most current data sets as they become available. Results will be reviewed on an annual basis to ensure equity issues throughout the library system are being addressed.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	May 26, 2016	December 2016	~~December 2016~~
			~~July 2017~~
			June 2018

#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   The department indicated that programming staff developed a survey using Public Library Association Program Outcomes data to gauge the effectiveness of all current programs. The programming team will use the results from the January-March timeframe to assess the current programming and determine the type of programming the community would like to see. The programming team has also been using tactics learned in Harwood training for outcomes based programming to interact with the community and develop new impactful programming. Goals and objectives for programming will be developed in April using information from outreach and survey results.

Priority 2	Issue Date: May 26, 2016	Original Target Date: January 2017	Current Target Date: ~~January 2017~~ ~~August 2017~~ April 2018

#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   The Library Department has implemented Radio Frequency Identification (RFID) and express check machines in all library locations. The acceptance of credit card payments at self-check machines is in process as well as a policy change regarding overdue fines. New programming models, technology and in-house services are also being implemented. These changes will impact the staffing needs at branches and was the impetus for the request for a classification study. A staff member attended Op-Ex training and is working with Performance and Analytics on developing a staff allocation model using current staffing criteria and these new factors.

Priority 2	Issue Date: May 26, 2016	Original Target Date: January 2017	Current Target Date: ~~January 2017~~ ~~December 2017~~ April 2018

Library and Comptroller

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   The Library Department developed a Risk Assessment Questionnaire in conjunction with Office of the City Comptroller and Risk Management Departments to address internal control recommendations. Based on answers from the Risk Assessment Questionnaire, the Office of the City Comptroller identified the following areas of risk that required review of controls and identification of ways to mitigate them across all sections: Cash Handling, Contract Administration, Environmental & Facility Controls, Inventory, Loss Protection, Physical Security, Timekeeping, and Purchasing of Materials & Supplies. As a result, the Library developed and updated policies to implement the internal controls. The Library implemented all of the internal control recommendations with the exception of two (2) controls which are contingent on budget. The Library requested funding to implement the outstanding controls as part of the FY19 Budget Adjustment Process.

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

Office Of Homeland Security

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 (AR) or similar directives to departments regarding requirements for timely and complete emergency plans.

In Process	This recommendation is in progress. SD-OHS has completed internal routing and is now awaiting the final legal review and approval from Human Resources.

Priority 3	Issue Date: July 9, 2014	Original Target Date: June 2015	Current Target Date: ~~February 2017~~ ~~February 2018~~ May 2018

Office of the Comptroller

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

(AH)

#5   We recommend that the Office of the City Comptroller revise the Internal Controls Process Narrative regarding Purchase Order invoice processing to strengthen internal controls.

In Process   The Office of the City Comptroller has revised the Process Narrative regarding Purchase Order Invoice Processing. Once their internal risk base sampling approach for reviewing invoices is documented and followed, this recommendation will be deemed implemented.

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

Office of the Mayor

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

(AH) (DN)

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

In Process   Ongoing negotiations between the Mayor's Office and the Office of the Council President regarding exact language and process.

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

#5   The Mayor's Office, in consultation with the Office of the Council President, should revise Council Policy 000-13, "Procedure for Mayor and Council Appointments," to formally document required steps in the vetting process for Advisory Board candidates, including establishing responsibilities for completing each step as well as timelines for completion. The revised policy should address differences, if any, between the vetting processes for candidates to be appointed by the Mayor versus candidates to be appointed by the City Council.

In Process   Draft language is being prepared to revise Council Policy 000-13 in consultation with the Office of the Council President.

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

#9   The City Administration should develop or procure a standard Brown Act compliance document, as approved by the City Attorney's Office, and provide it to all new and existing Advisory Boards. This standard should be posted on the City's website. In addition, the City Administration should ensure that each Advisory Board is provided with a website or with access to a designated page on the City's website, and document procedures and responsibilities for posting meeting agendas, minutes, and other applicable documents online.

In Process   The Mayor's Office has selected a standard Brown Act document that will be posted to the City's website, upon approval from the City Attorney's Office. A draft of a documented procedure for posting agendas, minutes, and other applicable documents online is in development. Upon completion, the Mayor's Office will post the document to the City's website. Each staff liaison will have the ability to post agendas, minutes and documents to their designated site.

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

#10   The Mayor's Office should follow through with its planned steps for reviewing the City's Advisory Boards for reorganization and standardization, and present recommendations to the City Council for consideration.

In Process   A consolidation of several boards has been presented by the Mayor's Office to Rules Committee and is currently under review at the Office of the City Attorney. It should be docketed for council approval by May 2018.

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

#11   The Mayor's Office should develop a standard format for reports to City Council regarding new Advisory Boards prior to their establishment. This report should include analysis of whether the functions of the proposed board could be incorporated into an existing board. This report should also include estimates of the City staff hours/cost to administer the proposed new Advisory Board.

In Process   While there are no plans to create any new boards before a full review and consolidation occurs, the Mayor's Office is developing a draft standard report to evaluate any new Advisory Board.

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

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

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

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

In Process   Currently evaluating the boards that have reporting requirements in order to identify best management practices and potentially adopt a preexisting format.

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

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

In Process The Mayor's Office has had ongoing conversations with the Office of the Council President regarding how to best proceed legislatively, operationally and legally.

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

Park and Recreation Department

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

(AH)

#2 We recommend that the Park and Recreation Department:

- Review the identified permit fee errors and ensure that the fees due to the permittees, the City, and the Recreation Councils are properly collected and disbursed.

In Process Park and Recreation will issue a memo specifying their course of action, however, at the time of issuance of this report we had not received it but we will continue to follow up during the next reporting period.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	June 12, 2017	September 2017	~~September 2017~~
			April 2018

#3 We recommend that the Park and Recreation Department:

- Develop internal control procedures to review permit fee calculations to ensure that the amounts due are computed correctly and verify that the permit was issued in advance of the event, as required.

In Process The department indicated that they developed internal controls to review permit fee calculations. Additionally, random permit audits have been conducted since August 2017 and will continue bi-annually. Lastly, they are developing training by February 2018 with the training for permit issuers to be completed by April 2018.

Public Utilities Department – Water Operations

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

(AH) (MG)

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

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

In Process   On January 2, 2015, the Water Construction and Maintenance Division of the Public Utilities Department implemented its 3 year accelerated valve maintenance program. It was determined that the valve maintenance section would need to maintain a staffing level of 28 people to achieve its goal of performing preventative maintenance (PM) on approximately 73,721 valves within a 3 year period. Due to hiring constraints within the past 2 years, the section staffing level has continued to fall, affecting daily production numbers. In addition to the vacancies, the section also had multiple people on industrial leave, as well as limited duty due to injuries. The total number of budgeted positions for this section is 28, which includes 2 supervisors and 26 field staff. We currently have 2 injured field staff (industrial leave/long-term disability) and an additional 8 vacancies which we are in the process of filling.

In addition to the above, it was discovered that the number of valves needing PMs (73,721) during the 3 year accelerated program was inaccurate. A PM for a fire hydrant was counted as 1 valve, but in fact a fire hydrant PM consists of 2 water system components: the hydrant and the valve that controls the water going to the hydrant, increasing the number of valves operated and maintained to 99,270. These additional 25,549 valves which represent a 35% increase over the original number identified, increase the time needed to complete one full cycle of valve maintenance by 12

58

months, which is the additional time being requested to complete the accelerated program. The valve crews assigned north of Interstate 8 have completed and PM'd all valves in that area. These teams are now working south of Interstate 8 alongside the crews currently performing PM's on the remaining valves in that area. We estimate that the accelerated valve program will be completed by January 31, 2019.

Also, based on the data we have collected and our experience to date, we determined that a 3/5 year risk based valve maintenance program is not the most cost effective or efficient way to maintain the valves within the distribution system. Originally, it was determined that each valve within the distribution system would be given a weighted score based on installation date, valve type, critical customers and community impact. Valves with a score of 65 or higher would be considered high risk, and would receive PM's every 3 years. Valves with less than a score of 65 would be considered low risk and would receive PM's every 5 years. This often resulted in 2 or more valves within the same intersection having different PM schedules. For example, in the intersection of Mission Gorge Road and Twain Avenue there are 4 valves. Two of those valves within a 4 foot radius received a weighted score of 65 or higher and the other 2 valves received a score less than 65. Based on the 3/5 year risk based maintenance program, crews would be required to visit and perform PM's twice at the same location. This approach is labor and budget intensive and will require crews to set up traffic control and storm water BMP's each time they move forward, and back to PM valves in an area previously worked. Therefore, the cost to PM valves will double in areas that have valves with different PM schedules if a 3/5 year plan is implemented.

We are therefore recommending a 4 year linear program which is consistent with the data already gathered and is within the AWWA industry recommendations for valve maintenance. In addition, the scoring criteria established for the 3 year accelerated program does not account for the following:

- Valves replaced should be rescored to determine their criticality. This example is demonstrated using Appendix B of Valve Audit Recommendation #4. In this table, 13 (41%) of the 32 valves scored would be on a 3 year maintenance cycle. However, consider the same table when a valve weighted at 20 points is replaced to 5 points used for a new valve. Only 2 (6%) remain a 3 year maintained valve.
- San Diego has an aggressive water main and valve replacement program. Valves replaced should trigger a recalculation of and determination if the valve is a 3 or 5 year maintained valve.
- Rescoring will cause a constant moving forward and backtracking of valve teams as valves age moving through the install date criteria.
- The current scoring criteria does not consider water system design: redundancy in the form of looped water mains laid out in a grid. Looped water mains offer redundancy and ability to feed customers and critical facilities from more than one direction. Cul-de-sacs are the exception.
- As previously stated, our recommendation going forward is for a 4 year linear program to be implemented at the conclusion of the accelerated program. It is the simplest, most cost effective way of moving forward with a valve maintenance program. The benefits include:

- We have proven we can do it. The past 3 year accelerated program is linear by its nature.
- A linear program eliminates the constant going forward and backwards based on a valve's age or rescoring.
- A 4 year program meets AWWA standards as identified in the AWWA Manal M44, page 55, bullet 3: "All gate valves should be physically cycled from full open to close and back open at least once every five years or on a timetable based on the criteria established by the agency." We meet this standard with a 4 year program.
- Finally, a 4 year program complies with State of California Code of Regulations (CCR) as defined in Title 22, Division 4. Environmental Health, Chapter 16. California Waterworks Standards, Article 8. Distribution System Operation, §64600. Water System Operations and Maintenance Plan, (a) (9) The schedule and procedures for routine exercising of water main valves.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	December 31, 2012	December 2013	~~January 2018~~
			January 2019

Public Works

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

(SG) (MG)

#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   The Resident Engineer Project Close-Out Checklist defines tasks required with a date entry field per task to note time of completion. Management also provided as standard project closeout time line of 22 to 26 weeks with the various closeout activities with some responsible parties noted.

There are no policies or procedures provided for the checklist, as those are required under recommendation #4 of this audit. The policies and procedures would define the details of this process.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	~~N/A~~	~~November 2016~~
		November 2016	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   The Public Works Department reported this recommendation as Implemented, however, documentation was not provided in time for OCA to verify its implementation. OCA is working with the department to obtain supporting documentation for review and will report out during the next reporting period.

The Public Works Department reported it is expanding the use of its current Construction Management software ("VPM"). Additionally it is implementing an electronic processing of Construction Change Orders through a system titled "On-Base". Both these electronic systems will are now ready for roll out department wide. The VPM allows for electronic collaboration between the project manager, construction manager and contractor throughout the construction phase (from cradle to grave). This includes the exchange of all construction related documents. Additionally, within this VPM system, a Storm Water Inspection Module has been implemented for all CIP projects that allows for the capture and reporting of water quality inspection. The Department has established a process with its PWD-IT team to automatically set-up VPM accounts for all of its CIP projects. The Department has also dedicated a "tablet team" within the Construction Management & Field Services Division to routinely evaluate the performance and needs of these electronic tools.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	June 2017	~~June 2017~~
			December 2017

Purchasing and Contracting

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

                      (AH)

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

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. has been drafted and is currently
                      routing through the approval process.

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

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

                      (SG) (AE)

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

In Process   All P&C Procurement Contracting Officers have been trained on contact
                      administration, and that training includes responsibilities for citywide contracts. P&C
                      has implemented a tool to facilitate the management of Citywide contracts; however,
                      the department has not identified all of the existing Citywide contracts and will only
                      flag them as they are renewed or replaced and entered into the new Ariba system. As
                      a result, P&C cannot assign contract managers to the existing Citywide contracts they
                      have not identified and these contracts will continue to be effected by the control
                      failures that previously existed.

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

#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   The Purchasing and Contracting department manages the target value control for renewed and new contracts in their Ariba system, and they have identified a method to manually track and enforce target value controls on existing contracts. However, they have not formally or enforceably implemented this technique to ensure that target value controls are enforced for existing contracts. P&C does not have any additional compensating controls in place.

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

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   The Purchasing and Contracting Department has a tool to provide contract centralization as required by this recommendation; however, the department is prioritizing entering new or renewed contracts into this tool. As a result, mature contracts are then analyzed to determine as to whether or not having the benefit of this controlled environment is warranted. P&C does not have any additional compensating controls in place.

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

#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   Upon further review of the content and intent of this recommendation, P&C submits that this recommendation is best addressed by the Office of the City Comptroller. Although P&C provides guidance to client departments on certain aspects of contract administration, invoice payment processes are outside of that scope.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	November 2015	~~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   The Purchasing and Contracting department informed us they have created their independent Quality Assurance Program as has the Public Works department. However, we have not received documentation to support these statements.

Further, the office of the COO has not created a standardized Quality Assurance Process that both P&C and Public Works can follow to standardize both their requirements and high level process to ensure contractual risks are mitigated and to ensure compliance with contractual requirements.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	November 2015	~~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   The Contracts Pro module within the Ariba solution establishes target value and other controls, including contract close out and renewal controls that are subject to a defined, repeatable, task driven process. to execute, amend, and close out contracts. All contracts are being uploaded into Ariba on a rolling basis, and outline agreements in SAP can no longer be released unless the contract is first uploaded in Ariba, and thus subject to the controls outlined above. P&C does not have any additional compensating controls in place.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	~~N/A~~	~~November 2016~~
		November 2016	~~June 2017~~
			June 2022

#7   The Chief Operating Officer (COO) should require the completion of a standardized performance evaluation upon contract completion for both CIP and non-CIP contracts. Specifically, the COO should develop policies and procedures for vendor performance evaluations that:

a. Are defined at a high enough level for both the Purchasing and Public Works departments to use and add more detailed information as appropriate;

b. Define specified periods in a contract lifespan;

c. Ensure that all evaluations are centrally attached to vendor record, such as the SAP Vendor Master files Attachment;

d. Ensure that past Vendor Performance is taken into account prior to issuing or renewing contracts with that vendor;

e. Design a formalized vendor dispute and arbitration process to ensure evaluations are performed equitably; and

f. Ensure that the process is robust enough to pursue vendor debarment when appropriate.

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

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

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

#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. has been drafted and is currently routing through the approval process.

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

#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. has been drafted and is currently routing through the approval process.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	July 2016	~~January 2017~~
			~~June 2017~~
			~~April 2018~~
			May 2018

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   Although P&C has reported this recommendation as Implemented, OCA has not received any supporting documentation for review. OCA is working with P&C to obtain support so implementation can be verified.

Purchasing and Contracting has reported that the Contracts Pro module within the Ariba solution establishes target value and other controls that are subject to a defined, repeatable, task driven process, to execute, amend, and close out contracts. All contracts are being uploaded into Ariba on a rolling basis, and outline agreements in SAP can no longer be released unless the contract is first uploaded in Ariba, and thus subject to the controls outlined above. Although the contracts are being uploaded on a rolling basis, P&C maintains that the intent of the recommendation has been satisfied.

Additionally, the issue of pricing and invoice matching for contracts that are uploaded into the Ariba catalog environment is resolved through system controls in Ariba. That is, catalog items are systematically matched to the contract price and deviations from those contracted prices are prevented through system controls.

Finally, P&C and client department staff have been trained and continue to receive refresher training on the functionality of Ariba and associated contract processes.

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

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

In Process   Although P&C has reported this recommendation as Implemented, OCA has not received any supporting documentation for review. OCA is working with P&C to obtain support so implementation can be verified.

P&C reported the Contracts Pro module within the Ariba solution establishes target value and other controls that are subject to a defined, repeatable, task driven process, to execute, amend, and close out contracts. All contracts are being uploaded into Ariba on a rolling basis, and outline agreements in SAP can no longer be released unless the contract is first uploaded in Ariba, and thus subject to the controls outlined above. Although the contracts are being uploaded on a rolling basis, P&C maintains that the intent of the recommendation has been satisfied. Additionally, P&C and client department staff have been trained and continue to receive refresher training on the functionality of Ariba and associated contract processes.

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

17-022   HOTLINE INVESTIGATION OF A CITY VENDOR

(AH)

#1   We recommend that the Assistant Chief Operating Officer:

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

In Process   The Purchasing and Contracting Department Management has initiated non-responsibility hearing proceedings with respect to the named vendor. In accordance with due process requirements, the vendor requested a non-responsibility hearing, which is scheduled April 30, 2018. Contingent on the results of the hearing, the City will make a determination regarding possible debarment actions.

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

#4   We recommend that the Assistant Chief Operating Officer:

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

In Process   P&C is in the process of developing risk criteria and information sources for additive levels of document validation.

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

Real Estate Assets

13-009   **PERFORMANCE AUDIT OF THE REAL ESTATE ASSETS DEPARTMENT**

(SP)

#4   The Real Estate Assets Department (READ) should work with the City Administration and the City Council to draft a policy on rent subsidies to nonprofit organizations that establishes eligibility criteria for recipients, recovers the City's facilities maintenance and upkeep costs for the subsidized space, and fee to recover the costs of preparing, processing, and monitoring leases.

In Process   According to the department, revising Council Policy 700-10 impacts other council READ is continuing to work diligently with the City Attorney's Office to ensure that all proposed changes to Council Policy 700-10 are complete and appropriately include changes to any related policies as necessary. READ anticipates that the proposed draft changes will be presented to the Smart Growth and Land Use Committee by late Spring of 2018.

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

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

 (NO)

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

In Process   Per the Park and Rec Department, the City and consultant team met with the community last fall as planned and received feedback that staff has been addressing. The next community meeting is on Monday January 8 where the City will present refinements to the original concept. Historical analysis is not yet complete for the two candidate structures.

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

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

In Process   Lease rates have been adjusted based on information from the market rate study.
            READ and PUD have worked out a plan to adjust and monitor rents annually in
            relation to the market study findings. Rental rates will be reported via memo to City
            Council every three years.

Priority 3	Issued Date:	Original Target Date:	Current Target Date:
	May 7, 2014	August 2014	~~December 2016~~
			~~February 2017~~
			December 2017

San Diego Convention Center

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

            (SP)

#1   Upon renewal of the San Diego Tourism Authority Sales and Marketing Contract, the
            San Diego Convention Center Corporation should:

- Review and revise the contract to include specific, measurable, achievable,
  relevant, and timely performance targets for evaluating the San Diego
  Tourism Authority's booking performance. The performance targets should
  include the annual minimum total projected room night goal.
- Include a corrective action clause with annual review for San Diego Tourism
  Authority performance. This clause should include escalating corrective action
  options ranging from a written warning, a formal corrective action plan, up to
  contract termination.

In Process   The San Diego Convention Center Corporation SDCCC reports that the San Diego
            Tourism Authority contract was approved by the Budget & Government Efficiency
            Committee on Wednesday, March 14th. The contract is expected to be presented at
            the April 10, 2018 City Council Meeting.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	January 18, 2017	July 2017	~~July 2017~~
			March 2018

#2   Upon renewal of the San Diego Tourism Authority Sales and Marketing Contract, the San Diego Convention Center Corporation should:

- Establish the Booking Guidelines as a framework and not as the standard for the San Diego Tourism Authority's performance evaluation. If included in the new contract, the Booking Guidelines should:

  o   Include a complete Booking Time Frame Scale; and

  o   Identify how Booking Time Frame and Exhibit Hall Allocation Requirements will be monitored, reviewed, and prioritized.

In Process   The San Diego Convention Center Corporation SDCCC reports that the San Diego Tourism Authority contract was approved by the Budget & Government Efficiency Committee on Wednesday, March 14th. The contract is expected to be presented at the April 10, 2018 City Council Meeting.

Priority 2	Issue Date: January 18, 2017	Original Target Date: July 2017	Current Target Date: ~~July 2017~~ March 2018

San Diego Housing Commission

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

(CK) (LB)

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

In Process   No change in status from last reporting period. Beginning in 2015, the Housing Commission engaged consultants specializing in construction estimating to provide a Statement of Probable Cost (often referred to as a "cost estimate") for real estate developments requesting a residual receipt loan. These third-party cost validations are now included in the San Diego Housing Commission Board reports for developments requesting a residual receipt loan.

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

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

San Diego Police Department

14-006	PERFORMANCE AUDIT OF THE POLICE PATROL OPERATIONS

(NO)

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

In Process   The San Diego Police Department indicated the cutover to the new Intergraph CAD system was completed on schedule on October 17, 2017. The new system offers more detailed data that should allow improved reporting and analysis capabilities into the future. Staffing/service delivery will be reviewed as reports are created and sufficient data to support analysis has been collected.

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

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

(AH) (DN)

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

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

In Process   SDPD indicates that it will not order a percentage-based enforcement increase of any specific violations (i.e., require a minimum percentage of citations to be issued for certain violations most likely to harm pedestrians). Upon further review, the City Attorney's Office's determined that SDPD likely cannot legally set a percentage-based goal for increasing enforcement of certain violations as doing so would constitute an illegal arrest quota. However, the City Attorney's Office stated that alternative strategies for increasing the enforcement priority of certain violations are possible because the Chief of Police has the authority under the City Charter to control the operation of the SDPD and may set department priorities as long as they do not violate federal or state law. The City Attorney's Office stated that it can analyze any particular proposed strategies on a case-by-case basis. Based on conversations with the City Attorney's Office, one possible measurable goal would be

to direct officers to spend a minimum amount of time targeting violations that are most likely to harm pedestrians.

To that end, the Traffic Division has analyzed data to determine which violations are most likely to cause harm to pedestrians, and has issued an email to the Captains of the various SDPD divisions providing maps detailing locations in each division with high rates of pedestrian collisions, as well as certain pedestrian and driver violations that should be enforced at those locations. The email instructs Captains to have officers incorporate enforcement of violations committed by or against pedestrians at the mapped locations into their daily activities "to the greatest extent possible." However, SDPD has not established any measurable goal for officers to comply with, such as by directing them to spend a minimum amount of time focusing on these violations.

SDPD has also increased its dedicated bicycle and pedestrian enforcement and education operations to two per month. While an increase in the number of these targeted enforcements is an improvement, it is not enough to satisfy this recommendation because the bicycle and pedestrian safety enforcement details are a very small portion of overall SDPD traffic enforcement. This recommendation was meant to increase all SDPD officers' focus on the issue of pedestrian safety and the related violations during their day-to-day enforcement.

We found that the citation data for 2016 and the first half of 2017 does not demonstrate that the current approach has been successful in increasing enforcement of violations related to pedestrian safety. For example, we reviewed citation data for specific pedestrian and driver violations that the Traffic Division directed officers to focus on and found that citations for those violations made up 2.09 percent of all traffic citations from 2013-2015, but dropped to 1.59 percent of all traffic citations in 2016 and 1.13 percent of all traffic citations in the first half of 2017. OCA will continue to follow up on the recommendation to monitor progress in focusing enforcement on the specific violations that cause pedestrian collisions, injuries, and fatalities.

Regarding public outreach, a link to the City of San Diego Vision Zero webpage has been placed on SDPD's webpage, and will be updated to include information on SDPD's Vision Zero efforts. The Traffic Division is also working with the Vision Zero Task Force to get SDPD data and a PSA posted on the Vision Zero website, along with links to social media posts to inform the public of SDPD's focus on pedestrian safety. That information should include an annual report of SDPD's performance towards increasing enforcement related to pedestrian safety. The Traffic Division has an analyst currently working to analyze citation data to track this progress.

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

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

In Process   The Traffic Division created a video that partially addressed the recommendation and plans to keep track of whether officers have viewed the training video using Success Factors. In addition, a Department Order directs officers to view the video by June 30th, 2018. However, the video still needs to be viewed by all SDPD officers. OCA will continue to follow-up until documentation demonstrating that officers have viewed the video has been provided.

In addition, the Traffic Division is working to get additional training regarding pedestrian safety into the curriculum of the regional POST training, which is mandatory training for all officers. OCA will continue to follow-up until training materials are provided demonstrating that pedestrian safety is part of the curriculum and demonstrating what specifically is covered in the training. OCA will also continue to follow-up until evidence that officers have gone through the training is provided.

Priority 2	Issue Date: September 15, 2016	Original Target Date: January 2017	Current Target Date: ~~March 2017~~ ~~November 2017~~ June 2018

Transportation & Storm Water

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

(AH)

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

In Process   The City has developed a Spray and Pay Communications Plan along with examples of plan execution. The plan will increase awareness of the Spray and Pay Program, which partially addresses the recommendation. In addition, TSW, SDPD, and the Office of the City Attorney are developing an MOU which will establish a new procedure to make Spray and Pay awards proactively to residents who submit reports of graffiti vandalism in progress, and outline each department's responsibilities for executing this procedure. Once the MOU is finalized and evidence of execution has been provided, the recommendation will be considered implemented.

Priority 2	Issue Date: March 05, 2014	Original Target Date: September 2014	Current Target Date: ~~January 2017~~ ~~May 2017~~ June 2018

15-011   PERFORMANCE AUDIT OF THE UTILITIES UNDERGROUNDING PROGRAM

(SP)

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

In Process   According to Transportation & Storm Water, changes to the Municipal Code and
            Council Policy are still on hold due to related legal proceedings. Once we have more
            information on when legal proceedings will end, we will revise the estimate for the
            implementation date. We do not have enough information currently to estimate this
            date, but may have enough information next quarter. Typically it takes several
            months to formally adopt changes to the Municipal Code once draft language is
            developed.

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

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

In Process   The department is still on track to implement the recommendation by the revised
            target recommendation date of June 30, 2018. By that date, the department is
            planning to have the new database fully operational. This new database will resolves
            the current issue of disparate locations of data thereby enabling efficiency and
            accuracy when performing project management analyses using software. This
            schedule is based on staff estimates, and may need to be revised after the IT
            consultant submits a detailed cost and schedule proposal in the early part of the 3rd
            fiscal quarter. Progress achieved in the 2nd fiscal quarter includes developing a
            detailed data schema, establishing the scope of work for the IT consultant, and
            getting IT governance approval to move forward with negotiating a cost and
            schedule proposal with the IT consultant.

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

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

(AE)

#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   No change since the last reporting period. The department indicated that prior to June 30th, staff developed and implemented a Performance Measures data table that includes the additional streetlight KPIs. The process, essentially consists of validating data from SAP.   The department is still unclear on how this will look in the IAM system. Once the new system is online the department will create an SOP for how this is done, and a copy will be provided when it is complete.

Priority 2	Issue Date: December 1, 2016	Original Target Date: December 2017	Current Target Date: ~~December 2017~~ June 2018

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

In Process   The launch date for IAM has shifted to March 2018. Once the new system is implemented, a sample of its inventory solution will be provided.

Priority 2	Issue Date: December 1, 2016	Original Target Date: December 2017	Current Target Date: ~~December 2017~~ March 2018

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

(AH)

#3   We recommend that TAP management work in coordination with the Human Resources Department's Citywide Volunteer and Youth Development Programs in order to implement a process of regular verification of intern and volunteer eligibility.

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

| Priority 3 | Issue Date:
December 22, 2017 | Original Target Date:
December 2017 | Current Target Date:
December 2017 |

#4 We recommend that TAP management implement a consistent numbering system policy for intern and volunteer identifications numbers.

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

| Priority 3 | Issue Date:
December 22, 2017 | Original Target Date:
December 2017 | Current Target Date:
December 2017 |

#5 We recommend that TAP staff perform a review of current participant records to identify errors in employee identification numbers, and correct the records when the errors are identified.

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

| Priority 3 | Issue Date:
December 22, 2017 | Original Target Date:
December 2017 | Current Target Date:
December 2017 |

December 2017

ATTACHMENT D

Recommendations Deemed As In Process And Not Due

Sorted by Department

This schedule includes all recommendations as of December 31, 2017 that are not due but are In **Process** of implementation based on the status information provided.

Chief Operating Officer

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

(AE) (NK)

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

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

In Process   ESD is submitting this update to provide evidence that staff has taken actions to meet the recommendation ahead of the implementation date.

- The new EDI system's implementation begins in March 2018.
- ESD is continuing to formally include the City's energy consultant on rate analysis for incorporation into ongoing and future forecasts and regulatory engagements.
- ESD benchmarked peer groups and proposal responses from EDI solicitation for best practices. ESD also interviewed other departments on current process concerns and potential improvements. These notes and lessons learned are incorporated in both the Process Narratives and the Standard Operating Procedures (SOP) Manual.
- ESD worked with the Comptroller's office to prepare two Process Narratives to address Recommendation 1. One Process Narrative addresses monthly utility report review by City Departments and Divisions and the other addresses utility bill payment.
- ESD created the SOP Manual to address items under Recommendation 1. The SOP was proactively identified by staff as a required resource, even before the audit process, to formalize protocols ensure quality assurance and to serve as a training tool.

- Items under Recommendation 1 are not addressed by a single process in the SOP because, in terms of operations, it makes more sense to communicate and interact with staff from various departments through a number of processes in order to cross train and educate each other. For example, periodic review of utility rates and review of utility bills are thus covered in different processes. Payment of utility bills will be covered under the Weekly Bill Review and Payment process in the SOP.

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

18-007 PERFORMANCE AUDIT OF THE BUSINESS COOPERATION PROGRAM

(AH) (KC)

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

In Process 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 1	Issue Date: September 28, 2017	Original Target Date: October 2018	Current Target Date: October 2018

18-012 HOTLINE INVESTIGATION OF AN INFORMATION TECHNOLOGY CONTRACT

(AH)

#2 We recommend that the Chief Operating Officer revise Administrative Regulation 3.20 to ensure that staff reports include all material facts or significant developments necessary for the City Council to make an informed decision.

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

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

City Treasurer

| 18-002 | PERFORMANCE AUDIT OF MISSION BAY AND SAN DIEGO REGIONAL PARKS IMPROVEMENT FUNDS, FISCAL YEAR 2016 |

(RG)

| #1 | The City Treasurer's office should schedule and conduct routine audits (at least once every 3 years) of Newport Pacific Capital Company similar to the Lease audits they currently perform on all other Lease agreements of Lessees on Mission Bay Park Land subject to Charter Section 55.2 requirements. |

In Process   The department indicated they are still on target to begin their audit in the fourth quarter of this Fiscal Year.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	August 31, 2017	June 2018	June 2018

Corporate Partnerships and Development

| 18-011 | PERFORMANCE AUDIT OF THE CITY'S GRANT MANAGEMENT |

(AE)

| #2 | Based upon City Council action, Corporate Partnerships and Development (CPD) Program staff should update Administrative Regulation 1.80, Grant Application Procedures dated August 2, 1993 to: |

- Establish CPD's authority over the City's grant application process;
- Provide a centralized database available to multiple users to facilitate the coordination efforts of grant identification and application; and
- Identify departmental training needs and take action to provide Citywide training for common grant identification and application needs.

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

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 20, 2017	March 2018	March 2018

| #5 | Corporate Partnerships and Development staff in conjunction with the Comptroller should strengthen the control framework for grant management by documenting and implementing accountability expectations communicated in the published Grant Administration Manual and updated Administrative Regulation (AR) 1.80 described in recommendations 2 and 3. At a minimum the Grant Administration Manual and updated AR should: |

- Outline the authority and responsibility for the control environment, risk assessment of the grant management process, entity-wide communication, and process monitoring;

- Include procedures to provide for grant management training opportunities or direct departments to ensure staff has received sufficient training;

- Direct City departments with grants to establish written procedures supplementing the manual for effective administration of grants that addresses financial management, internal controls, inter-departmental communication, and sub-recipient monitoring; and

- Clearly identify who in the City is responsible for providing oversight to the various aspects of grant management.

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

Priority 2   Issue Date: Original Target Date: Current Target Date:
                 October 20, 2017   March 2018   March 2018

Department of Information Technology

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

(AH)

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

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

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

Economic Development

18-007   PERFORMANCE AUDIT OF THE BUSINESS COOPERATION PROGRAM

(AH) (KC)

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

In Process   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 1   Issue Date: Original Target   Current Target Date:
       September 28, 2017   Date: October 2018   October 2018

Environmental Services

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

(AE) (NK)

#3   Environmental Services Department Director in coordination with Transportation and Storm Water Department, Park and Recreation Department, Economic Development Department, and the Chief Financial Officer should:

- Develop City-wide procedures for energizing street light accounts, including processes to ensure new lights are added to the appropriate account; and
- Establish a requirement to review all street light bills to ensure lights are assigned to the correct account, once Street Division has established an accurate street light inventory.

In Process   ESD is submitting this update to provide evidence that staff has taking actions to meet the recommendation ahead of the implementation date; TSWD is also providing information that staff has taken action to meet the implementation date.

- The Streetlight Strategic Management Plan, adopted in June 2017, develops City-wide procedures for energizing street light accounts and adding new lights.
- ESD created a Standard Operating Procedures (SOP) Manual to address procedures for reviewing street light bills and accounting information.
- ESD created a Memorandum of Understanding (MOU) between the City and SDG&E to formalize roles and responsibilities for billing processes.

- ESD is formally including the City's energy consultant on street light rate analysis and regulatory engagements.
- TSWD provides the following updates regarding their roles and responsibilities to meet Recommendation 3:
  - The Project Assistant position has been filled.
  - The Electrical Service Order (ESO) process has been refined.
  - TSW will continue to coordinate with ESD and Park & Rec to update the streetlight inventory in order to ensure MAD lighting is appropriately designated and billed.

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

Financial Management

18-011   **PERFORMANCE AUDIT OF THE CITY'S GRANT MANAGEMENT**

(AE)

#4   The Financial Management Department should incorporate grant identification into the formal annual budget process.

In Process   The Fiscal Year 2019 Budget Reference Manual (BRM) has been updated to include text requiring departments to proactively search for qualified grant opportunities when preparing expenditure budget requests. Additionally, the BRM provides a link to the Citywide Grants and Gifts Resource Center website for departments to obtain additional information on the grant application and management process.

Upon establishment of the Grants Oversight Committee, Financial Management will complete the recommendation by working with the Committee to evaluate the budget against projected cash flows of current and future grants.

Priority 3	Issue Date: October 20, 2017	Original Target Date: April 2018	Current Target Date: April 2018

Fire-Rescue Department - Lifeguard

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   Real Estate Assets Department (READ) has completed a survey of other Southern California municipalities who allow similar beach concession operations. READ, SDFD and City Attorney's Office (CAO) are evaluating the data from the survey. The CAO is reviewing current concession contracts to determine what options may be available for future contract extensions.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	May 27, 2015	February 2018	February 2018

Office of the Mayor

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

(AH) (DN)

#8   The City Administration, in consultation with the City Attorney's Office,   should provide a live Brown Act training for all Advisory Board members on a periodic basis, and should ensure that the staff liaisons for the boards attend this live training at least once per year.

In Process   The Mayor's Office, in consultation with the City Attorney's Office is securing a date whereby staff liaisons will be trained on the Brown Act. A timeline is being developed for periodic training for Advisory Board members on a rotating basis so as to not violate the Brown Act.

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

Park and Recreation Department

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

(AH)

#4   We recommend that the Park and Recreation Department:

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

In Process   The department indicated they are on track to meet their target implementation date.

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

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

(LB) (NO)

#1   The Park and Recreation Department (PRD) should develop or refine maintenance standards for all Citywide park maintenance functions so that they can be tracked in the ManagerPlus® work order system.

> a) For park maintenance tasks that depend on outside departments for completion or that are not routine, PRD should develop maintenance standards that capture its response time instead of completion time.

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

Priority 3	Issue Date: October 12, 2017	Original Target Date: March 2018	Current Target Date: March 2018

#2   The Park and Recreation Department should continue to regularly assess the Citywide Management Team's performance by analyzing data from its work order system, ManagerPlus®. Specifically, PRD should track work order completion times and whether they comply with Park Maintenance Standards.

In Process   The Park and Recreation Department provided documentation that shows the Department has been tracking the on-time completion of work orders for Citywide maintenance services. However, new or revised Park Maintenance Standards are forthcoming as part of the implementation of Recommendation #1. Therefore, we will revisit the implementation of Recommendation #2 after the new or revised Park Maintenance Standards are implemented to ensure the Department is continuing to track work order completion times and whether they comply with the new or revised standards.

Priority 3	Issue Date: October 12, 2017	Original Target Date: N/A	Current Target Date: N/A

#3   The Park and Recreation Department should improve its assessment and monitoring of grounds maintenance outcomes by developing and/or reinstituting additional systematic evaluations that solicit public feedback on park maintenance.

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

Priority 3	Issue Date: October 12, 2017	Original Target Date: July 2018	Current Target Date: July 2018

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

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

Priority 3	Issue Date: October 12, 2017	Original Target Date: July 2018	Current Target Date: July 2018

Public Utilities Department

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

(SM) (AH)

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

In Process   No change since last reporting period. Implementing the Industrial Wastewater Control Program (IWCP) audit recommendation relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and/or fee model, which is anticipated to be completed by March 2018. The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis), assessment of current fees, and internal PUD review of any recommended changes.

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

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

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

In Process   No change since last reporting period. Implementing the Industrial Wastewater Control Program (IWCP) audit recommendation relies on having a City Council and Participating Agency-approved Cost of Service Study (COSS) and/or fee model, which is anticipated to be completed by March 2018. The Public Utilities Department (PUD) is in the process of revising its billing structure to address issues identified in the audit. This on-going, complex process requires the evaluation of all functions of the program (i.e., permitting, inspections, sampling, and lab analysis),

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

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

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

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

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

18-014   **FRAUD HOTLINE INVESTIGATION OF WATER THEFT**

(AH)

#1   We recommend that the Public Utilities Department's Customer Support Division conduct an investigation to determine if an Administrative Citation or Administrative Warning is warranted based on the information contained in the confidential version of this report and take the appropriate action.

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

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	December 28, 2017	June 2018	June 2018

#2   We recommend that the Public Utilities Department update the Fire Hydrant Meter Program to reflect the current SDMC references and any other changes to the program.

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

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	December 28, 2017	December 2018	December 2018

#3	We recommend that the Public Utilities Department, in consultation with the Office of the City Attorney, determine if the costs of water use related to the 2012, and prior contracts, should be recovered from the vendor, and take the appropriate action.
In Process	This is a new recommendation that was issued within the last three months of the current reporting period but are not expected to be implemented.

Priority 2	Issue Date: December 28, 2017	Original Target Date: July 2018	Current Target Date: July 2018

Public Works Department

18-007	PERFORMANCE AUDIT OF THE BUSINESS COOPERATION PROGRAM
	(AH) (KC)
#3	The Public Works Department and Business Cooperation Program staff should implement a policy requiring that when Business Cooperation Program staff determine that a City capital improvement project would be eligible for the program and would likely generate significant revenues, participation in the Business Cooperation Program be included in the bid requirements.
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 1	Issue Date: September 28, 2017	Original Target Date: July 2018	Current Target Date: July 2018

Streets Division

17-009	PERFORMANCE AUDIT OF STREET LIGHT REPAIR
	(AE) (NK)
#6	To ensure the City has accurate asset data used for street light repairs, the Street Division Deputy Director should: prioritize hiring of asset management positions; update street light asset information to include fixture and pole data needed to make street light repairs more efficient; and develop operational guidelines for updating street light asset data when the City makes modifications to assets, and if asset additions and removals occur.
In Process	No change in status since last reporting period. The electrical service order process is comprehensive, with the exception of identifying new MAD lights. TSW is programming funding to complete a network-wide streetlight inventory in FY19. Upon completion the inventory will be reconciled with ESD and Park & Rec to ensure that all MAD lighting is appropriately designated and billed.

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

Transportation & Storm Water

18-001 **PERFORMANCE AUDIT OF THE CITY'S QUALITY MANAGEMENT OF STREET REPAVING PROJECTS**

(CK) (SM)

#2 Transportation & Storm Water should analyze the identified streets repaved between Fiscal Year 2011 and 2015 that have an Overall Condition Index rating of fair or poor condition to determine the likely causes of premature pavement deterioration, such as subgrade stability, material quality, workmanship, and construction impact. Based upon the review, Transportation and Storm Water staff should determine if a process should be established for ongoing analysis of Overall Condition Index, quality assurance information, and repaving history to identify what streets are underperforming and why.

In Process The Transportation & Storm Water Department is currently assessing the condition of streets that were repaved between Fiscal Year 2011 and 2015 that had an OCI score less than 70 on the most recent condition assessment. Using this information, the department will determine if a process should be established for utilizing the OCI score to determine which pavement is underperforming.

| | Priority 3 | Issue Date:
July 13, 2017 | Original Target Date:
July 2018 | Current Target Date:
July 2018 |

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

(AH)

#1 We recommend that TAP management strengthen internal controls over cash handling at all sites as described in the confidential report.

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 1 | Issue Date:
December 22, 2017 | Original Target Date:
February 2018 | Current Target Date:
February 2018 |

#2	We recommend that TAP management:

    a. Consult with the Office of the City Attorney to determine if overpayments can be recovered from MTS given that no contracts exist for the monthly passes;

    b. If overpayments can be recovered, TAP should perform detailed invoice reconciliations for the October through December 2016 and April 2017 invoices, and work with MTS to recover to the extent possible overcharges that we identified from January 2017, and any additional overcharges identified by TAP reconciliations.

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 1	Issue Date:	Original Target Date:	Current Target Date:
	December 22, 2017	April 2018	April 2018

#6	We recommend that TAP staff and management:

    a. Investigate the instances of underpayments and overpayments we identified in the confidential report;

    b. Identify and investigate instances of underpayments and overpayments for the months of October through December 2016 and April 2017;

    c. Recover underpayments where appropriate, and refer participants to their respective Appointing Authority for appropriate corrective action; and

    d. Determine whether refunds or credits for eligible participants who made overpayments are appropriate.

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

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	December 22, 2017	February 2018	February 2018

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

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

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

#8	We recommend that TAP management review the instances of shortages we identified. TAP should recover the shortages where appropriate, and refer participants to the appropriate Appointing Authority for potential corrective action.

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 1 | Issue Date:
December 22, 2017 | Original Target Date:
February 2018 | Current Target Date:
February 2018 |

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

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

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

#10   We recommend that TAP management:

  a. Prepare and execute a contract with MTS for the monthly pass program; and
  b. Work in coordination with the Office of the City Attorney and the Human Resources Department to ensure that future monthly and annual pass contracts comply with both the City Charter and San Diego Municipal Code.

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 1 | Issue Date:
December 22, 2017 | Original Target Date:
March 2018 | Current Target Date:
March 2018 |

#11   We recommend that TAP management work in coordination with the Human Resources Department and MTS to ensure that future annual pass contracts include discounts for both Regional and Premium passes.

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

| | Priority 2 | Issue Date:
December 22, 2017 | Original Target Date:
April 2018 | Current Target Date:
April 2018 |

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

In Process   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 1 | Issue Date:
December 22, 2017 | Original Target Date:
April 2018 | Current Target Date:
April 2018 |