Audit Recommendation Follow-Up Report

STATUS UPDATE AS OF

June 30, 2021

Office of the City Auditor

City of San Diego

OCA

Independent • Objective • Accurate

October 2021

THE CITY OF SAN DIEGO

DATE: October 19, 2021

TO: Honorable Members of the Audit Committee

FROM: Andy Hanau, City Auditor

SUBJECT: Recommendation Follow-Up Report

Attached is the Office of the City Auditor's Recommendation Follow-Up Report, which provides the status of open recommendations as of June 30, 2021. 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 and attached the status updates for all recommendations. We look forward to presenting this report at the October 27, 2021 Audit Committee meeting.

The intent of this report is to keep the Audit Committee and other stakeholders 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 Todd Gloria
Honorable City Councilmembers
Jay Goldstone, Chief Operating Officer
Matthew Vespi, Chief Financial Officer
Rolando Charvel, Department of Finance Director and City Comptroller
Jeff Peelle, Assistant Director, Department of Finance
Christiana Gauger, Chief Compliance Officer
Deputy Chief Operating Officers
Department Directors

SUMMARY

The Administration and City departments have continued to make progress towards implementing open audit and investigative recommendations. During this reporting period, the Administration and City departments implemented 35 of the outstanding recommendations. Additionally, we issued five reports and added 25 new recommendations, and the Administration and City departments agreed to implement all of the new recommendations.

To augment this and future recommendation follow-up reports, we have created and published an interactive dashboard on our website. For the interactive dashboard and copies of past reports, visit our website:

- Recommendation Follow-Up Dashboard
- All Implemented Recommendations Over Time
- Current Report Period Ending June 30, 2021
- Audit Recommendation Follow-Up Reports

The interactive dashboard will allow users to view and sort open recommendations by report year of issuance, department, recommendation priority, recommendation status, implementation time (since report issuance), and report.

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 Past Due Original Target Dates so that past due recommendations can be easily identified.

We will continue to follow up on these recommendations during our next reporting period. OCA is still working with DoIT to reestablish connectivity to the automated email notification system within our application that sends reminders to departments about past or upcoming due dates. During an application upgrade, the functionality was inadvertently disabled.

As discussed in our last recommendation follow up report for the period ending December 31, 2020, we have worked with and will continue to work with departments to provide a detailed Recommendation Implementation Work Plan (RIWP) for each new audit or investigative recommendation to advance effective implementation. Additionally, as a result of our last recommendation follow-up report and Audit Committee meeting, we worked with departments to obtain detailed RIWPs for certain older recommendations as requested by the Audit Committee.

We will continue to consult with the Audit Committee regarding whether RIWPs should be required for prior recommendations, such as those that are high priority and/or are significantly past due.

We greatly appreciate the Administration's efforts to implement audit and investigative recommendations to improve City operations and mitigate the risks identified during our audits and investigations.

IMPLEMENTATION STATUS OF OPEN RECOMMENDATIONS

This report reflects the status of all Office of the City Auditor open audit recommendations as of June 30, 2021. 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 implementation of all elements of the recommendation;
In Process	City staff provided some evidence but not all elements of the recommendation were addressed or the department has agreed to implement the recommendation but has not yet completed the implementation;
Will Not Implement	The Administration and City department disagreed with the recommendation, did not intend to implement, or the department has determined it will not implement the recommendation for reasons identified in the report, and no further action will be reported; and
Not Implemented – N/A	Circumstances changed to make the recommendation not applicable.

As of our last recommendation follow-up report for the period ending December 31, 2020, there were 173 open recommendations. Since then, we have issued four performance audit reports and one fraud hotline report which added 25 new recommendations for a total of 198 outstanding recommendations for the period ending June 30, 2021. The table below summarizes this activity:

Activity for the Period Ending June 30, 2021	Number of Recommendations
Recommendations In Process as of December 31, 2020	173
Recommendations Issued January 1, 2021 through June 30, 2021	25
Total Outstanding Recommendations as of June 30, 2021	**198**

During this reporting cycle, we verified that departments and related entities have implemented 35 recommendations out of 198 (18 percent) since our last report. The results of our review for this reporting cycle are as follows for the 198 recommendations:

Number of Recommendations	Status of Recommendations
35	Implemented
91	In Process – With Past Due Original Target Dates
72	In Process – With Original Target Dates Not Due
198	**Total**

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

- **Exhibit 1 –** Summarizes the status of the 198 recommendations by audit or investigative report in chronological order.
- **Exhibit 2 –** Summarizes the distribution of the 35 recommendations in Attachment B that were **Implemented** by Department/Agency.
- **Exhibit 3 –** Summarizes the distribution of the 91 recommendations in Attachment C that are **In Process – With Past Due Original Target Dates** by Department/Agency.[1]
- **Exhibit 4 –** Summarizes the distribution of the 72 recommendations in Attachment D that are **In Process – With Original Target Dates Not Due** by Department/Agency.
- **Exhibit 5 –** Breaks down the 198 recommendations by their status and the length of time the recommendation remains open from the original audit report date.
- **Exhibit 6 –** Shows Audit Recommendation Activity for the Period Ending June 30, 2021.

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

Attachment A – Recommendations Highlighted for the Audit Committee's Attention
Generally, this attachment includes recommendations for which: (a) the Administration **disagreed** with implementing the recommendation; (b) the status update significantly varied from previous updates provided by the Administration; (c) some type of further action is needed; or (d) it is determined to be **Not Applicable (N/A)** any longer and should be dropped.

Attachment B – Recommendations Deemed as Implemented
This attachment includes all outstanding recommendations as of June 30, 2021 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments.

[1] Two of the recommendations are highlighted for Audit Committee Attention in Attachment A.

Attachment C – Recommendations Deemed as In Process With Past Due Original Target Dates
This attachment includes all recommendations with past due original target dates as of June 30, 2021 that are **In Process** of implementation based on the status information provided by the departments or based on auditor review of evidence provided by the departments.

Attachment D – Recommendations Deemed as In Process – Not Due
This attachment includes all recommendations with original target dates that are not due as of June 30, 2021 that are **In Process** of implementation based on the status information provided by the departments or based on auditor review of evidence provided by the departments.

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 have become past due or for which the target implementation date has changed. We will also highlight recommendations where there is disagreement and seek resolutions.

The Office of the City Auditor will continue to ask departments to provide a Recommendation Implementation Work Plan (RIWP) for each new audit or investigative recommendation to advance effective implementation. In addition, as directed by the Audit Committee, the Office of the City Auditor requested RIWPs for selected past recommendations that are high priority and/or where implementation progress is behind schedule.

As we move forward we will be adding past recommendations to the dashboard. This will allow users to view and sort open and past recommendations by report year of issuance, department, recommendation priority, recommendation status, implementation time (since report issuance), and report.

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 198 recommendations by audit report in chronological order.

EXHIBIT 1: Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process
12-015	Performance Audit of the Development Services Department's Project Tracking System	3	
13-009	Performance Audit of the Real Estate Assets Department		1
14-019	Performance Audit of the Real Estate Assets Department - Residential Property Leases		1
15-012	The City Needs to Address the Lack of Contract Administration and Monitoring on Citywide Goods and Services Contracts		2
15-016	Performance Audit of Citywide Contract Oversight		5
16-011	Performance Audit of the City's Street Preservation Ordinance		1
16-016	Citywide Contract Oversight II - Contract Review		2
17-003	Performance Audit of the San Diego Housing Commission – Affordable Housing Fund		1
17-010	Performance Audit of the Affordable / In-Fill Housing and Sustainable Buildings Expedite Program		3
17-013	Performance Audit of the San Diego Convention Center		1
17-021	Hotline Investigation of Recreation Activity Permit Calculation Errors and Abuse	1	
18-007	Performance Audit of the Economic Development Department's Business Cooperation Program		2
18-013	Fraud Hotline Investigation Report of Waste in the Transportation Alternatives Program		1

Report No.	Report Title	Implemented	In Process
18-015	Performance Audit of the Economic Development Department's Business and Industry Incentives Program		2
18-023	Performance Audit of the Storm Water Division	1	2
19-002	Performance Audit of the Real Estate Assets Department's Portfolio Management Practices		2
19-003	Performance Audit of the Public Utilities Department's Water Billing Operations		4
19-005	Performance Audit of the Public Utilities Department's Water Meter Cover Replacement Program	1	
19-007	Performance Audit of the Fleet Operations' Vehicle Acquisition Process		1
19-008	Hotline Report of Jury Duty Service Fraud		1
19-011	Performance Audit of Development Services' Accela Permitting System Implementation	2	1
19-013	Performance Audit of Community Planning Groups		2
19-015	Performance Audit of City Employee Pay Equity	1	4
19-016	Performance Audit of the City's Administration of Joint Use Agreements with San Diego Unified School District		4
19-019	Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)		5
20-001	Hotline Report of Improper Free Trash Collection at Short-Term Residential Occupancy Units		1
20-002	Performance Audit of Public Utilities Department's Advanced Metering Infrastructure Implementation		10

Report No.	Report Title	Implemented	In Process
20-003	Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract	1	4
20-007	Hotline Report of Public Records Act Responses	2	2
20-008	Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects	2	7
20-009	Performance Audit of the City's Efforts to Address Homelessness	3	4
20-010	Hotline Investigation of Gift Received by a City Employee	1	1
20-011	Performance Audit of the City's Strategic Human Capital Management	2	11
20-013	IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption		5
20-015	Performance Audit of the City's Public Liability Management	2	3
21-001	Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program	3	5
21-002	Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2020		2
21-003	Performance Audit of the Transportation and Stormwater Department's Street Sweeping Section		4
21-004	Performance Audit of San Diego Police Department's Data Analysis	1	6
21-005	Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program	1	11
21-006	Performance Audit of Strategic Human Capital Management II: Employee Performance Management		11

Report No.	Report Title	Implemented	In Process
21-007	IT Performance Audit of Legacy Applications	8	3
21-009	Performance Audit of the City's Climate Action Plan		6
21-010	Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program - Part II		7
21-011	Hotline Investigation of Board-Up Services		3
21-012	Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2020		2
21-013	Performance Audit of IT Service Delivery Effectiveness		7
GRAND TOTAL		**35 (18%)**	**164 (82%)**

Exhibit 2 summarizes the distribution of the 35 recommendations in Attachment B that were **Implemented** by Department/Agency as of June 30, 2021.

EXHIBIT 2: Number of Recommendations Implemented by Department/Agency

Number of Recommendations Implemented	Department/Agency
1	Assistant Chief Operating Officer
1	Assistant Chief Operating Officer Communications
1	Chief Compliance Officer
1	Chief Operating Officer Personnel Human Resources City Attorney
1	Chief Operating Officer Department of Information Technology
1	Chief Operating Officer Engineering & Capital Projects
1	Communications
9	Department of Information Technology
5	Development Services

Number of Recommendations Implemented	Department/Agency
3	Homelessness Strategies Division
1	Parks & Recreation
2	Personnel
4	Public Utilities
1	Purchasing and Contracting - EOCP
1	Risk Management
1	San Diego Police
1	Storm Water[2]

[2] Formerly the Transportation & Storm Water Department.

Exhibit 3 summarizes the distribution of the 89 recommendations in Attachment C, and 2 recommendations in Attachment A, that are **In Process – With Past Due Original Target Dates** by Department/Agency as of June 30, 2021.

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

Number of Recommendations Outstanding	Department/Agency
2	Assistant Chief Operating Officer
2	Assistant Chief Operating Officer City Attorney's Office Communications
1	Assistant Chief Operating Officer Personnel
2	Chief Compliance Officer
1	Chief Operating Officer Personnel Human Resources City Attorney
3	Chief Operating Officer
1	Department of Finance
1	Department of Information Technology
12	Development Services
4	Economic Development
1	Fleet Operations
3	Homelessness Strategies Division

Number of Recommendations Outstanding	Department/Agency
5	Human Resources
5	Parks & Recreation
1	Personnel Chief Operating Officer Human Resources City Attorney
1	Personnel
1	Personnel Human Resources City Attorney
2	Planning Department
24	Public Utilities
12	Purchasing and Contracting
2	Purchasing and Contracting - EOCP
3	Department of Real Estate and Airport Management
2	Storm Water[3]

[3] Formerly the Transportation & Storm Water Department.

Exhibit 4 summarizes the distribution of the 72 recommendations in Attachment D that are **In Process – With Original Target Dates Not Due** by Department/Agency as of June 30, 2021.

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

Number of Recommendations Outstanding	Department/Agency
1	Chief Compliance Officer Transportation [4]
1	Chief Operating Officer Sustainability
5	City Clerk Performance and Analytics Department Department of Information Technology
1	Department of Finance
10	Department of Information Technology
1	Homelessness Strategies Division
1	Human Resources Chief Operating Officer Personnel City Attorney
1	Human Resources Department of Information Technology
1	Human Resources Performance and Analytics
2	Human Resources Personnel
8	Human Resources
1	Office of Boards and Commissions
1	Personnel
3	Personnel Human Resources
7	Public Utilities
9	Purchasing and Contracting - EOCP
1	Department of Real Estate and Airport Management
8	San Diego Police
1	San Diego Police City Attorney
4	Storm Water
4	Sustainability
1	Sustainability Docket Office

[4] Formerly the Transportation & Storm Water Department.

Exhibit 5 breaks down the current 198 open recommendations and the 202, 170, 142, 141, 145, 143, 160, 160, 169, 137, 123, 140 and 152 prior reports' recommendations by their status and the length of time a recommendation remains open from the original audit report date for both the current and prior report.[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.*

EXHIBIT 5a: Current Report Audit and Investigative Recommendations Implementation Aging for June 30, 2021 Period

Timeframe	Implemented	In Process	Total
0–3 Months	0	19	**19**
4–6 Months	0	6	**6**
6–12 Months	13	42	**55**
1 to 2 Years	13	48	**61**
Over 2 Years	9	48	**57**
Total	**35**	**163**	**198**

EXHIBIT 5b: Audit and Investigative Recommendations Implementation Aging for December 31, 2020 Period

Timeframe	Implemented	In Process	Total
0–3 Months	2	45	**47**
4–6 Months	1	10	**11**
6–12 Months	11	41	**52**
1 to 2 Years	4	34	**38**
Over 2 Years	11	43	**54**
Total	**29**	**173**	**202**

[5] Timing is rounded to the month.

EXHIBIT 5c: Audit and Investigative Recommendations Implementation Aging for June 30, 2020 Period

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

EXHIBIT 5d: Audit and Investigative Recommendations Implementation Aging for December 31, 2019 Period

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

EXHIBIT 5e: Audit and Investigative Recommendations Implementation Aging for June 30, 2019 Period

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

EXHIBIT 5f: Audit and Investigative Recommendations Implementation Aging for December 31, 2018 Period

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

EXHIBIT 5g: Audit and Investigative Recommendations Implementation Aging for June 30, 2018 Period

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

EXHIBIT 5h: Audit and Investigative Recommendations Implementation Aging for December 31, 2017 Period

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

EXHIBIT 5i: Audit and Investigative Recommendations Implementation Aging for June 30, 2017 Period

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

EXHIBIT 5j: Audit and Investigative 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 5k: Audit and Investigative 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 5l: Audit and Investigative 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 5m: Audit and Investigative 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 5n: Audit and Investigative 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 and Investigative Recommendation Activity for the Period Ending June 30, 2021

Activity for the Period Ending June 30, 2021	Number of Recommendations
Open Recommendations Carried Forward from Period Ending December 31, 2020	
Recommendations In Process as of December 31, 2020	173
Recommendations issued January 1, 2021 through June 30, 2021	25
Total Outstanding Recommendations as of June 30, 2021	**198**

Recommendations Implemented	35
Recommendations Resolved for Period Ending June 30, 2021	**35**
Carry Forward Open Recommendations	**163**

June 2021

ATTACHMENT A

Recommendations for the Audit Committee's Attention

Attachment A includes recommendations highlighted for the Audit Committee's attention. Generally, this attachment includes recommendations for which: (a) the Administration **disagreed** with implementing the recommendation; (b) the status update significantly varied from previous updates provided by the Administration; (c) some type of further action is needed; or (d) it is determined to be **Not Applicable (N/A)** any longer and should be dropped.

ATTACHMENT A
RECOMMENDATIONS FOR THE AUDIT COMMITTEE'S ATTENTION

We request the Audit Committee consider requesting the Economic Development Department to fully implement the two recommendations below.

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

(AH) (DK)

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

In Process This recommendation is in process. EDD has previously provided documentation reflecting the expansion of BIP outreach conducted in 2018, 2019, and early 2020. However, to consider this recommendation as implemented, OCA will need to see EDD's outreach strategy plan specifying continuous future BIP outreach to businesses located in older, underserved areas of the City. EDD has indicated it will not take this additional step to implement this recommendation.

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

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

In Process This recommendation is in process. In 2019, EDD facilitated including BIP flyers within the March mailing of Business Tax Certificates to approximately 100,000 businesses. EDD also provided approximately 2,500 BIP flyers to DSD, for customer distribution. To consider this recommendation as implemented, the OCA will need EDD's documented process to continue to work alongside the Office of the City Treasurer and DSD to provide BIP outreach, perhaps as part of its BIP outreach strategy. EDD has indicated it will not take this additional step to implement this recommendation.

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

June 2021

ATTACHMENT B

Recommendations Deemed As Implemented

This attachment includes all outstanding recommendations as of June 30, 2021 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments.

ATTACHMENT B
RECOMMENDATIONS DEEMED AS IMPLEMENTED

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

(SG)

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

a) Remove the IT Program Manager position's programmer account and ability to directly log into the system's database.

b) Remove programmer access to the Production Environment.

c) Remove programmer access to privileged accounts, except those used by the database administrators and for emergency fixes, by

d) locking the accounts and changing the passwords. Where privileged accounts are required for emergency fixes, DSD should limit programmer access through a restricted number of highly monitored accounts. In addition, the permissible use of these accounts should be governed through formal policies.

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

f) Ensure PTS records a detailed audit trail of key information, including the prior data entries, the username of the person who changed the data and the timestamp noting when the change occurred.

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

Implemented This recommendation has been implemented. DSD is now processing the main permitting components in Accela with modern and appropriate privileged user controls imbedded in the system. While minor portions of the process are still completed in PTS, the risks associated with privileged access are mitigated. As a result, DSD has met the intention of the auditors recommendation.

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

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

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

c) Review current role combinations to ensure that no combination

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

e) Create a comprehensive policy that identifies all prohibited role combinations and documents compensating controls to mitigate any risk when a segregation of duty conflict must exist for business purposes.

Implemented This recommendation has been implemented. DSD is now processing the main permitting components in Accela with modern and appropriate SoD controls imbedded in the system. While minor portions of the process are still completed in PTS, the risks associated with SoD are mitigated. As a result, DSD has met the intention of the auditors recommendation.

#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.

Implemented This recommendation has been implemented. The online permitting process is now fully online with front end processing for new permits completed through the Accela portal as of July 19th 2021. While small components of the process still rely on PTS, the primary permitting process is completed through the Accela online platform for all new permits. As a result, the department has met the intent of this recommendation by modernizing the permitting process and ensuring the information system facilitating this process enabled this modernization.

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

(AH)

#4 We recommend that the Parks and Recreation Department:

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

Implemented This recommendation has been implemented. Parks and Recreation Department staff worked with Department of Information Technology staff and an outside vendor to configure a software solution that provides a simplified fillable form, captures completed permit details, securely retains completed permits in a centralized repository, and provides the ability for searchable and filterable reports for auditing purposes.

18-023 PERFORMANCE AUDIT OF THE STORM WATER DIVISION

(AH) (MJ) (DN)

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

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

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

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

Implemented This recommendation has been implemented. As of January 30, 2019, a consultant completed a review of 32.2 miles of corrugated metal pipe (CMP) and assessed the repair options for individual pipe segments. The consultant recommended a phased doubling of in-house staff over FY20 and FY21. In keeping with the recommended phased increase of in-house staff, SWD requested funding for an additional pipe repair crew in the Fiscal Year 22 budget request. The request was approved with the FY22 budget.

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

(AH) (LB)

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

Implemented This recommendation has been implemented. The Public Utilities Department (PUD) increased the size of the water meter cover replacement group from 25 budgeted positions as of December 2017 to 33 budgeted positions as of June 2021. PUD submitted evidence of having re-evaluated the water meter cover replacement group's staffing level. This assessment included a consideration of non-productive time (i.e., activities that take employees away from work); the group's goal for work order completion time; and the possibility of outsourcing some of the meter cover replacement work to contractor(s). PUD also submitted evidence to substantiate that contractors are anticipated to

complete water meter box and lid replacements for at least 1,000 sites across the City; according to PUD, this work is expected to begin once negotiations with recognized employee organizations is complete.

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

(SG)

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

Implemented This recommendation has been implemented. Administrative Regulation 90.68 was developed and defines the authority and enforcement of Enterprise IT Governance in the City through the entire system lifecycle. The new AR was approved, adopted, and published.

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

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

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

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

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

Implemented This recommendation has been implemented. The new Administrative Regulation was approved, adopted, and published.

19-015 PERFORMANCE AUDIT OF PAY EQUITY

(NO)

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

a) Calculation of unadjusted earnings gaps amongst employee groups;
b) Calculation of adjusted earnings gaps amongst employee groups, using appropriate analytical techniques such as multi-variate regression analysis; with potential explanatory variables such as age, years of service, education, and other variables as appropriate;
c) Historical results from previous City pay equity studies;
d) A determination of the appropriate frequency of the study, not less often than every 3 years;
e) Assigning responsibility for review of unadjusted earnings gaps and statistically-significant adjusted earnings gaps to identify root causes; and
f) Collaborative consultation with the Office of the City Attorney to develop a unified plan of action to mitigate earnings gaps identified if/as appropriate.

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

Implemented This recommendation has been implemented. Human Resources provided evidence that is reasonable, appropriate, and sufficient to fulfill the intent of the recommendation. A resolution was presented and accepted by Council which states, "The Council supports the systematic collection and sharing of data...to continue analyzing any pay disparities within the City, a least every three years, and to expand future studies to also include employee data...to better determine underlying factors for any pay gaps, to ensure diversity among higher paying positions, and to hold the City accountable for implementing established policies." The City Attorney's Office approved the resolution and it passed the Council unanimously and was signed by the Mayor.

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

(AH)

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

Implemented This recommendation has been implemented. The Human Resources Department reviewed the details in the confidential version of our Fraud Hotline report and determined that an independent investigation would not be appropriate at this time because the employees who would be the potential subjects of an independent investigation are no longer working for the City.

20-007 **HOTLINE REPORT OF PUBLIC RECORDS ACT RESPONSES**

(AH)

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

Implemented This recommendation has been implemented. The Communications Department Director developed and deployed a Citywide mandatory training on PRA compliance that included the obligation to assist requesters and search for and produce responses to requests for public records on personal devices and accounts.

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

a) a definition of terms

b) procedure steps related to the use of the PRA Program's software

c) whether requests from the media or any other group will be handled differently from public requests

d) a policy regarding embargoing responses

e) whether all responsive documents will be posted online or not

f) details regarding the information that is required to be provided to requesters within the statutory timeframes

g) escalation procedures if City staff are not providing timely responses

h) the information required to be provided to requesters in order to justify an extension of time for a response

i) operational definitions of the compliance metric(s) used to evaluate the effectiveness of the PRA Program

j) a policy regarding the electronic format used to provide email messages

Implemented This recommendation has been implemented. The interim Communications Department Director created and revised the PRA Program Policies and Procedures document, and we determined that it satisfies the intent of all elements of this recommendation.

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

(CK) (MJ)

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

Implemented This recommendation has been implemented. DSD has implemented a manual process in its project tracking system to review for accounts with deficit balances and request that Department of Finance close permissions to charge work to the account. Combined with an additional policy to invoice past due

accounts, the total amount in deficit has decreased over $600,000 in the 8-month period from December 2020 to July 2021 and the total number of accounts in deficit is decreasing as well.

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

Implemented This recommendation has been implemented. DSD has implemented a manual process in its project tracking system to review for accounts with deficit balances and request that Department of Finance close permissions to charge work to the account. Combined with an additional policy to invoice past due accounts after two months in deficit, the total amount in deficit has decreased over $600,000 in the 8-month period from December 2020 to July 2021 and the total number of accounts in deficit is decreasing as well.

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

(DN) (LB)

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

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

Implemented This recommendation has been Implemented. The City hired a consultant in early 2021, and part of the consultant's evaluation included a staffing analysis. The consultant provided recommendations on staffing for the program, which included the addition of a 1.00 Deputy Director and 2.00 Program Managers. The request for these additional positions was included and approved as part of the FY22 budget process. The City is also in the process of recruiting a new Department Director. The program now has a total of 12.00 FTEs.

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

- Formal direction and training to all City-funded outreach workers, including those under contract with the San Diego Housing Commission, to

conduct their outreach in line with best practices (i.e., to perform persistent, person-centered outreach and use a by-name list); and

- Guidance on how to determine where to conduct outreach and how to share data and information among outreach teams to avoid unnecessary overlap and promote additional coordination.

Implemented This recommendation has been implemented. In March 2021, the City announced the revised Coordinated Street Outreach Program. The Coordinated Street Outreach Program, administered by the San Diego Housing Commission, incorporates nationally recognized best practices to shift the focus of the City's homelessness outreach efforts. It employs a neighborhood-based, person-centered approach to meeting the unique needs of San Diego's unsheltered population. It's aligned with the principles of the successful housing-first strategy to ending chronic homelessness. Operated by PATH, the program comprises two distinct and complementary sets of teams. One is proactive and the other is reactive, and they work in concert.

The Mobile Homelessness Response Teams, trained in crisis intervention, embeds outreach workers in neighborhoods throughout the City with higher concentrations of people experiencing unsheltered homelessness. These teams will also work to locate and engage with people the Regional Task Force on the Homeless has identified as most vulnerable and prioritized for resources such as supportive housing. These skilled outreach teams will provide ongoing, intensive case management aimed at breaking down barriers and connecting clients to services and permanent housing.

The Rapid Response Team will focus on areas of high concentration and respond to community referrals across the City, providing immediate intervention and problem-solving activities. They will also work to improve the individual's sense of safety and help them meet their basic needs, connecting them to ongoing case management through the Mobile Homelessness Response team(s).

To coordinate outreach efforts Citywide, the Housing Commission has worked with PATH and additional City-funded outreach resources, such as outreach staff from programs that Father Joe's Villages and Alpha Project operate and the Downtown San Diego Partnership, to identify how to best allocate resources in areas across the City with high needs. This has included identifying areas for neighborhood-based outreach assignments.

In addition, intakes into shelters are centralized and coordinated through Housing Commission staff. This identifies shelter-bed availability on a daily basis to serve people in need and help staff connect people experiencing unsheltered homelessness to the most appropriate available bed to meet their needs as quickly as possible.

In addition, in June 2021, the City and County announced a coordinated outreach effort. Outreach teams will hit the streets for a coordinated and geographically concentrated, month-long outreach campaign to connect individuals who are experiencing homelessness to immediate shelter, housing-navigation and behavioral-health services and medical care for those in need.

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

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

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

Implemented This recommendation has been implemented. The Mayor announced new and updated policies governing how the City handles abatements of homeless encampments in March 2021. Under direction of the Mayor, these changes were developed by the City's Homelessness Strategies Department and incorporate feedback from persons with lived experience, rely on homelessness experts and national and regional policy, and include input from the City's Environmental Services and Neighborhood Policing departments.

The changes include clearer and more consistent noticing of cleanup schedules, reduction of law enforcement visibility, and coordination of cleanup activities with outreach activities to ensure that unsheltered residents are

offered shelter and services ahead of the cleanups. Specifically, City crews will establish a regular cleanup and sidewalk sanitization schedule and post it in high-need areas to provide better advance notice. For larger-scale, less-frequent cleanups, such as those that may be required in parks or canyons, the Parks and Recreation and Environmental Services departments will work with Homelessness Strategies staff to include service-provider outreach in the planning process to focus resources in that area as part of a concerted advance effort. In addition, City teams will have less visible police presence during cleanups. Although police officers will be present to preserve the peace, protect City crews, and be available for incidents that may arise, they will reduce their visibility by avoiding use of emergency lights, relying instead on City truck safety lights, and positioning the police vehicles further from the site. These changes are aimed at making it clearer that the activity is for public-health purposes, not enforcement.

20-010 **HOTLINE INVESTIGATION OF GIFTS RECEIVED BY A CITY EMPLOYEE**

(GR)

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

Implemented This recommendation has been implemented. The Department Director considered permanent debarment for Vendor B for lack of business integrity and determined that the individuals involved were no longer associated with the vendor in question.

20-011 **PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT**

(NO) (GT)

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

a) If Personnel continues to perform their current methodology as well, the calculation should be referred to as something other than a "turnover" rate. The more standard definition of turnover and/or quits—as defined by U.S.

Bureau of Labor Statistics—should accompany SSA analyses brought before the Civil Service Commission and other forums.

Implemented This recommendation has been implemented. Personnel stated that for the FY2022 salary review process, it has revised its turnover formula to reflect that the total number of employees is calculated by adding the number of total Active employees at the beginning of the reporting period (e.g., 1/1/20) (excluding No Standard Hours), and the number of total Active employees at the end of the reporting period (e.g.,12/31/20) (excluding No Standard Hours) and dividing by two. In addition, Personnel included the quits rate, which includes the consideration of all turnover reasons with the exception of those employees who retired/deceased and were discharged or laid off.

Personnel also attached an example of an FY2022 SSA for a Police Dispatcher; the attached information did include not just separations for comparable positions, which had been their previous methodology, but overall total resignations, with a corresponding calculated quits rate and comparison to the Citywide quits rate average.

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

Implemented This recommendation has been implemented. Personnel affirmed that it believes this recommendation to be implemented, and provided an example of a FY2022 SSA analysis for a Police Dispatcher. The attached information did include some additional information including rates and percentages in addition to simple counts.

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

(AH) (GT)

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

Implemented This recommendation has been implemented. Risk Management has modified its claims system, iVos, to record corrective measures for settlements between $25K and $50K as per Management's response to this audit recommendation.

Risk Management will now also track corrective measures for settlements above $50K. Backup documentation confirming this process by the Risk Management Public Liability Division was provided to OCA.

According to Risk Management's Director, iVos now provides a drop-down corrective measures option in "Notepad" to allow the adjusters to record the reported corrective measure as provided by the department. iVos now includes functionality to extract these recorded corrective measures via a Corrective Measures Claims Spreadsheet. The spreadsheet can be sorted and shared with departments and personnel. Additionally, a revised memorandum to Department Directors outlining the corrective measures process was issued by the COO on July 1, 2021. The memorandum instructs Directors to provide information to the applicable CFO/DCOO, Chief Compliance Officer, and Risk Management Director regarding remedial measures following the conclusion of all Settlement Authority Group meetings. Risk Management will track the information for all remedial claims, and the information will be disseminated to the Risk Oversight Committee on an ongoing basis. This will ensure greater consistency in the tracking of remedial measures and ensure greater executive team visibility over these issues.

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

Implemented This recommendation has been implemented. This recommendation's implementation status is supported by several Balanced Scorecard sessions' reports from various City departments, a link to the City's Balanced Scorecard Work Sessions' webpage showing past and future session dates (includes PDF reports), and a 5-Year Roadmap for the City's Operational Framework Implementation Roadmap. This shows that the City's Chief Compliance Officer (ERM manager) and the Risk Oversight Committee are conducting regular risk assessment reviews, as well as are ensuring that necessary data and support is being provided to City departments in the development and implementation of risk mitigation plans. Additionally, information about the City's efforts to provide such support to City departments is clearly documented and accessible via the City's website.

21-001 **FOLLOW-UP PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S INDUSTRIAL WASTEWATER CONTROL PROGRAM**

(LB) (SM)

#5 Upon completion of the fee study, 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, as well as Proposition 218. The revised fee schedules should include mechanisms to adjust fees in response to changes in the cost of service.

Implemented This recommendation has been implemented. The Public Utilities Department (PUD) developed a proposal for consideration by the City Council to update Industrial Wastewater Control Program (IWCP) fees. The proposal is based on a fee study done by an outside consultant and appears to include fees that, if fully implemented, would achieve a higher cost recovery level than was noted in the audit report. The consultant also developed a fee model and user guide to facilitate future IWCP fee adjustments in response to changes in the cost of service; according to the fee study, the model should be updated annually.

PUD has requested that the City Council approve a phased-in approach for new IWCP fees, implementing them incrementally at 25 percent each year over four years, beginning in fiscal year 2023. The City Council has set a public hearing on these and other proposed wastewater fee adjustments to take place on September 21, 2021.

#7 The Public Utilities Department should work with the Office of the City Attorney to seek recovery, to the greatest extent possible allowed by law, of all unbilled costs related to Industrial Wastewater Control Program application review, permitting, inspection, and monitoring.

Implemented This recommendation has been implemented. The Public Utilities Department (PUD) provided evidence of meeting with the City Attorney's Office to discuss billing for previously unbilled costs. PUD also provided a list of the businesses and Participating Agencies that needed to be back billed for costs related to the Industrial Wastewater Control Program's application review, permitting, inspection, and monitoring activities. The audit team reviewed records in PUD's Pretreatment Management Information System and verified that invoices were sent out to these businesses.

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

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

Implemented This recommendation has been implemented. The Public Utilities Department (PUD) provided new Standard Operating Procedures (SOPs) related to billing for IWCP costs and evidence of implementing them internally. The audit team reviewed the SOPs and determined that they address all aspects included in the recommendation.

21-004 PERFORMANCE AUDIT OF SAN DIEGO POLICE DEPARTMENT'S DATA ANALYSIS

(SG) (JP)

#9 The San Diego Police Department (SDPD) should work with all organizations that accept complaints, such as the Community Review Board on Police Practices (CRB), to ensure that the complaint forms available on City websites and other public information, clarify the requirements for filing a complaint and note that SDPD will investigate all complaints even if they are made anonymously and there is insufficient information to contact the complainant.

Implemented This recommendation has been implemented. The City of San Diego website (https://www.sandiego.gov/police/services/officercomments) has clear instructions and email links on how to file a complaint against an officer. This includes directions and locations of where to file a complaint in person, by phone or email. This includes:

- SDPD Communications and phone number (619) 531-2000
- In person at any police facility (with links to the address of each of the 9 substations)

- By phone, writing or email to the Chief's office (with address, phone number and email link)
- By writing to the Mayor's Office (with address)
- In person, by phone or writing to Commission on Police Practices (address, phone number and email link)

The downloadable complaint form on the website has been updated to inform the public that anonymous complaints are accepted and every effort is made to investigate all complaints, including those reported anonymously.

CPP updated its website with similar language and removed the old complaint form.

21-005 PERFORMANCE AUDIT OF THE PURCHASING AND CONTRACTING DEPARTMENT'S SMALL LOCAL BUSINESS ENTERPRISE PROGRAM

#1 To increase transparency into the distribution of funds among SLBEs, we recommend Equal Opportunity Contracting list each Small Local Business Enterprise (SLBE) program-certified contractor by the number of prime contracts the City awarded the SLBE, the number of subcontracts the City awarded the SLBE, and the total dollar amount the City awarded the SLBE across those contracts in that year. The list should be included as an addendum to the annual report and made publicly available on the program's website. This recommendation would allow the City and SLBE participants to monitor where the economic benefits of the program are centered and if the funds could be distributed among a broader array of SLBEs.

Implemented This recommendation has been implemented. Management has posted the list of SLBEs that received contracts, the number of contracts, and the total contracted amount to their website and will include the list in the annual report.

21-007 IT PERFORMANCE AUDIT OF LEGACY APPLICATIONS

(SG)

#1 The Department of Information Technology (DoIT) should develop and document a standard definition for a legacy system that incorporates the critical factors necessary to identify systems that no longer efficiently and effectively meet operational needs of the department.

Implemented This recommendation has been implemented. The Department of Information Technology (DoIT) has worked with City departments to develop and implement a standard definition for a legacy system that incorporates the critical factors necessary to identify systems that no longer efficiently and effectively meet operational needs of City departments. Additionally, DoIT is assessing Citywide applications based on this definition legacy systems throughout the City.

#2 In coordination with other City departments, the Department of Information Technology (DoIT) should create a policy and procedure to document when each legacy system was put into production where possible, and document the current life expectancy of each system. Further, DoIT should track and update the life expectancies as systems are updated and work with the department to prioritize their replacement as the systems near the end of their life expectancy.

Implemented This recommendation has been implemented. The Department of IT added the process and procedure for documenting legacy system production dates (where possible) to the Technology Strategic Planning Process. The process includes an annual update to the life expectancy of applications where possible. Many cloud or SaaS applications are automatically updated by the vendor and have no official end of life, these applications will be listed as 'current'.

#3 The Department of Information Technology (DoIT) should create a centralized process to track legacy systems, listing their detailed deficiencies, and update this information on an annual basis for discussion with the department during the annual Strategic Technology Advisory Committee meeting.

Implemented This recommendation has been implemented. DoIT developed and implemented a centralized process to track legacy systems through their ADM vendor to assess the legacy status and expected lifespan based on their periodic interaction with departments and annual process.

#4 The Chief Information Officer should create and implement a policy and procedures that ensure risk assessments and risk assessment reports are completed and/or reviewed annually and updated according for all legacy systems.

Implemented This recommendation has been implemented. DoIT developed and implemented policies and procedures incorporating legacy systems risk assessments through their ADM vendor process to assess the risks posed by the applications and report on those risks.

#6 The Chief Operating Officer should work with the Department of Information Technology (DoIT) and City departments to create a policy and procedure for centrally tracking all actual IT costs associated with legacy applications to facilitate replacement prioritization based on cost. DoIT should ensure that this information is updated annually.

Implemented This recommendation has been implemented. The Department of Information Technology has implemented a sustainable process to capture and track the actual costs associated with legacy application to facilitate replacement prioritization based on the full cost of maintaining legacy systems.

#7 The Chief Operating Officer should ensure coordination between all City departments and the Department of Information Technology (DoIT) to develop, document, and implement a policy to require all City departments to annually report all information systems under their purview to DoIT as well as the total operation and maintenance costs managed outside of DoIT for each system.

Implemented This recommendation has been implemented. The Department of Information Technology has incorporated a policy requiring all City Departments to annually report all information systems under their purview to DoIT with total operational and maintenance costs managed outside DoIT for each system into their Technology Strategic Planning Process, which they have leveraged in previous years In their Citywide management of IT Applications.

#8 The Department of Information Technology should develop a metric for identifying high cost legacy systems and work with departments to prioritize and phase out these systems.

Implemented This recommendation has been implemented. The Department of Information Technology has developed and implemented a wholistic methodology to track key legacy indicators, including total cost, to identify legacy applications and prioritize their replacement.

#10 The Chief Information Officer should develop and implement an operational analysis policy, and coordinate with each City department to conduct and document an operational analysis for IT investments currently in production in accordance with this policy.

Implemented This recommendation has been implemented. The Department of Information Technology has incorporated an operational analysis policy into their existing strategic roadmap process and are currently working with their vendor to conduct the operational analysis.

June 2021

ATTACHMENT C

Recommendations Deemed As In Process With Past Due Original Target Dates

Sorted by Department

This attachment includes all recommendations with past due original target dates as of June 30, 2021 that are **In Process** of implementation based on the status information provided by the departments or based on auditor review of evidence provided by the departments.

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

Assistant Chief Operating Officer

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

(AH)

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

In Process As matter of policy, the City does not limit employees' obligations to serve on juries, notwithstanding the number of times called and court minimum requirements. In short, the City takes this civic duty seriously, and makes all reasonable efforts to facilitate employees' jury obligations. We will continue to ensure that the time is accounted for and documented correctly. In the event that an employee has been called for jury duty multiple times AND that employee has met the court minimum requirements, management will have the discretion to determine whether that employee's absence is a negative impact to operations and may limit service above the courts' minimum requirements. A reiteration of this policy will be communicated forthwith to all City employees.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 28, 2018	March 2019	~~March 2019~~ ~~December 2020~~ October 2021

Chief Compliance Officer

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

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

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

authority through an appropriate mechanism, such as an Administrative Regulation.

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

a.) Requiring the top five City departments incurring the highest public liability claims costs to perform an annual risk assessment for all claim types incurring cumulative costs of $500,000 or more in the preceding three fiscal years. Specifically, this should include identifying risks, the likelihood and impact of identified risks, and mitigative measures to address such risks (see Appendix D for a sample risk assessment template).

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

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

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

In Process The Risk Oversight Committee paused meetings to realign following mayoral transition, onboarding of interim COO, and realignment of DCOO portfolios. Risk Oversight Committee meetings will commence in the upcoming fiscal year beginning in July 2021. Reflection of employed risk mitigation measures will also be included in the RM Annual Report beginning December 2021. Department Balanced Scorecard progress is readily available on the CityNet Operational Framework webpage. Additionally, the Operational Framework (now referred to as Perform SD) meetings have continued throughout the period since the audit, and engagement with the Risk Oversight Committee will re-commence in FY2022. Elements of the recommendation have been addressed through the ongoing Perform SD work sessions, and progress on each department's Balanced Scorecard, including areas of public liability risk is detailed on the Perform SD site of the Citynet website. Additionally, the role of the Chief Compliance Officer relating to coordinating the City's Enterprise Risk Management efforts has been codified within the ordinance establishing the newly created Compliance

Department. Management anticipates that we will be able to demonstrate implementation of all elements of this recommendation by the end of CY2021.

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

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

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

In Process Shortly after the issuance of the audit, the Risk Oversight Committee convened several times in CY2020 and were chaired by the Chief Compliance Officer. During that period, the Chief Compliance Officer coordinated with the DCOOs to develop branch-level risk assessments on key, top line strategic risks and mitigation plans. The Risk Oversight Committee, and the related strategic risk assessment development, paused to realign following mayoral transition, onboarding of interim COO, and realignment of DCOO portfolios. Risk Oversight Committee meetings will commence in the upcoming fiscal year beginning in July 2021 along with the strategic risk assessment efforts. At the department level, the elements of this recommendation have been implemented through the Balanced Scorecard and Perform SD efforts. Department Balanced Scorecard progress is readily available on the CityNet Operational Framework webpage. Additionally, the Operational Framework (now referred to as Perform SD) meetings have continued throughout the period since the audit, and engagement with the Risk Oversight Committee will re-commence in FY2022. Elements of the recommendation have been addressed through the ongoing Perform SD work sessions, and progress on each department's Balanced Scorecard, including areas of public liability risk is detailed on the Perform SD site of the Citynet website.

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

Chief Operating Officer

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

(JP)

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

In Process No change in status since the last reporting period. With the potential of a ballot measure for an expanded Convention Center being discussed, the Port District and City officials determined it was best to hold off on any final decisions on the funding until such time it was determine if the measure would be forthcoming or not.

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

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

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

(AH) (DK)

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

In Process This recommendation is in process. In the Recommendation Implemented Work Plan (RIWP), EDD provided specific actions the department will undertake to fully implement this recommendation, with a planned final completion date of March 2022. OCA reviewed the details within the RIWP and agrees with EDD's action steps and timelines. OCA will continue to touch base with EDD on the status of these steps until the recommendation has been fully implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	September 28, 2017	October 2018	~~October 2018~~ ~~April 2019~~ ~~December 2020~~ ~~Unknown~~ March 2022

19-015 PERFORMANCE AUDIT OF PAY EQUITY

(NO)

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

a) Whether opportunities for overtime are equally accessible across employee groups, particularly for Water Systems Technicians, Fire Fighters, and Police Officers;
b) Whether promotional opportunities and pay increases are awarded fairly;
c) Any other potential causes, as appropriate.

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

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

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

In Process No change in status since the last reporting period. The department reported that in March 2021 the Performance and Analytics Department presented the results of the first Pay Equity Study completed by Analytica Consulting to the San Diego City Council. Based on the findings, the Human Resources Department has begun working with the Personnel and Performance and Analytics departments to build a working group of key stakeholders to develop an action plan to address key findings outlined in the report.

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

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

(AH)

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

a) identify and remove free trash service for City households generating "nonresidential refuse;"

b) recommend that the Council submit an initiative proposing a repeal of the People's Ordinance; and/or

c) recommend that the Council submit an initiative proposing to amend the People's Ordinance to allow "nonresidential refuse" collection from STROs, which could include cost recovery.

In Process The issue is in litigation, and per the advice of the City Attorney's Office, no further responses will be provided until after the litigation is concluded.

The status of the litigation can be revisited for the December 31, 2021 report.

Priority 1	Issue Date: July 10, 2019	Original Target Date: December 2020	Current Target Date: ~~December 2020~~ December 2021

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

(AH)

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

In Process The Purchasing and Contracting staff is working with the City Attorney's Office on updating the AR to reflect requirements on cooperative contracts.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 11, 2019	February 2020	~~February 2020~~ ~~Unknown~~ December 2021

#5 We recommend that the Chief Operating Officer, in consultation with the City Attorney's Office, update SDMC §§ 22.3205 and 23.1801, requiring a review of all service contracts by the Civil Service Commission, to reflect the current practice.

In Process At the December 2, 2021, Civil Service Commission meeting, the Personnel Director will recommend to the Civil Service Commission to delete Civil Service Rule XVII and Personnel Manual Index Code N-1 to eliminate the Personnel Department's review of contracts. This function is no longer being performed by the Personnel Department or Civil Service Commission. Service contracts are reviewed by the Purchasing and Contracting Department. In addition, the Human Resources Department reviews service contracts to comply with meet and confer obligations under the Meyers-Milias-Brown Act.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 11, 2019	May 2020	~~May 2020~~ March 2022

#6 We recommend that the Chief Operating Officer, in consultation with the City Attorney's Office, revise Administrative Regulation 35.11 and relevant SDMC sections to clarify whether or not a cooperative procurement process may be used for consultant contracts.

In Process Purchasing and Contracting (P&C) indicated that the San Diego Municipal Code was updated to reflect that a cooperative procurement process may not be used for consultant contracts. P&C staff is working with the City Attorney's Office to update the AR to reflect changes made in SDMC.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 11, 2019	February 2020	~~February 2020~~ ~~November 2020~~ ~~Unknown~~ December 2021

#7 We recommend that the Chief Operating Officer ensure that Administrative Regulation 35.11 regarding the Citywide Department Use of Cooperative Procurement Contracts, and other relevant policies, be revised to prohibit the City from receiving free consultation, goods, or services from vendors if doing so may reasonably be perceived to lead to favorable treatment for a particular vendor, or potentially violate State law.

In Process The Purchasing and Contracting staff is working with the City Attorney's Office to update the AR related to cooperative contracts.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 11, 2019	February 2020	~~February 2020~~ ~~November 2020~~ ~~Unknown~~ December 2021

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

(GR)

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

In Process As noted in previous updates, management agrees with this recommendation and has worked in cooperation with the Ethics Commission and Office of the City Attorney on the requisite revisions to the San Diego Municipal Code and Council Policies. With the change in mayoral administrations and the onboarding of a new Executive Director for the Ethics Commission, the decision was made to postpone moving forward with the revisions until a workforce plan could be developed to bring more than 700 additional staff under the purview of the Ethics Ordinance. The additional staff would be necessary to support the training delivery needs and oversight responsibilities of the Ethics Commission's expanded responsibilities.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 13, 2020	December 2020	~~December 2020~~ January 2023

Communications Department

20-007 **HOTLINE REPORT OF PUBLIC RECORDS ACT RESPONSES**

(AH)

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

a) clarify that the three actions the City is required to take to assist requesters, according to the PRA, includes the phrase "shall do all of the following, to the extent reasonable under the circumstances"

b) include the four factors City staff should consider regarding writings kept in personal accounts: the content, purpose, audience, and whether the writing was within the scope of his or her employment

c) clarify the requirement that PRA denials, in whole or in part, include the names and titles or positions of "each person" responsible for the denial

d) specifically address whether City employees who are asked to search for responsive records must determine whether they have responsive "public records" residing on their personal devices and accounts only when the request specifically includes references to private devices and accounts, or whether the requirement is presumed for all requests (whether or not the personal devices and accounts are specifically referenced in the request)

In Process The department has provided a revised target date to allow time for policy to be developed regarding text message retention. The AR has been drafted in substance and includes recommended changes. OCA will continue to follow up on this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 13, 2019	December 2020	~~December 2020~~ ~~June 2021~~ August 2021

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

In Process The department has provided a revised target date to allow time for policy to be developed regarding text message retention. The AR has been drafted in substance and includes recommended changes. This recommendation will be reviewed as part of Recommendation 2 to determine the extent to which the intent of this recommendation has been implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 13, 2019	December 2020	~~December 2020~~ ~~June 2021~~ August 2021

Department of Finance[6]

15-016 PERFORMANCE AUDIT OF CITYWIDE CONTRACT OVERSIGHT

(SG) (MJ)

#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.

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

b) Attach the pertinent documentation supporting the payment approval in the SAP Invoice as defined in the contract's Quality Assurance Surveillance Plan to ensure the payment can be verified as appropriate.

c) Establish responsibility for training contract administrators on procedures that must be accomplished prior to recommending or approving invoices for payment.

d) Establish responsibility for monitoring the contract administrators' responsibilities prior to recommending or approving invoices for payment.

e) An annual review of the City's contract administration invoice approval process to ensure it is working as intended and effective; additionally, the policies and procedures should be updated as necessary resulting from this review.

In Process No change in status since the last reporting period. This recommendation is in process as Purchasing and Contracting is still updating a contract compliance manual with procedures and responsibilities for contract administrators that will address the recommendations in 2(a), 2(c), 2(d), and 2(e). However, the Department of Finance has implemented recommendation 2(b) through a business process change that optimizes and automates the posting of invoices into SAP. Additionally, Finance has implemented sufficient guidance and controls through the establishment of process narratives that define the roles and responsibilities of departments and their designated invoice receivers and approvers in ensuring that goods are received prior to payment and that the deliverables meet contractual requirements.

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

Department of Information Technology

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

(SG)

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

a) Track Information System Data from cradle to grave in a centralized, searchable, tracking repository system; while DoIT is automating this process, they should record this information using available resources; and

b) Integrate with the system implementation process data created during the implementation phase.

In Process No change in status since the last reporting period. The Department of IT is currently meeting the documentation requirements by leveraging the SharePoint repository. City departments are required to store all documentation in a logical structure similar to the current application portfolio managed by our vendor CGI.

The long term solution will be provided within the City's ServiceNow system that will be implemented with the City's new IT Services contracts that are in the final stages of negotiations following an RFP. After approval of the new IT services contracts, a transition will begin to transfer documentation over to the new ServiceNow system for full, automated tracking. Based on the current schedule for RFP awards and transition of services for the new IT contracts, the transition to the new documentation system in ServiceNow is targeted for April 2022.

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

Development Services Department

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

(CK)

#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 The recommendation remains in process until the new Accela permitting system is fully implemented. OCA will follow up to determine if the recommendation has been implemented during the next review period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	March 3, 2016	March 2017	~~March 2017~~ ~~July 2017~~ ~~February 2020~~ ~~June 2021~~ July 2021

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 There have been at least two major changes since this recommendation was issued in July 2016. First, the Inclusionary Affordable Housing Regulations within the San Diego Municipal Code (SDMC) were amended by Ordinance 21167 (January 28, 2020), which took effect on July 1, 2020 (except in areas within the Coastal Overlay Zone—the amendments there are pending certification by the California Coastal Commission as a Local Coastal Program Amendment). As part of this change, the Inclusionary In Lieu Fee (inclusionary fee) no longer depends on the number of units within the development. This eliminates the risk of Development Services Department (DSD) staff applying an incorrect per-unit rate

in the fee calculation.

Second, according to DSD, Accela went live for customers on July 19, 2021. However, DSD explained that the department is currently running a hybrid process that uses Accela to route documents and PTS to store project attributes, including fees. On August 12, 2021, DSD staff explained there were no development projects under review that would require the assessment of an inclusionary fee using the new Accela system. Nevertheless, using a dummy project in Accela's testing environment, DSD staff demonstrated how inclusionary fees will be added to development projects in the future. As part of this process, and for projects where the inclusionary fee applies, DSD staff must manually add a fee entry to each permit within the project and then manually enter a square footage value in each of the fee entries. Accela will automatically calculate the dollar amount of the fee based on the square footage entered by staff. Therefore, the process of assessing inclusionary fees still involves some manual configuration and data entry by staff.

Regarding the second part of the recommendation, SDMC §142.1306 still requires inclusionary fees to be paid on or before the issuance of the first building permit. However, the inclusionary fee amount depends on the square footage of the "net building area of unrestricted market-rate residential development." DSD expressed concern that staff cannot always anticipate the square footage of the entire project before the first building permit is issued. For example, in a multi-phased development project, the square footage of later phases of the project may still be subject to change after the building permit for the first phase is issued. Therefore, it is unclear at this time whether and how DSD will implement this aspect of the recommendation in the new Accela system.

This recommendation will remain in process until audit staff can verify that: (1) the new fee assessment process in Accela is producing accurate inclusionary fees for real-life development projects; and (2) DSD has implemented or developed a work-around that satisfies the intent of the second part of the recommendation, which is to ensure timely collection of inclusionary fees in accordance with SDMC §142.1306(b).

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 21, 2016	May 2017	~~May 2017~~ ~~July 2017~~ ~~February 2020~~ ~~June 2021~~ Unknown

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

(NO)

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

In Process The Development Services Department's online permitting process is now fully online with front end processing for new permits completed through the Accela portal as of July 19th 2021. The department considers this recommendation implemented, but has not provided documentation to support the intent of the recommendation has been met.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	March 2017	~~July 2017~~ ~~March 2019~~ ~~February 2020~~ ~~November 2020~~ ~~June 2021~~ July 2021

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

In Process The Development Services Department's online permitting process is now fully online with front end processing for new permits completed through the Accela portal as of July 19th 2021. The department considers this recommendation implemented, but has not provided documentation to support the intent of the recommendation has been met.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	March 2017	~~March 2017~~ ~~March 2019~~ ~~February 2020~~ ~~November 2020~~ ~~June 2021~~ July 2021

#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 According to the department, the Department's conversion to digital plan processing, creation of Power BI dashboards to assess Department Performance precludes the need for DPMs to manually track on an excel spreadsheet the project timelines for every individual project as it previously did in 2017 as "PMR process". Transparency for review dates for project timeliness are the cornerstone for Accela ministerial and discretionary. Accela will roll out for build permits July 19, 2021 and for discretionary permits by the end of the 2021 calendar year.

While DSD is optimistic and stated that data management upgrades may render this recommendation moot, no evidence of/examples of their data management upgrades was provided.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 2, 2016	April 2017	~~April 2017~~ ~~March 2019~~ ~~February 2020~~ ~~November 2020~~ ~~June 2021~~ December 2021

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

(CK) (MJ)

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

In Process No change in status since the last reporting period. The department reported that DSD remains in agreement with the recommendation.

Implementation of this recommendation will occur along with implementation of DSD’s new Accela permit tracking program for discretionary permits in Q2-2021.

In March 2020, COVID-19 required DSD to change the ways permits were process by converting all new applications from paper to digital. DSD implemented a hybrid online permitting solution that uses Accela for application and plan intake and PTS for project tracking. The hybrid solution required the delay in developing the additional Accela modules planned for 2020, including the discretionary modules with deposit accounts. DSD has gathered the business requirements for the deposit account tool that will be developed in Accela. The business requirements include:

- Required balances are cumulative based on the approval types required for proposed project
- Leave current Initial Deposits (see IB 503) the same (initial account creation)
- Subsequent review and minimum balances automatically reduce to 60% of Initial Deposits
- Upon docketing for initial hearing (Processes 3-5) or sending Notice of Decision (Process 2), automatically reduce to 20% of Initial Deposit
- Require additional one-time deposit of $4,000 for each appeal (CEQA or Project appeal)

Currently, PTS does not perform a calculation of the MRBs automatically and are instead calculated manually by Submittal Staff at the time of project set up based IB 503. These manual discretionary calculations will be reviewed and approved by DSD fiscal employees to vet accuracy and consistencies with policies in place while PTS remains in use. DSD does not believe it is feasible to invest in additional programming of automated calculations in PTS while the replacement software, Accela, is scheduled to go into production in the upcoming months.

Anticipated Completion: Q2-2021 for Discretionary permits in conjunction with finalization of the Accela Implementation Project.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	May 2020	~~May 2020~~ ~~June 2021~~ Unknown

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

In Process DSD considers this recommendation to be implemented. While this automation will not occur in PTS, it will occur in Accela. The Discretionary permit Accela module will be rolled out in late calendar year 2021.

This recommendation will be in process until Accela is implemented and can be reviewed in that platform rather than reviewing in PTS.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	~~November 2020~~ ~~June 2021~~ December 2021

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

In Process DSD noted that the combined Minimum Required Balance for a discretionary project with multiple approvals is cost prohibitive for projects that require multiple approvals, especially small residential projects could be required to have as much as $40,000 in deposit account funds, and the process itself may not be fiscally feasibility for residential development thus potentially impacting residential production. The department indicated that it has implemented strict standards and staff reporting requirements to monitor minimum required balances, and invoicing.

DSD plans to tie MRB to highest approval type rather than cumulative approval types for business reasons as stated above. Compensating controls are in place to stop work and invoice deficit accounts. This recommendation will be in process until Accela is implemented and can be reviewed in that platform rather than reviewing in PTS.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	~~November 2020~~ ~~June 2021~~ December 2021

#5 We recommend Development Services Department work with the Public Works Department to develop procedures that clearly define roles and responsibilities for setting the MRB in applicable ministerial deposit accounts and stopping work on projects with deficit deposit account balances.

In Process This is in process until the new Administrative Regulation (AR) is final and applicable changes are reflected in Accela implementation scheduled for December 2021.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	October 2020	~~October 2020~~ ~~March 2021~~ December 2021

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

a. Fix the glitch in the PTS that causes the minimum required balance (MRB) to revert to $0;

b. Calculate the MRB automatically – e.g., tie approvals to the appropriate dollar amounts; and

c. Notify staff to stop working on projects with deficit deposit account balances.

In Process This recommendation is in process until Accela implementation for automating MRB calculation. Per DSD, MRB will be based on highest approval type, not cumulative, with initial deposit calculated cumulatively. Procedures are in place to stop work on projects with deficit balances but will be in process as well until Accela implementation. DSD agreed no need to reconcile or implement through the legacy system, PTS.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	~~November 2020~~ ~~June 2021~~ Unknown

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

In Process Development Services Department (DSD) remains in agreement with recommendation. In coordination with the implementation of DSD's new Accela permit tracking program for discretionary permits at the end of 2021, DSD will work with the Department of Finance (DoF), Department of IT (DoIT), and Office of the City Treasurer to implement direct invoicing of deposit accounts within SAP so that receivables, and their subsequent payments, and are more easily tracked.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	September 2020	~~September 2020~~ ~~June 2021~~ Unknown

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

In Process No change in status since the last reporting period. DSD remains in agreement with this recommendation.

Implementation of this recommendation will occur along with implementation of DSD's new Accela permit tracking program for discretionary permits in Q2-2021. In March 2020, COVID-19 required DSD to change the ways permits were process by converting all new applications from paper to digital. DSD implemented a hybrid online permitting solution that uses Accela for application and plan intake and PTS for project tracking. The hybrid solution required the delay in developing the additional Accela modules planned for 2020, including the discretionary modules with deposit accounts. DSD has gathered the business requirements for the deposit account tool that will be developed in Accela. The business requirements include:

- Required balances are cumulative based on the approval types required for proposed project
- Leave current Initial Deposits (see IB 503) the same (initial account creation)
- Subsequent review and minimum balances automatically reduce to 60% of Initial Deposits
- Upon docketing for initial hearing (Processes 3-5) or sending Notice of Decision (Process 2), automatically reduce to 20% of Initial Deposit
- Require additional one-time deposit of $4,000 for each appeal (CEQA or Project appeal)

Currently, PTS does not perform a calculation of the MRBs automatically and are instead calculated manually by Submittal Staff at the time of project set up based IB 503. These manual discretionary calculations will be reviewed and approved by DSD fiscal employees to vet accuracy and consistencies with policies in place while PTS remains in use. DSD does not believe it is feasible to invest in additional programming of automated calculations in PTS while the replacement software, Accela, is scheduled to go into production in the upcoming months.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 7, 2020	November 2020	~~November 2020~~ ~~June 2021~~ Unknown

Economic Development Department

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

(AH) (DK)

#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 recommendation is in process. In the Recommendation Implementation Work Plan (RIWP), EDD provided specific actions the department will undertake to fully implement this recommendation, with a planned final completion date of October 2021. OCA reviewed the details within the RIWP and agrees with EDD's action steps and timelines. OCA will continue to touch base with EDD on the status of these steps until the recommendation has been fully implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	September 28, 2017	October 2018	~~October 2018~~ ~~April 2019~~ ~~December 2020~~ ~~Unknown~~ October 2021

Fleet Operations Department

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

(JP)

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

In Process According to the department, the routing process for revisions to Administrative Regulation AR 30.20 have been initiated.

On 6/24/2020, the AR revisions and cover memo was routed to Human Resources and the City Comptroller for preliminary review pursuant to A.R. 1 Section 4.2.2. b.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 27, 2018	June 2020	~~June 2020~~ ~~October 2020~~ December 2021

Homeless Strategies Division

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

(DN) (LB)

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

In Process No change in status since the last reporting period. The City has updated the City of San Diego's website to better offer resources for both people experiencing homelessness and for other constituents interested in learning more about the City's homeless serving programs. Additionally, during the COVID-19 pandemic, significant social media outreach and press conferences related to services offered allowed additional opportunities for City leadership to connect with citizens to provide an effective stream of information. The City will continue to develop and execute a strategic communications plan and intends to satisfy this

recommendation by taking action through the implementation of the Community Action Plan, under which:

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

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

#9 The City should formalize the collection of data on reasons for refusal of service, establish responsibility and methodology for data collection and analysis, and identify how the data is to be shared with appropriate

stakeholders. The City should utilize this data analysis to make improvements that address these concerns and increase rates of acceptance of services and shelter.

In Process No change in status since the last reporting period. The City and the San Diego Housing Commission mandate the collection of data and use the data to analyze programs. As part of its continual improvement process, the agencies are in discussions to further improve the collection of data already being done by City-funded outreach workers in order to share results with the Implementation Team. This relates to the work that the Outreach Coordinator will be responsible for.

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

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

- Clearly establish responsibility for tracking the number of homeless individuals contacted, offered, and provided services at each encampment abatement; and
- Formally establish responsibility and procedures for the data to be analyzed and shared with the Homelessness Strategies Division and other City

departments, offices, and regional stakeholders involved in addressing homelessness.

In Process No change in status since the last reporting period. The City, through contracts administered by the Housing Commission, already requires and retains control to have service providers performing outreach collect data, such as number of individuals contacted, those who refuse all offers of service, those who accept offers of service, those who accept offers of shelter, etc. The Homeless Outreach Team also collects such data.

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

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

Human Resources Department

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

(AH)

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

In Process As a result of the Fiscal Year 2022 contract negotiations process, the City has reached agreements with five of its six (MEA, DCAA, Local 127, Local 145 and POA) recognized employee organizations for successor Memoranda of Understandings (MOU). The City is still meeting and conferring in good faith with California Teamsters Local 911 regarding a successor MOU. As a result of the negotiations process for those that the City has reached an agreement on for a successor MOU, the Parties did not reach agreements related to any additional subsidized pricing for the Regional and Premium passes under the Transportation Alternative Program.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	December 22, 2017	August 2018	~~August 2018~~ ~~July 2020~~ ~~July 2021~~ October 2021

20-011 PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT

(NO) (GT)

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

In Process No change in status since the last reporting period. On September 15, 2020, the Human Resources (HR) Department presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. OCA does not believe this recommendation was implemented in time for the Spring 2020 renegotiations, but the spirit of the recommendation (using workforce information from this audit and other recommendations to inform contract negotiations) still applies to future negotiations. OCA will work with HR to gather more information about tangible evidence of progress.

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

19-016 PERFORMANCE AUDIT OF THE CITY'S ADMINISTRATION OF JOINT USE AGREEMENTS WITH SAN DIEGO UNIFIED SCHOOL DISTRICT

(CK)

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

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

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

In Process The department reported for Recommendation 1A - Revise Memorandum of Understanding (MOU):

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

1. Introduction
    a. Background
2. Purpose
    a. Joint Use Program
    b. Mutual benefits
    c. Consideration
    d. Previous MOU and debt forgiveness
3. Objectives
    a. Joint User Criteria
    b. Joint User of Elementary and Middle Schools
    c. Maintenance
    d. Passive Use Designation
    e. Public Input
    f. Typical Joint Use Amenities
4. Execution
    a. Consistency between MOU and Joint Use Agreements
    b. Joint Use Agreement Template
    c. Previous Joint Use Agreements
    d. Expiring Agreements
5. Agency Communication
    a. Communication
    b. Tracking system
    c. Standing Meetings
    d. Expansion of the Program
6. References
    a. City Policies and Procedures

b. District Policies and Procedures

Currently, the City and District are negotiating the terms of the proposed MOU; both the City Attorney's Office and District's legal counsel have reviewed the current draft MOU. We have one additional item (regarding City maintenance standards) to resolve. Staff intends to bring this MOU forward to the City Council in September 2021.

1(b) Create Joint Use Contract Template

1(c) Create Interim Joint Use Contract Template

1(d) Revise All Existing and Pending Agreements to Match New Contract Template the Parties are currently implementing the joint use agreement template for over 95 existing agreements and more than 25 future Play All Day joint use sites in design or construction. To date, the City Council has approved 21 Joint Use Agreements with the new template. The Department will continue to batch agreements for City Council consideration in 2021 based on the Joint Use Agreement Implementation Schedule, enclosed as Attachment 3. With existing resources, the Parties estimate that about six joint use agreements can be completed per month. Given this estimate, it will take approximately 18 months to revise all joint use agreements. Therefore, the new estimated timeframe to submit all agreements to the Board of Education and City Council is December 2022.

1(e) Determine Whether Any Amounts Are Owed between Agencies. As noted in 1a above, the MOU is intended to address consideration (Item 2C) and any amounts owed between City and District. As the MOU is targeted for completion in September 2021, the determination of amounts owed (if any) would be completed at the same time.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 9, 2019	July 2020	~~July 2020~~ ~~December 2020~~ ~~September 2021~~ December 2022

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

In Process The Parks and Recreation Department has implemented a tracking system for facility joint use agreements that includes all of the recommended elements with the exception of land, capital and maintenance costs. The tracking system does not contemplate these costs as they are part of a draft MOU which will address consideration for any amounts owed under the parity formula.

However, the MOU has not been finalized and per the Parks Director, the MOU will reach the Public Safety and Livable Neighborhoods Committee and City Council this fall, along with the Board of Education.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 9, 2019	July 2020	~~July 2020~~ October 2021

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

In Process Department staff are currently developing a process narrative that outlines the procedure for making updates to the shared spreadsheet and ensuring only certain staff have access to ensure the integrity of the spreadsheet. Staff intends to have this process narrative approved and in effect by December 2021.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 9, 2019	July 2020	~~July 2020~~ ~~December 2020~~ December 2021

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

- Strategic vision for the joint use program;
- Joint use program objectives;
- City department responsibilities; and
- Annual reporting requirements for reports to City Council or Council Committee to include:
    - Report Due Date;

- Number and Description of joint use sites approved by Council during previous fiscal year;
- Total number and description of joint use sites opened during previous fiscal year;
- Prior fiscal year financial contributions by the City; and
- Total financial contributions by the City.

In Process Department staff have developed a revised draft Council Policy 700-35 to establish guidelines for the strategic vision, objectives, authority, responsibility and accountability for the development, administration and ongoing operations of the City's Joint Use Program with School Districts. The current draft of the Council Policy follows this general outline:

1. Purpose
2. Definitions
3. Policy
   a. Strategic Vision of the Joint Use Program
   b. Joint Use Program Objectives
4. City Department Responsibilities
5. Annual Reporting Requirements

Staff intends to bring this policy forward concurrently with the proposed MOU and is targeting City Council consideration in September 2021.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 9, 2019	July 2020	~~July 2020~~ ~~April 2021~~ September 2021

Personnel Department

19-015 PERFORMANCE AUDIT OF PAY EQUITY

(NO)

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

a) Maintaining support for programs such as Fire-Rescue's Girls Empowerment Camp and Cadet Program, and SDPD's STAR/PAL program,

while reevaluating if they are sufficient to meet the City's workforce diversity goals;

b) Evaluating if additional measures besides above are needed to increase diversity, such as job description requirements, middle-of-the-night on-call requirements etc.;
c) Job advertisements in media which the City has not previously used, and that targets underrepresented groups; and
d) Recruiting materials reflective of a diverse workforce.

In Process The target implementation date was updated to coincide with Recommendation #2. The Personnel Department and Human Resources Department worked with the Communications Department to create an updated recruiting video and flyer. Both are in English and Spanish to increase the diversity of the candidate pool.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 8, 2019	December 2020	~~December 2020~~ December 2021

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

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

In Process No change in status since the last reporting period. The Personnel Department and the Department of IT have determined that it is feasible to track educational attainment in SAP. Staff are evaluating methods to allow employees to record their educational attainment via self-service in SAP, while ensuring data is restricted for statistical purposes only. The Personnel Department updated the Personal Data Form so employees may change their listed gender (male, female, non-binary).

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

20-011 PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT

(NO) (GT)

#1 The Human Resources Department (HR), working collaboratively with the Department of Finance and the City's Executive Management, should document and articulate a Total Compensation Strategy, including but not limited to compensation and benefits components, levels, and market competitiveness to guide labor negotiations and set employee expectations with respect to compensation.

a) Informed by HR's assessment efforts (see Recommendations 4 and 5), the strategy should include what role "non-economic" incentives can play – and how such incentives can help the City achieve its total compensation strategy.

b) The City's strategy should include fiscal consideration and appropriate long-term forecasting for how the City can financially achieve its total compensation goals.

In Process No change since the last reporting period. On September 15, 2020, the Human Resources (HR) Department presented to Council several of the efforts they have initiated to address the SHCM issued raised by the audit. OCA will work with HR and Department of Finance to gather more information about tangible evidence of progress.

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

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

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

In Process No change since the last reporting period. On September 15, 2020, the Human Resources (HR) Department presented to Council that they are making progress on this recommendation, such as flex work which has expanded considerably with the onset of COVID. Although the recommendation also addresses issues related to updated guidance and related items. OCA will work with HR to gather more information about tangible evidence of progress.

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

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

In Process No change since the last reporting period. On September 15, 2020, the Human Resources (HR) Department presented to Council that they are making progress on this recommendation and outlining several ways they are increasing their focus on SHCM and development opportunities Citywide. OCA will work with HR to gather more information about tangible evidence of progress.

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

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

In Process No change since the last reporting period. On September 15, 2020, the Personnel Department presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. This discussion did not provide details, but OCA will work with Personnel to gather more information about tangible evidence of progress.

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

Planning Department

19-013 PERFORMANCE AUDIT OF COMMUNITY PLANNING GROUPS

(CK) (JP)

#1 To help ensure Community Planning Group (CPG) transparency, compliance, diverse community representation, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24

to include, but not be limited to:

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

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

c) Including election results in the record retention requirements;

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

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

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

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

In Process This recommendation remains in process. As of June 2021, Council District 1 is continuing to take a leading role in revising the council policy, and is working with both the City Attorney's Office and the Planning Department to bring a policy revision to Council. Since the last OCA update, drafts of the associated Terms and Conditions document have been prepared and have been undergoing legal review. A review of associated code changes and other Council Policies that may also need to be revised in conjunction with the council policy update has also occurred. As background, in addition to OCA's report, Circulate San Diego and the San Diego County Grand Jury issued reports identifying issues with Community Planning Groups (CPGs) and recommending changes to CPGs and their role with the City. At the April 10, 2019 Land Use & Housing Committee, Council District 7 brought forward and the Committee recommended to Council the creation of a Taskforce on Community Planning Groups to review the recommendations from the three reports as well as suggest any of its own. Council District 7 brought forward and the Land Use & Housing Committee heard these recommendations and recommended 31 revisions to Council on December 5, 2019. In 2020, the Planning Department received input from the Land Use & Housing Committee,

including recommended revisions to the Council Policy consolidated through the Taskforce on Community Planning Groups and recommended by the Land Use & Housing Committee subject to legal review. The Planning Department developed a matrix of options and met with the City Attorney's Office and former Councilmember Sherman's office. At the direction of the Land Use & Housing Committee in 2020, the City Attorney provided a legal analysis of CPGs and a draft Council Policy, which is the basis of the current draft. The scheduled completion date for this recommendation was December 31, 2020. A revised completion date is not available, as further actions to complete the recommendation are not contingent on the Planning Department.

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

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

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

In Process This recommendation remains in process. As of June 2021, Council District 1 is continuing to take a leading role in revising the council policy, and is working with both the City Attorney's Office and the Planning Department to bring a policy revision to Council. Since the last OCA update, drafts of the associated Terms and Conditions document have been prepared and have been undergoing legal review. A review of associated code changes and other Council Policies that may also need to be revised in conjunction with the council policy update has also occurred. As background, in addition to OCA's report, Circulate San Diego and the San Diego County Grand Jury issued reports identifying issues with Community Planning Groups (CPGs) and recommending changes to CPGs and their role with the City. At the April 10, 2019 Land Use & Housing Committee, Council District 7

brought forward and the Committee recommended to Council the creation of a Taskforce on Community Planning Groups to review the recommendations from the three reports as well as suggest any of its own. Council District 7 brought forward and the Land Use & Housing Committee heard these recommendations and recommended 31 revisions to Council on December 5, 2019. In 2020, the Planning Department received input from the Land Use & Housing Committee, including recommended revisions to the Council Policy consolidated through the Taskforce on Community Planning Groups and recommended by the Land Use & Housing Committee subject to legal review. The Planning Department developed a matrix of options and met with the City Attorney's Office and former Councilmember Sherman's office. At the direction of the Land Use & Housing Committee in 2020, the City Attorney provided a legal analysis of CPGs and a draft Council Policy, which is the basis of the current draft. The scheduled completion date for this recommendation was December 31, 2020. A revised completion date is not available, as further actions to complete the recommendation are not contingent on the Planning Department.

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

Public Utilities Department

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

(SG) (JP)

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

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

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

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. However, PUD reported that a step-by-step process will be submitted this summer.

PUD reported that implausible readings continue to be monitored daily, and the department continues to work with the Department of IT on the implementation of enhancements identified to improve billing accuracy. In order to evaluate the efficacy of each enhancement, these are being done one at a time. As noted in the last update, this will require more time. Since PUD is also dependent on the Department of IT on these, this isn't entirely within the department's control. Timing is at least two years for the full implementation and testing of all enhancements. This will help PUD accomplish a portion of the OCA recommendation to the extent that documentation will be available for the OCA to validate.

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

a. An SAP consultant was engaged to review PUD's current SAP billing module for potential system modifications to reduce implausibles; this review is complete;

b. Department of IT extracted significant data from SAP related to billing challenges potentially impacting accounts; PUD then completed a complex data validation process;

c. From both the SAP consultant review and PUD's review of data, nine key factors were identified as contributing to implausible bills, and prioritized based on the number of accounts they impact, and recommended system and operational improvements were developed to address all nine factors;

d. PUD completed follow up meetings with its Water Construction and Maintenance Division and Department of IT's Enterprise Resources Program (ERP), as both play roles in the implementation of the system

and operational improvements; and

e. Together with the Department of IT, PUD is now developing timelines for completion of the improvements, which will then be followed by testing for efficacy and ongoing monitoring.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	April 2019	~~April 2019~~ ~~June 2019~~ ~~April 2020~~ ~~July 2020~~ January 2023

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

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

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

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

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

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

In Process This recommendation is in process. The Public Utilities Department has developed and finalized, with labor union approval, its Standard Operating Procedure to track and analyze employee performance to increase the effectiveness of the meter reading program and reduce potential billing errors before impacting customers. Identified performance metrics include:

- *Meter Reading Accuracy Percentage* which quantifies the number of misreads;
- *Percentage of Assigned Routes Completed* which compares the number of routes assigned to a meter reader at the start of a shift to the number of routes fully completed at the end of the day;
- *Completion of Route (within an established timeframe)* which measures route completion in comparison to average route times; and

- *Percentage of Skip Codes Entered with the Proper Trouble Code* which measures the total number of skip codes entered into the handheld device with the properly assigned trouble code.

Staff have received training on this SOP, most recently in February 2021. PUD provided evidence that it is tracking these performance measures, but the provided information indicated underperformance in several areas. PUD did not provide evidence that this underperformance was communicated to the deputy director as required by the SOP. This recommendation will remain in-process until PUD demonstrates it is using the data to analyze operations in accordance with the SOP.

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

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

In Process This recommendation is in process. The Public Utilities Department (PUD) has developed a Standard Operating Procedure that establishes standards for enhanced communications between the Customer Support Division (CSD) and the Water Construction Management (WCM) Division. Management has demonstrated, via its communication tracker tool and supporting evidence, that regular communication takes place to discuss emergency and routine work, meter repair and replacement backlog, and review and oversight of progress made from these communications.

However, PUD management indicated that more work remains to be done for CSD to communicate high priority trouble code entries to WCM's Meter Shop to expedite critical maintenance. This work includes documenting high priority trouble codes. PUD stated that the trouble codes are prioritized by the receiving party, but PUD did not provide documentation of how this priority is determined. Documenting high priority trouble codes will improve the department's processes in order to meet the intent of the recommendation to prioritize repairs and reduce the backlog of unrepaired meters that impact accurate and timely customer billing.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 26, 2018	August 2018	~~August 2018~~ ~~June 2019~~ ~~January 2020~~ January 2023

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

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

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. However, PUD reported that a step-by-step process will be submitted to the Auditors in July.

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

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

19-019 **PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT CUSTOMER SUPPORT DIVISION CUSTOMER SERVICE OFFICE (CALL CENTER)**

(MJ)

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

- Acquisition of a dedicated subject matter expert (SME) to provide technical and operational support for the call system; and
- Determination of data necessary for management and Supervisors to assess customer service goals.

In Process PUD indicated that it has no substantial update since the last reporting cycle. For the call center, the department reported that it started on the latest contact center software solution process with Department of IT. They anticipate having the initial features live in August 2021. Completion requires full implementation of the call center software.

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

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. This recommendation is still in process. During the reporting period, PUD noted that the timeline for the implementation of the call center system has been extended and the development of training materials will follow the implementation.

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

#3 To improve internal operations and provide best-in-class customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop key performance indicators to establish baseline performance and compare them with industry best practice. To that end, if metrics include the use of customer satisfaction surveys, the surveys should be automated and offered in appropriate languages. Additionally, CSD should continually reassess these key performance indicators based on the

Customer Service Office (Call Center) capacity (e.g., staffing, etc.) and desired goals. Lastly, CSD should establish and communicate individual and overall Call Center expectations to staff.

In Process This recommendation is still in process. PUD is continuing to determine what goals should be used for its key performance metrics.

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

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

In Process According to PUD, training is continuing and PUD is still on target to fully address the recommendation as scheduled, including the development of an online training module. Technical skills and soft skills training programs have been developed and implemented. The vast majority of individuals working in the

contact center have successfully completed both curricula. A few of them missed individual days or individual training sessions, so that is preventing us from considering this complete. Make up sessions were planned for this spring, which were derailed when in-person trainings were restricted due to the global pandemic. There are make-up training sessions that still need to occur.

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

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

In Process The department indicated this recommendation is still in process because the Customer Service Academy trainings have not been completed as they have not been offered again since staff was waiting to fill their CSR positions.

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

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

(LB) (JP)

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. PUD had previously developed a deployment plan internally, but it has been determined that to ensure success for future citywide deployment, an outside

consultant is needed to provide a truly comprehensive implementation plan. As such, PUD is currently developing a request for proposal (RFP) for a consultant to prepare a project implementation plan to include how many meters per year are replaced, overall schedule, public outreach, and use of internal/external resources.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	January 2020	~~January 2020~~ ~~July 2021~~ January 2022

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. The department reported that the previously established Executive Steering Committee has been suspended and will be re-assessed (timing, attendees) once a full project implementation plan has been developed.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	January 2020	~~January 2020~~ ~~July 2021~~ January 2022

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. PUD indicated that the forthcoming revised implementation plan will address use of internal and/or external resources to effectively deploy future meter replacements. As previously noted in prior updates, if external resources are identified, PUD will need to Meet and Confer with the affected recognized employee organizations.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	January 2020	~~January 2020~~ ~~July 2021~~ January 2022

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

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. PUD indicated that the forthcoming revised implementation plan will address use of internal and/or external resources to effectively deployment future meter replacements. As previously noted in prior updates, if external resources are identified, PUD will need to Meet and Confer with the affected recognized employee organizations.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 11, 2019	July 2020	~~July 2020~~ ~~January 2021~~ January 2022

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

In Process PUD indicated that until PUD is able to contract a consultant to prepare a project implementation plan, all recommendations of the AMI Audit will remain in process. PUD has submitted for a dedicated workgroup to perform meter and endpoint installation field work as part of the Fiscal Year (FY) 2022 budget approval/adoption process. The proposed full-time equivalent positions consist of one (1) Water Utility Supervisor and five (5) Laborers. Upon approval and adoption of the FY2022 budget submittal, this dedicated workgroup will be established.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	July 2020	~~July 2020~~ ~~January 2021~~ January 2022

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. PUD reported that as the full implementation plan is developed, the focus will be on ensuring existing systems and processes, including EAM, are functioning as intended. PUD and Department of IT are evaluating the use of additional outside resources to support PUD's needs for EAM improvements.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 11, 2019	January 2020	~~January 2020~~ ~~July 2020~~ January 2022

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. This item remains In Process. The AMI project manager continues to monitor AMI City Forces CIP labor charges/time entries and is actively working with WCM Division management to initiate appropriate corrective actions.

PUD previously reported that several elements of this recommendation were substantially complete as of June 30, 2020. For example, PUD Water Construction and Maintenance Division/Section designees have been appointed to actively monitor AMI CIP time entries and/or labor charges for reasonableness as well as to coordinate appropriate corrective actions, as needed. EAM functionality provided via the Work Order Completeness Reports and Labor Detail Summary Reports are generated and reviewed on a monthly basis to monitor time entries and labor charged to the AMI CIP budget.

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

EAM Work Manager system enhancements required to address the EAM timekeeping functionality was placed on hold effective June 2020 due to the expiration of the Department of IT, SAP Technical Consultants contract. As of December 2020, the new SAP vendor RFP contract was not available for use. As such, PUD is moving forward to address gaps and incorporate SAP system enhancements as soon as possible.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 11, 2019	January 2020	~~January 2020~~ ~~July 2020~~ January 2022

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. According to PUD, this recommendation is a component of the implementation plan.

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

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

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

In Process PUD indicated that it has no substantial update since the last reporting cycle. According to PUD, this recommendation is a component of the implementation plan. PUD reported that as the full implementation plan is developed, the focus will be on ensuring existing systems and processes, including EAM, are functioning as intended. PUD and Department of IT are evaluating the use of additional outside resources to support PUD's needs for EAM improvements.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 11, 2019	June 2020	~~June 2020~~ ~~July 2021~~ January 2022

#13 The Public Utilities Department should track the causes, resolution, and duration of all exceptions cases resulting from AMI meter replacements, including but not limited to EMMA and the SAP Workflow Inbox, and review the data to perform trending and root cause analyses.

In Process PUD indicated that it has no substantial update since the last reporting cycle. According to PUD, this recommendation is a component of the implementation plan. PUD reported that as the full implementation plan is developed, the focus will be on ensuring existing systems and processes, including EAM, are functioning as intended. PUD and Department of IT are evaluating the use of additional outside resources to support PUD's needs for EAM improvements.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	July 11, 2019	July 2020	~~July 2020~~ July 2022

21-001 FOLLOW-UP PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S INDUSTRIAL WASTEWATER CONTROL PROGRAM

(LB) (SM)

#1 The Public Utilities Department should 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 PUD indicated that the Department Instruction has been approved by Human Resources and is still routing through the respective departments for implementation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 15, 2020	December 2020	~~December 2020~~ July 2021

#2 The Public Utilities Department should 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, and proposed fees and cost recovery levels should comply with Proposition 218.

In Process PUD indicated that it has no substantial update since the last reporting cycle. In addition to the updates provided for Recommendations 1 and 3, PUD will abide by Council Policy 100-05 on User Fees and ensure that updated fee schedules are considered by Council at least every three years.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 15, 2020	December 2020	~~December 2020~~ July 2021

#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, as well as Proposition 218. The revised agreements should include mechanisms to adjust fees in response to changes in the cost of service.

In Process PUD indicated that it has no substantial update since the last reporting cycle. PUD is beginning the process of renegotiating its amended and restated agreement with the PAs. The current version of the Agreement precludes charging PAs general IWCP costs, but notes that all parties will revisit that section in good faith. Additionally, individual conveyance agreements with each PA may need to be revisited. Initial conversations have been held with the PAs and PA representatives. While negotiations have begun, it will take some time for them to be complete and for agreements to be updated, revised, and adopted by all parties. December 2020 update: Amended agreement completed January 2021. IWCP issues are not required to be negotiated within a year's time. Negotiations starting in February 2021.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 15, 2020	November 2020	~~November 2020~~ July 2021

21-010 **PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S INDUSTRIAL WASTEWATER CONTROL PROGRAM - PART II**

(LB) (SM)

#3 The Industrial Wastewater Control Program (IWCP) should work with the Economic Development Department to update the City's Open Counter portal by adding IWCP permits to the list of potential permits that a business may need to acquire from the City when starting or expanding operations.

In Process Economic Development Department is issuing a solicitation for the Open Counter. Once completed, IWCP will work with EDD to include IWCP applications in the new software. DoIT has required additional perimeters on the RFP and it was not issued in March as anticipated. City Council approved a one-year extension and the RFP is still being drafted. Due to the elongated RFP schedule, it will not likely be added or considered until next year when EDD chooses a vendor for their OpenCounter portal.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	March 11, 2021	June 2021	~~June 2021~~ July 2022

Purchasing and Contracting

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

(SG)

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

In Process The Purchasing & Contracting Department (P&C) reported that it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

P&C previously informed us they have implemented Recommendation 2 from the Performance Audit of Citywide Contract Management. Specifically, they have implemented a "not to exceed" amount contract control in Ariba. The

recommendation requires that the department institute a detective control to identify any contracts that may find a way to circumvent the “not to exceed” control as occurred with the previous system. We requested evidence for both controls, however, the department has not provided evidence that the preventative and detective controls are implemented to address the recommendation. As a result, the recommendation is still in progress.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 16, 2015	April 2015	~~November 2016~~ ~~July 2017~~ ~~June 2022~~ ~~April 2019~~ ~~December 2020~~ ~~Unknown~~ December 2021

#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 & Contracting Department (P&C) reported that it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

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

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 16, 2015	N/A	~~January 2017~~ ~~June 2017~~ ~~June 2022~~ ~~April 2019~~ ~~December 2020~~ December 2021

15-016 PERFORMANCE AUDIT OF CITYWIDE CONTRACT OVERSIGHT

(SG) (MJ)

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

a) All City contracts utilize an SAP Outline Agreement to centralize contract information and utilize centralized controls, access and reporting in the Citywide financial system;

b) The City should track total contract awards in SAP in accordance with the full value of the awarded contract to facilitate accurate controls and reporting;

The configuration of contract terms is standardized in SAP, in accordance to contractual terms, to facilitate better control and reporting across all contract, including the Target Value, Total Award

c) Value, and Contract Validity Dates; and

d) Supporting contracting documentation is centralized and stored electronically in SAP, i.e. attaching all contracts and related documentation to an SAP Outline Agreement.

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

In Process The Purchasing & Contracting Department (P&C) reported that it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

P&C reported this recommendation implemented during a prior reporting period, indicating that P&C has entered all contracts into Ariba and therefore contracts are held to expiration dates and not-to-exceed amounts (expiration dates and not-to-exceed amounts are considered hard stops.) All contract

documentation also stored in Ariba.

OCA requested supporting documentation and did not receive any as of the publishing of this report. OCA is working with P&C to obtain supporting documentation to verify implementation.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	~~TBD~~ January 2017	~~January 2017~~ ~~June 2017~~ ~~June 2022~~ ~~December 2020~~ ~~Unknown~~ December 2021

#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 & Contracting Department (P&C) reported that it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

P&C previously reported that the contract compliance training and resources for department contract administrators were being updated. They anticipated having all updates ready and rolled out by the end of calendar year 2020.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	November 2015	~~November 2016~~ ~~June 2017~~ ~~December 2020~~ ~~Unknown~~ December 2021

#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 The Purchasing & Contracting Department (P&C) reported that it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

P&C previously reported that the contract compliance training and resources for department contract administrators were being updated. They anticipated having all updates ready and rolled out by the end of calendar year 2020.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	~~N/A~~ November 2016	~~November 2016~~ ~~June 2017~~ ~~January 2019~~ ~~December 2020~~ ~~Unknown~~ December 2021

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

a) Defined submission steps and requirement.

b) Assignment of accountability for the process.

c) Establishment of a monitoring process.

d) Designation of a location for and maintenance of the debarred vendor list.

e) An annual review of the City's debarment process to ensure it is working as intended and effective; additionally, the policies and procedures should be updated as necessary resulting from this review.

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

In Process The Purchasing & Contracting Department (P&C) reported that, given new management in the department, it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

P&C previously reported that training was provided to PCOs in February 2020. As part of P&C's annual review of contract compliance processes, P&C indicated it will also review the City's debarment process. P&C indicated that it was finalizing updates to its compliance manual and would consider this recommendation closed when they are completed.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	~~N/A~~	~~January 2017~~
		January 2017	~~June 2017~~
			~~April 2018~~
			~~May 2018~~
			~~April 2019~~
			~~January 2020~~
			~~February 2020~~
			~~November 2020~~
			December 2021

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

(DK)

#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

The Purchasing & Contracting Department (P&C) reported that, given new management in the department, it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

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

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

P&C also reported that it was working on an internal handbook for PCOs to refer to that lays out the process for reviewing Purchase Requisitions that are not tied to contracts. This internal handbook was anticipated to be finalized by the end of September 2020.

However, City Management has not provided sufficient evidence of a monitoring program or the internal handbook.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	April 21, 2016	November 2016	~~January 2017~~ ~~June 2017~~ ~~September 2020~~ December 2021

#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

The Purchasing & Contracting Department (P&C) reported that, given new management in the department, it will review the recommendation and work on implementing an appropriate course of action to remedy the issue.

P&C previously reported this recommendation as implemented. P&C indicated that it has input all contracts into Ariba. Pre-existing vendor catalogues have

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

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

Priority 3	Issue Date: April 21, 2016	Original Target Date: November 2016	Current Target Date: ~~January 2017~~ ~~June 2017~~ ~~June 2022~~ ~~December 2020~~ ~~Unknown~~ December 2021

21-002 AGREED-UPON PROCEDURES RELATED TO THE CENTRAL STORES PHYSICAL INVENTORY - FISCAL YEAR 2020

(DN)

#1 Macias Gini & O'Connell recommends that the Purchasing and Contracting Department consider procuring handheld devices that are compatible with the SAP inventory record module. These devices can be used to scan the barcodes that already exist on each stock item tag and will allow storekeepers to update inventory records in real-time for their inventory cycle counts and will provide more accurate and timely information regarding inventory record maintenance.

In Process Central Stores is currently in the process of moving to the Warehouse Management system. Once complete, the purchase and adoption of handheld scanners will be implemented.

Priority 2	Issue Date: September 14, 2020	Original Target Date: April 2021	Current Target Date: ~~April 2021~~ March 2022

#2 Macias Gini & O'Connell recommends that the Purchasing and Contracting Department develop policies and procedures for obtaining and documenting explanations and related support for any adjustments made to the inventory stock records.

In Process New P&C Management will work with Central Stores staff to develop appropriate policies to meet this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 14, 2020	June 2021	~~June 2021~~ December 2021

21-005 PERFORMANCE AUDIT OF THE PURCHASING AND CONTRACTING DEPARTMENT'S SMALL LOCAL BUSINESS ENTERPRISE PROGRAM

(CK) (CN)

#2 We recommend that once the disparity study is complete, the Purchasing and Contracting Department should provide full copies of the study to City Council. With the results of the disparity study, if disparities in contracting exist, San Diego City Council and the Mayor's Office should consider changes to the Small Local Business Enterprise program to include narrowly tailored race- and gender-conscious contracting preferences to alleviate those disparities.

In Process According to the department, P&C staff will be presenting disparity study report to City Council by the end of July 2021. A copy of the report was provided to all councilmembers on April 14, 2021 via email.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	March 2021	~~March 2021~~ August 2021

#8 We recommend the Purchasing and Contracting Department collect more information from goods and service contract bidders, including asking if the bidding contractor (prime contractor) is certified by the Small Local Business Enterprise (SLBE) program or if the business thinks they may qualify to be certified by the SLBE program.

In Process In order to bid on City contracts, vendors must be registered in Planetbids. During the registration process, there is a section that asks vendors if they would like to register for the SLBE program, which is how many vendors go through the process of becoming certified and should be considered a way the City is noticing potential vendors to join the program. As for collecting information on whether the bidder is certified, that is collected in the Contractor Standards Pledge of Compliance.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	June 2021	~~June 2021~~ August 2021

Public Utilities Department

21-001 **FOLLOW-UP PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S INDUSTRIAL WASTEWATER CONTROL PROGRAM**

(LB) (SM)

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

In Process PUD indicated there is no substantial update since the last reporting cycle. PUD is evaluating the RFP for PIMs replacement, which will have correct settings and invoice calculating features, and will automatically generate invoices, verification will be provided over the next six months. The RFP proposal did not provide responsive bidders. IWCP is evaluating custom built PIMS system.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 15, 2020	June 2021	~~June 2021~~ June 2022

Real Estate Assets

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

(CN)

#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 Under the new administration and new department leadership, Real Estate indicated that it is taking a holistic approach to reviewing the pending audit recommendations and those that are forthcoming in two audits that are in-process. Real Estate expects these changes will result in a comprehensive update to all of the leasing policies and expect to commence the update process in the fall.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	December 20, 2012	June 2013	~~March 2017~~ ~~April 2017~~ ~~June 2018~~ ~~December 2018~~ ~~June 2019~~ ~~December 2019~~ ~~March 2020~~ ~~September 2020~~ July 2021

14-019 PERFORMANCE AUDIT OF REAL ESTATE ASSETS DEPARTMENT

(CN)

#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 According to the department, the SCNP House Removal project (part of L-14005 Sunset Cliffs Park Drainage Improvements) provides for the removal of four existing homes located in the SCNP, site restoration, revegetation, accessible parking, and the inclusion of trails and lookouts per the SCNP Master Plan. This project has been underway for several years and is currently at 90% design, in the process of environmental permitting.

The existing design consultant has reached the end of its five-year agreement with the City, and additional funds are needed to complete the design phase. The project needs approximately $430,000 to restart the design with an overall funding need of $1.5 million to complete construction. Parks and Recreation Department anticipates bringing an action forward to City Council in December 2021 to add more funding to this project to keep the design effort moving forward.

Engineering and Capital Projects Department estimates the following milestones

for project completion over an approximately three-year period:

- Finish design and complete the environmental permitting process: 12 to 18 months including hiring a new design consultant
- Bid and award of construction contractor: 6 months
- Construction, demolition, and site restoration: 12 months

Assuming the schedule holds, and funding is available to complete the design and construction phases, Parks and Recreation Department staff estimates the project will be complete in December 2024.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	May 7, 2014	June 2017	~~Fiscal Year 2018~~ ~~June 2018~~ ~~July 2020~~ ~~July 2021~~ December 2024

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

(CN)

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

- A good match between the property and function, unlikely to change;
- To be considered for relocation of the function to anchor another property with a better match, good fit with upcoming events, or held for future use; and
- Surplus, or property unused by City functions.

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

In Process Under the new administration and new department leadership, Real Estate is taking a holistic approach to reviewing the pending audit recommendations and those that are forthcoming in two audits that are in-process. Real Estate expects these changes will result in a comprehensive update to all of the leasing policies and expect to commence the update process in the fall.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 23, 2018	June 2019	~~June 2019~~ ~~December 2019~~ ~~March 2020~~ ~~September 2020~~ December 2021

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

In Process Under the new administration and new department leadership, Real Estate is taking a holistic approach to reviewing the pending audit recommendations and those that are forthcoming in two audits that are in-process. Real Estate expects these changes will result in a comprehensive update to all of the leasing policies and expect to commence the update process in the fall.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 23, 2018	January 2019	~~January 2019~~ ~~June 2019~~ ~~November 2019~~ ~~March 2020~~ ~~September 2020~~ December 2021

Storm Water Department

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

(AH) (MJ) (DN)

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

In Process As a part of the scoping of the workflow and processes that would be needed to implement a cost-recovery program for storm water re-inspections, the Stormwater Division identified the need for additional resources to administer the program. A budget request was submitted by the Transportation & Stormwater Department (Department) as part of the FY2022 budget request. However, the request was prioritized against other budgetary needs and was not selected for funding. The additional resources will be included in the Fiscal Year

2023-2027 Five-Year Financial Outlook and will be included in the FY2023 budget request.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 14, 2018	January 2020	~~January 2020~~ ~~July 2021~~ July 2022

21-003 PERFORMANCE AUDIT OF THE TRANSPORTATION AND STORMWATER DEPARTMENT'S STREET SWEEPING SECTION

(CK) (MJ) (DK)

#4 The Transportation and Stormwater Department Stormwater Division (SWD) should incorporate the following adjustments to their performance measures:

a. Create a target for planned annual miles swept that excludes special sweeps and anticipated typical operational limitations (such as winter or seasonal restrictions); and add this as a performance measure to track total mileage and percent of miles completed, and;

b. Add an annual key performance indicator for annual debris volume collected using the same unit of measurement as the annual Jurisdictional Runoff Management Plan report.

In Process This recommendation is in process. Stormwater has provided an analysis for the updated target for the annual miles swept performance measure. OCA will need to see documentation of the inclusion of percent of miles completed and annual debris volume collected in the performance measures to consider this recommendation as implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 22, 2020	June 2021	~~June 2021~~ December 2021

June 2021

ATTACHMENT D

Recommendations Deemed As In Process And Original Target Dates Are Not Due

Sorted by Department

This attachment includes all recommendations with original target dates that are not due as of June 30, 2021 that are **In Process** of implementation based on the status information provided by the departments or based on auditor review of evidence provided by the departments.

ATTACHMENT D
RECOMMENDATIONS DEEMED AS IN PROCESS – NOT DUE

Chief Compliance Officer

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

(AH) (GT)

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

a. The City's ERM manager and Risk Oversight Committee should ensure the Transportation and Storm Water Department (TSW) and other operational departments are appropriately prioritizing damaged sidewalk mitigation efforts in high pedestrian usage areas given the much higher potential liability each damaged location presents in these areas. Specifically, this should include all departments that incur significant trip and fall liabilities documenting and implementing a procedure to prioritize sidewalk repairs in high pedestrian usage areas.

b. TSW should expand on our analysis using at least five years of data to determine whether larger sidewalk uplifts do increase the risk and cost of trip and fall liabilities relative to smaller uplifts. TSW's sidewalk maintenance prioritization procedure should include prioritizing maintenance of larger sidewalk uplifts if this analysis shows that such prioritization would more effectively address trip and fall risks.

In Process No change since the last reporting period. According to the department, a draft SOP that reflects current prioritization is under review. As the results of the analysis performed in Part B of this recommendation suggest that the size of defects do not significantly affect public liability risk, the size of a defect will not be included as a factor in location prioritization. Size of a defect will continue to be evaluated to determine if concrete replacement or a less expensive measure is appropriate. Additionally, maps for upcoming projects that demonstrate the use of the various factors, including estimated pedestrian intensity, will be provided for Risk Oversight Committee and City Auditor review.

Implementation Target Date: December 30, 2021

Rec. 2.b. TSW analyzed available claim settlement data for 159 claims closed in Fiscal Years 2016-2020. The size of a sidewalk damage does not appear to be significantly correlated with the risk of a trip-and-fall claim liability.

Approximately 60% of damages noted in the 2015-2016 Sidewalk Assessment & Inventory had displacement sizes of 1.5 inches or less, while 53% of the claims resulting in a financial liability had similar displacement sizes. Given that the cost of slicing sidewalks to repair smaller defects is far less expensive than replacement of concrete, the most cost-effective reduction of public liability related to tripping continues to be to prioritize locations that can be mitigated by repair instead of replacement.

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

Chief Operating Officer

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

(SG) (WM)

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

In Process No change since the last reporting period. The three departments are leveraging existing resources to complete the audit recommendations amid a challenging budget situation and will continue to evaluate resource needs throughout the project. This recommendation is on target for the 7/1/2021 implementation date.

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

21-009 **PERFORMANCE AUDIT OF THE CITY'S CLIMATE ACTION PLAN**

(DN) (MS)

#1 To formally establish responsibility and authority for oversight and accountability of CAP implementation, the City's Chief Operating Officer should adopt an Administrative Regulation that requires:

- CAP-related City departments to annually provide CAP workplans to the Sustainability Department for review and approval; the CAP workplans should outline the work the City departments plan on accomplishing for the following year;

- The City to formally establish roles within each City department involved in CAP implementation to act as a liaison and to drive forward CAP implementation within their respective department, including the responsibility of developing the annual workplan for the department;
- CAP-related City departments to annually request to docket their CAP annual workplans for presentation to the full City Council for budgetary considerations; and
- The Sustainability Department to annually request to docket the CAP Annual Reports for presentation to the full City Council.

In Process The department did not provide an update. OCA will continue to follow up during the next reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 18, 2021	December 2022	December 2022

City Clerk

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

(SG) (WM)

#5 No change since the last reporting period. The City Clerk, Chief Information Officer, and Chief Data Officer should create an Administrative Regulation defining a citywide data governance model and the roles and responsibility of each of the City's data management entities.

In Process This recommendation is in progress and is on track for the 7/1/2023 implementation date.

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

Department of Finance

20-011 **PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT**

(NO) (GT)

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

In Process No change since the last reporting period. On September 15, 2020, the Human Resources (HR) Department presented to Council several of the efforts they have initiated to address the SHCM issued raised by the audit. OCA will work with HR and Department of Finance to gather more information about tangible evidence of progress.

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

Department of Information Technology

21-007 **IT PERFORMANCE AUDIT OF LEGACY APPLICATIONS**

(SG)

#5 The Chief Information Officer should include the results of the risks assessment for legacy systems as a significant discussion item on the agenda in the annual Strategic Technology Advisory Committee meeting with mayoral department directors to help determine which systems should be prioritized for replacement among departments.

In Process The Department of IT added annual risk assessments to STAC Charter to include them as an agenda item for the annual STAC meeting to help determine priority for legacy system replacements. The final STAC Charter approval is in progress.

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

#9 The Chief Operating Officer should work with the Chief Information Officer to develop a policy and corresponding procedures to require that each legacy application has a current calculation weighing the costs and benefits of each alternative and is documented for, and reviewed during the annual Strategic Technology Advisory Committee process.

In Process The Department of IT added the process to require that each legacy application has a current calculation, weighing the costs and benefits of each alternative, to the Technology Strategic Planning Process. The documentation of each legacy application is in progress.

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

#11 The Chief Operating Officer, working with the Chief Information Officer, should provide a confidential report annually to the City Council containing high risk legacy applications that should be prioritized for replacement. This report should include the risks impacting information technology operations, business operations, return on investment calculation available, and security considerations in appropriate detail for the City Council to make a decision whether to prioritize funding for application replacement.

In Process The Department of IT is currently compiling the data to provide a confidential report annually to the City Council containing high-risk legacy applications that should be prioritized for replacement.

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

21-013 PERFORMANCE AUDIT OF IT SERVICE DELIVERY EFFECTIVENESS

#1 To ensure that the Help Desk meets required service levels and identifies improvement opportunities, service risks, and issues of Help Desk services delivery, the Department of Information Technology (DoIT) should measure the following Key Performance Indicators (KPIs) for Help Desk and Deskside Support Service:

a) First Contact Resolution (FCR) rate: This measures the percentage of customers' questions and requests solved at first contact.

b) Average Resolution Time: This measures the average elapsed time from when an incident is reported (ticket is opened) until the incident is resolved (ticket is closed).

c) Ticket backlog: This measures how many unresolved tickets are waiting to be handled by service provider over a particular time frame.

d) Cost per ticket: This measures the total monthly operating expense of the Help Desk divided by the number of tickets.

e) Recurring Incidents: This measures the percentage of incidents that can be classified as a repeat incident (already occurred multiple times), relative to all reported incidents within the measurement period.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 30, 2021	July 2022	July 2022

#2 The Department of Information Technology (DoIT) should incorporate the following KPIs to measure and monitor SAP availability during business hours for keeping lost business hours to the bare minimum:

a) Number of unscheduled downtime events in the last quarter;

b) Average amount of unscheduled downtime per event in the last quarter;

c) Longest unscheduled downtime event;

d) Critical SAP module availability (such as Ariba, EAM, etc.); and

e) Length of time to recover from last unscheduled downtime event.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 30, 2021	October 2021	October 2021

#3 To ensure that users acknowledge full capabilities of new SAP functionalities, the Department of Information Technology (DoIT) and the Business Process Coordinators (BPCs) should work with City departments to conduct training after performing an improvement/enhancement on SAP functions and measure the following Key Performance Indicators (KPIs) on the training:

a) Training Completion Percentage Rate; and

b) Employee Training Satisfaction Rates.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 30, 2021	July 2022	July 2022

#4 In order to improve remote work productivity, the Department of Information Technology (DoIT) should consider tracking and improving productivity with VPN by measuring the following Key Performance Indicators (KPIs) for VPN Connection Performance:

a) Application (such as SAP) Usage by VPN Connection – shows the trend of usage (users and system usage) before and after VPN connection; and

b) Device Health Trend – shows the device health and performance before and after VPN connection.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 30, 2021	July 2022	July 2022

#5 To facilitate increased GIS Service utilization, the Department of Information Technology (DoIT) should consider expanding the source data to include more data required by customers and using KPIs to measure GIS utilization and usability among City Departments.

Additionally, in order to improve GIS data quality, DoIT should consider preparing a data quality report for data created by GIS users, which should include the KPIs for data completeness, data precision, data accuracy, and data consistency, such as the data error rate, percentage of untraceable data, etc.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 30, 2021	March 2022	March 2022

#6 In order to optimize the cost of IT services, reduce the risk of over-spending and improve the reliability of budget predictions, the Department of Information Technology (DoIT) should consider making the budget allocation process more transparent and having the following Key Performance Indicators (KPIs) for financial management of IT services provided by CGI:

a) Cost/Benefit Estimation – Percent of project files containing cost/benefit estimates.

b) Post Implementation Review – Percent of projects where costs and benefits are verified after implementation.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 30, 2021	July 2022	July 2022

#7 To ensure that the current set of services continue to meet the needs of City departments, the Department of Information Technology (DoIT) should have reporting mechanisms in place for key service metrics, including those identified in this report. Additionally, DoIT should present them annually to City Departments in the form of reports or dashboards, which can be incorporated into the reporting of IT Budget, IT Strategy, or other effective forums such as an intranet or internet site.

The reports or dashboards should indicate how far DoIT is from its targets and what bottlenecks, if any, prevent it from achieving better results.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 30, 2021	July 2022	July 2022

Department of Real Estate and Airport Management

21-012 PERFORMANCE AUDIT OF MISSION BAY AND SAN DIEGO REGIONAL PARKS IMPROVEMENT FUNDS, FISCAL YEAR 2020

(RG)

#1 For the Real Estate Assets Department to be able to properly manage and monitor the leaseholds located on Mission Bay Boundary lands, we recommend that at a minimum, Real Estate Assets Department should analyze the level of resources needed and put a plan in place to ensure adequate resourcing. This may include reallocating existing resources, or increasing existing staffing levels, if justified.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 29, 2021	October 2021	October 2021

Homeless Strategies Division

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

(DN) (LB)

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

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

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

- Focus groups;
- Interviews;
- Comment (or point-of-service) cards;
- Public meetings, such as hearings, "town hall" meetings, and community vision sessions;
- Interactive priority setting tools;
- Creating public or neighborhood advisory groups, committees, or task forces; or
- Hire a consultant to conduct surveys.

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

In Process During the FY2022 budget process, the City developed a funding proposal that significantly utilized state and federal grant funding to continue programs and services for individuals experiencing homelessness. As part of the budget

process, Homelessness Strategies remains vigilant in strategically utilizing funding sources (looking at timelines, eligible uses, etc.) to ensure funding is being used in the most efficient and effective manner. As part of the FY2022 budget, the City is committing an additional $10 million to expand programs including the following:
-The creation of a new Homelessness Strategies Department to ensure the City is set up to be successful in its efforts to end homelessness
-More than $7 million for new approaches to help people struggling with substance use and addiction to exit homelessness, including expander shelter space and safe havens
-$1 million to expand the People Assisting the Homeless (PATH) Coordinated Street Outreach Program, which uses a person-centered, neighborhood-based approach to cultivate trusting relationships with unsheltered residents and connect them to housing and services -$1 million to expand rapid-rehousing programs to serve an additional 100 households, including rental assistance and case management -$300,000 to expand workforce training programs needed to bring more people into a career in providing homelessness services, such as the Homelessness Program for Engaged Educational Resources (PEER) course, a first-of-its-kind collaboration between the San Diego Housing Commission and San Diego City College. The results of the 2020 ballot measure are currently being evaluated, and the City continues to look for long-term funding for homelessness.

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

Human Resources Department

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

(NO)

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

a) Considering how to increase part-time arrangements for a larger number of City positions;

b) Expanding other flexible work policies such as position-sharing or telecommuting as appropriate;
c) Building on past work and exploring additional policies such as expanded parental leave, onsite child care, and flexible work arrangements where appropriate;
d) Ensuring leadership opportunities such as Citywide Supervisors Academy, OpEx Academy, and other departmental efforts are being offered to a diverse audience;
e) Reducing reliance on overtime to meet staffing requirements, especially within Fire-Rescue; and
f) A particular focus on these or other operationally-appropriate efforts within public-safety departments.

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

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

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

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

20-011 PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT

(NO) (GT)

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

a) How satisfied employees are with their level of compensation and benefits;
b) Which forms of compensation or benefits are or would be most valued by employees; and

c) A comparison of these results to some sort of benchmarking criteria, such as results from the federal Employee Viewpoint Survey, the Society for Human Resource Management's annual Employee Benefits report, etc.

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

In Process Human Resources has made progress on the first two parts of the recommendation, now the City needs to compare the City's results to a benchmark organization.

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

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

a) The Workforce Report should include fundamental Human Capital Management (HCM) metrics on turnover rates, quits rates, vacancy rates, employee satisfaction, and others and should include benchmarking/comparative information, such as data from the U.S. Bureau of Labor Statistics, other large cities, the Society for Human Resource Management, etc.

b) Among other content, the Workforce Report should identify:

a. A reasonable number—e.g. 10—of the job types for full-time employees, regardless of classification status, with:

i. The highest rates of turnover and/or voluntary separations;

ii. The highest rates of vacancies; and

iii. A metric assessing employee recruitment—for example, the number of "qualified" vs. "highly qualified" applicants. If they are not included among the job types above, the Workforce Report should also include the results for Police officers and Firefighters as well.

iv. ii. An assessment of the differences, if any, between employees with Defined Contribution retirement plans and the rest of the City workforce, with respect to recruitment and retention patterns and/or other metrics (e.g. satisfaction or engagement).

c) The Workforce Report should identify key elements of concern within the workforce, such as recruitment, development, satisfaction/engagement, and retention problems, an action plan to address these issues, and a timeline for completion.

d) The Workforce Report should be required by a strong mechanism, such as a Council Policy or Municipal Code amendment.

In Process No change since the last reporting period. On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council that they are making progress on this recommendation, including developing a turnover dashboard. OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

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

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

a) Convene a working group to solicit concerns about reliability of the workforce data within the dashboard and issue a resulting action plan to address concerns raised.

b) Expand the dashboard's historically available data to the maximum extent possible, not less than a period of five years.

c) Display additional key workforce metrics, such as those listed in Exhibit 22. A metric on employee retention, including but not limited to turnover and quits rates, should be a top priority.

d) Ensure the dashboard is widely accessible to stakeholders, such as analysts within each of their own departments, the Office of the City Auditor, the Office of the Independent Budget Analyst, and interested individual operational departments that request access and have a reasonable business purpose.

e) The dashboard should have "break-out" and export capabilities for at least the following dimensions:

    a. By department;

    b. By job classification;

    c. By labor group; and

    d. By retirement plan type

In Process No change since the last reporting period. On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council that they are making progress on this recommendation, including developing a turnover dashboard. OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

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

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

In Process No change since the last reporting period. On September 15, 2020, the Human Resources (HR) and Personnel Departments presented to Council several of the efforts they have underway to address SHCM issues raised by this audit. The presentation did not go into detail on this recommendation, but OCA will work with HR and Personnel to gather more information about tangible evidence of progress.

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

21-006 PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT II: EMPLOYEE PERFORMANCE MANAGEMENT

#3 The Human Resources Department, working collaboratively with the Finance Department, should consider replacing or supplementing the existing cap of 24 discretionary leave (D/L) hours per entry with a maximum cap on annual awards per employee, and should revise Administrative Regulation 95.91 accordingly.

In Process Human Resources (HR) confirmed that the updated Administrative Regulation (AR) 95.91 (updated February 2021) provided to OCA is not intended to address this recommendation. HR stated the updated AR was already in the process being revised before OCA published this report and therefore will need to revise the AR again to address the issue of D/L caps.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	November 25, 2020	July 2021	July 2021

#4 The Human Resources Department, working collaboratively with the Finance Department, should conduct an annual review of the Rewards & Recognition Program for conformance with the cash and discretionary leave (D/L) caps within Administrative Regulation 95.91 and the extent of program participation.

This review should be formalized in the form of a process narrative, and included within Administrative Regulation 95.91, or some other way to ensure that it will be performed each year.

In Process No update was provided for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	November 25, 2020	July 2021	July 2021

#5 The Human Resources Department should develop and implement a plan to increase awareness of Rewards & Recognition Program tools and to encourage additional program participation in the lowest-utilizing departments in particular—for example, via targeted or required trainings of supervisors and managers in those departments.

In Process No update was provided for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	December 2021

#6 The Human Resources Department (HR), working as necessary with the Personnel Department, should strengthen its abilities to more strategically monitor aggregate discipline trends and issues within the City workforce—for example, trends over time or patterns across departments or other aspects of the City's workforce. Specifically, HR should develop and implement a process to provide this information periodically, or preferably on-demand, to the City Executive Team, the Risk Oversight Committee, the Civil Service Commission, and City departments' management to better identify and mitigate performance and misconduct-related risks.

In Process No update was provided for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	December 2021

#7 The Human Resources Department should incorporate strengthening its tracking and dissemination of performance and discipline-related information into its ongoing effort to outline and document its goals, responsibilities, and the organizational efforts it is undertaking internally to strengthen its emphasis on

Strategic Human Capital Management (SHCM) efforts, agreed to as part of our first SHCM audit. See Recommendation #6 from our Performance Audit of the City's Strategic Human Capital Management. This should include analysis to determine if additional staffing resources are needed to successfully execute this plan to strengthen its SHCM capabilities

In Process No update was provided for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	July 2021	July 2021

#8 The Human Resources Department, working collaboratively with the Personnel Department, should develop and execute a plan for actions the City can take to better utilize mechanisms, such as probationary periods and Supplemental Employee Performance Reviews (EPRs), if/as appropriate. Strategies considered should include: a. Reexamining or reaffirming the City's philosophical approach to discipline issues; b. Trainings for supervisors identifying the tools of probationary periods and Supplemental EPRs and their importance; c. Ensuring quarterly EPRs are completed, especially for probationary employees; and d. A particular focus on these or other operationally appropriate efforts among departments that show lower EPR completion rates, especially for probationary employees.

In Process No update was provided for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	July 2022	July 2022

#9 The Human Resources Department (HR) should continue its efforts to expand more general training opportunities pertaining to discipline processes, for example by creating or expanding virtual attendance options. a. Priority for registration should be given to supervising employees who have not taken City courses on supervision or discipline. b. HR should develop a mechanism to monitor and report compliance with the existing requirement for supervisors to take these courses, such as by requiring departmental appointing authorities to annually report all new supervisors and whether or not they completed such trainings.

In Process No update was provided for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	December 2021

#11 The Human Resources Department, working collaboratively with the Personnel Department, should seek to improve guidance to supervisors for common discipline issues; for example, by including potential corrective options that may be appropriate for various types of performance and misconduct offenses in the Dimensions of Discipline training and manual

In Process No update was provided for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	December 2021

Office of Boards and Commissions

21-012 PERFORMANCE AUDIT OF MISSION BAY AND SAN DIEGO REGIONAL PARKS IMPROVEMENT FUNDS, FISCAL YEAR 2020

(RG)

#2 We recommend the City's Office of Boards and Commissions immediately find a replacement for the member of the Mission Bay Committee/Mission Bay Improvement Fund Oversight Committee who is currently serving beyond the maximum 8 consecutive years, or modify the Municipal Code to clearly allow members of the committee to serve beyond the maximum of 8 consecutive years.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	June 29, 2021	November 2021	November 2021

Performance & Analytics Department

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

(SG) (WM)

#1 The three city data management authorities—the Chief Data Officer (CDO), Chief Information Officer (CIO), and City Clerk—should work collaboratively to create a centralized data management strategy based on a centralized data

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

In Process No change since the last reporting period. The department reported that this recommendation is in progress and is on track for the 7/1/2022 implementation date.

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

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

In Process No change since the last reporting period. The department reported that this recommendation is in progress and is on track for the 7/1/2023 implementation date.

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

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

In Process No change since the last reporting period. The CDO, CIO, and City Clerk are collaborating to define departmental data coordinators and record coordinators for a data inventory. This recommendation is on target for the 7/1/2021 implementation date.

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

Personnel Department

20-011 **PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT**

(NO) (GT)

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

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

In Process No change since the last reporting period. The Personnel Department is working with the Department of IT to evaluate the feasibility of developing a report that can produce the recommended data.

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

21-006 **PERFORMANCE AUDIT OF STRATEGIC HUMAN CAPITAL MANAGEMENT II: EMPLOYEE PERFORMANCE MANAGEMENT**

(NO) (GT)

#1 The Personnel Department (Personnel) and Human Resources Department (HR) should work collaboratively to report Employee Performance Review (EPR) completion rates for all eligible employees Citywide in the City's Annual Workforce Report.

a. The report should include some sort of breakout capability, such as results by department, type of EPR (e.g., annual, quarterly, etc.), and classified or unclassified status.

b. Personnel and HR should encourage the lowest-utilizing departments in particular—for example, via additional reminders or targeted trainings of supervisors and managers in those departments.

In Process The Personnel Department is working with the Department of IT to evaluate the feasibility of developing a report that can produce the recommended data.

Priority 2	Issue Date: November 25, 2020	Original Target Date: December 2021	Current Target Date: December 2021

#2 The Personnel Department and Human Resources Department should continue collaborative efforts to implement an online Employee Performance Review (EPR) management solution to more efficiently facilitate their EPR reminder and completion monitoring capabilities for classified employees—for example, breakout capabilities discussed in Recommendation 1a.

In Process The Personnel Department is testing the capabilities of the new online Employee Performance Review Program (EPRP) workflow. In cooperation with the Human Resources Department, Personnel Department staff are providing information to the Recognized Employee Organizations.

Priority 2	Issue Date: November 25, 2020	Original Target Date: July 2021	Current Target Date: July 2021

#10 The Personnel Department (Personnel) should continue its efforts to expand its Employee Performance Review (EPR) Program training as well as more general training opportunities pertaining to discipline processes, for example by creating or expanding virtual attendance options.

a. Priority for registration should be given to supervising employees who have not taken City courses on supervision or discipline.

b. The Chief Operating Officer should implement a requirement that departmental appointing authorities require all new supervisors take the EPR Program course within one year of becoming a supervisor.

Personnel should develop a mechanism to monitor and report compliance with this requirement such as by requiring departmental appointing authorities to annually report all new supervisors and whether or not they completed such trainings

In Process No update was provided for this recommendation.

Priority 2	Issue Date: November 25, 2020	Original Target Date: December 2021	Current Target Date: December 2021

Public Utilities Department

21-001 **FOLLOW-UP PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S INDUSTRIAL WASTEWATER CONTROL PROGRAM**

(LB) (SM)

#6 The Public Utilities Department should move the Industrial Wastewater Control Program's budget from the Municipal Wastewater Fund to the Metropolitan Wastewater Fund.

In Process PUD indicated that there are no substantial updates since the last reporting cycle. Once current negotiations are completed with PA's, PUD will start negotiations on moving IWCP budget from Muni to Sewer Fund.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 15, 2020	July 2022	July 2022

21-010 **PERFORMANCE AUDIT OF THE PUBLIC UTILITIES DEPARTMENT'S INDUSTRIAL WASTEWATER CONTROL PROGRAM - PART II**

(LB) (SM)

#1 To help maintain a complete and current inventory of industrial users, the Industrial Wastewater Control Program should update its existing policies, procedures, and methods for identifying potential industrial users within the Metropolitan Wastewater Area. Specifically, the updated policies, procedures, and methods should:

a. Include directions for analyzing business sites data from the County of San Diego to identify businesses that may potentially be regulated by the program as industrial users;

b. Include enhanced methods for identifying businesses outside the City of San Diego, such as increased collaboration with the permitting agencies of other local jurisdictions within the Metropolitan Wastewater Area;

c. Specify which staff members are responsible for conducting this new analysis and specify which staff members are responsible for employing each of the existing methods; and

d. Specify how often responsible staff should conduct this new analysis and specify how often responsible staff should employ each of the existing methods.

In Process According to the department, PUD is currently analyzing the business site data from SANGIS to determine the number of industrial users to be evaluated. The current list is approximately 12,000 businesses. PUD is currently working with PA's to develop procedures for alerting IWCP to new businesses in the area. Standard Operating Procedures(SOPs) will be developed to include specifying the specific classification responsible for implementing these duties.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	March 11, 2021	July 2022	July 2022

#2 The Industrial Wastewater Control Program should train all staff responsible for regularly updating the inventory of industrial users, as noted in Recommendation 1, on procedures to identify potential industrial users in the Metropolitan Wastewater Area.

In Process Once the SOP is completed for Recommendation #1, IWCP will train all appropriate staff.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	March 11, 2021	January 2022	January 2022

#4 The Industrial Wastewater Control Program (IWCP) should develop procedures to track the results of using the updated methods described in Recommendation 1, including how many potential industrial users were identified, how many were assessed, and how many were determined to need a permit from the program. IWCP should report this information to the City Council’s Environment Committee or to the Independent Rates Oversight Committee annually, along with the information produced by implementing Recommendation 6.

In Process Once the SOP is implemented for Recommendation #1, IWCP will include how it is documenting the requested metrics.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	March 11, 2021	March 2023	March 2023

#5 The Industrial Wastewater Control Program should establish target service levels for inspections and permit issuance for both Significant Industrial User (SIU) and non-SIU facilities. These targets should include (but not be limited to) how frequently the program will formally inspect or otherwise evaluate industrial user facilities for compliance with pretreatment regulations and how quickly the program should process permit applications and renew permits prior to their expiration.

In Process IWCP is currently reviewing the business data list from Recommendation #1. The current list of potential businesses is approximately 12,000. IWCP is developing SOP for this evaluation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	March 11, 2021	July 2022	July 2022

#6 The Industrial Wastewater Control Program (IWCP) should develop procedures to monitor performance in achieving the target service levels described in Recommendation 5. IWCP should report this information annually to the City Council's Environment Committee or to the Independent Rates Oversight Committee, along with the information produced by implementing Recommendation 4.

In Process IWCP is currently reviewing the business data list from Recommendation #1. Once recommendation #5 is implemented, staff will develop the target levels and monitor them.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	March 11, 2021	July 2022	July 2022

#7 The Industrial Wastewater Control Program (IWCP) should complete a staffing analysis to determine the staffing level necessary to meet the target service levels established in Recommendation 5. If this staffing level requires additional positions, IWCP should make the necessary budget requests to the City Council during the annual budget process. If the City Council does not approve these requests, IWCP should adjust its target service levels to ensure they can be met, based on current staffing resources.

In Process IWCP is currently reviewing the business data list from Recommendation #1. Once recommendation #5 is implemented, staff will develop the target levels and monitor them.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	March 11, 2021	July 2022	July 2022

21-005 **PERFORMANCE AUDIT OF THE PURCHASING AND CONTRACTING DEPARTMENT'S SMALL LOCAL BUSINESS ENTERPRISE PROGRAM**

(CK) (CN)

#3 We recommend that Equal Opportunity Contracting (EOC) compare the amount awarded in each contract type for each race/gender group to the race/gender makeup of contractors available in the region. Once the disparity study is complete, EOC could use the disparity study's analysis of the makeup of business owners in the region to estimate the anticipated percentage of contract funding that could possibly be awarded to each group in each contract type (construction, architectural and engineering services, and goods and services). If the disparity study is not complete or does not provide sufficient information, EOC management should use countywide race/ethnicity and gender data (either workforce or population data) to make this estimation. EOC should include this comparison in its annual reports. This recommendation does not recommend any preference in contracting based on race or gender, nor does it create or imply a required goal or quota of race or gender in contracts with the City.

In Process According to the department, staff is working on determining how to utilize the report to address the recommendation noted.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	December 2021	December 2021

#4 We recommend the Mayor's Office reposition oversight of the Small Local Business Enterprise (SLBE) program outside the management of the program. Oversight should include necessary expertise on decreasing barriers for businesses owned by women and people of color and should not solely rely upon City contracting expertise or fall to an advisory commission that cannot compel management to action. Oversight should, at minimum, include: a. Reviewing and approving the SLBE program's performance measures, including the goods and services participation rate in Recommendation #7. b. Ensuring the performance measures and goals of the program align with the program's objectives. c. Reviewing the program's progress at meeting performance measures and goals, and increasing the goals at a steady rate to ensure program progress. d. Reviewing and approving the goal setting methodology for construction contracts. e. Reviewing and approving the template for the annual report to City Council, as referenced in Recommendation #11, to ensure the information is presented in a manner that is clear and details the program's performance. f. Reviewing, approving, and seeking regular updates on the progress of the outreach plan in Recommendation #5.

In Process According to the department, recommendation will be reviewed, along with results identified in the City's Disparity Study to determine best course of action on meeting request.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	December 2021	December 2021

#5 We recommend that Equal Opportunity Contracting develop a written, evidence-based plan consistent with the results of the disparity study for increasing outreach and participation in the Small Local Business Enterprise (SLBE) program for small, local businesses and those owned by women and people of color to the extent allowable under the law. The plan should include outcome-based performance measures for each program objective. Measures to be considered should include: o registration by businesses owned by women and people of color o the number of businesses that grow out of the emerging local business enterprise category each year o the number of businesses that grow out of the small, local business enterprise category each year o the number of employees the organization has when applying initially, when renewing their application, and when growing out of the program The plan should be presented to the Citizens Equal Opportunity Commission for input and should include a public hearing with invited speakers from the pool of current registered SLBEs, SLBEs that successfully grew out of the program, and affiliated stakeholder groups, including industry associations and chambers of commerce. ϒ The plan should create goals and performance measures related to other tools designed to reduce barriers and increase competition in contracting included in the program, such as the mentor-protégé program and the bonds/insurance assistance program. This recommendation does not recommend any preference in contracting based on race or gender, nor does create or imply a required goal or quota of race or gender in contracts with the City.

In Process According to the department, the recommendation will be reviewed, along with results identified in the City's Disparity Study to determine best course of action to meet request.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	December 2021	December 2021

#6 We recommend that Equal Opportunity Contracting (EOC), along with other departments inputting staff time including Engineering and Capital Projects Department and Purchasing and Contracting Department, track staffing and any additional design-bid-build contract costs of the Small Local Business Enterprise (SLBE) program. EOC should report these data, and the method the program used to calculate and track the data, to the City Council in the SLBE program annual report, as required in council policy and municipal code. Based on this

information, San Diego City Council could determine if additional resources are necessary for success of the program.

In Process According to the department, relevant staff has been noticed to track hours spent on SLBE program items.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	January 2022	January 2022

#7 We recommend the Small Local Business Enterprises (SLBE) program management work with the Purchasing and Contracting Department to create annual performance goals for the percent of goods and services contract dollars awarded to SLBEs. The evaluation of appropriate goods and services SLBE contracting goals should include reviewing the portion of goods and services contracts that are for services that could likely be provided by local businesses.

In Process According to the department, the recommendation will be reviewed, along with results identified in the City's Disparity Study to determine best course of action to meet request.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	January 2022	January 2022

#9 We recommend Small Local Business Enterprise (SLBE) program management, in consultation with the appropriate oversight bodies, evaluate the caps on SLBE subcontracting requirements for construction projects annually. Program management should then include the caps in the annual report, with a detailed description of the methodology used to justify the cap, and should include the previous cap amounts over time. This recommendation, however, should not conflict with City policies that require the prime contractor to perform at least 50 percent of the contract.

In Process According to the department, the recommendation will be reviewed, along with results identified in the City's Disparity Study to determine best course of action to meet request.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	January 2022	January 2022

#10 We recommend the Equal Opportunity Contracting (EOC) track and present Small Local Business Enterprise (SLBE) program specific data over time in its annual report, to highlight trends in program performance. Items tracked and reported over at least a five-year time span should include, but are not limited to: ϒ Participation rate (defined as the percent of dollars awarded to SLBE program-

certified contractors, regardless of other certifications, within City contracts with SLBE program goals) across all city contracts – construction, architectural and engineering services, and goods and services contracts combined. ϒ Participation rate (as defined above) within construction contracts. ϒ Participation rate (as defined above) within architectural and engineering service contracts. ϒ Participation rate (as defined above) within goods and services contracts. ϒ Percent of funds awarded to SLBE-certified firms that the City awarded to women-owned SLBEs over all contract types and broken out into each category of contracting (construction, architectural and engineering services, and goods and services). Percent of funds awarded to SLBE-certified firms that the City awarded to African American-owned SLBEs, Hispanic-owned SLBEs, Asian-owned SLBEs, Native American-owned SLBEs, and Caucasian owned SLBEs, within each category of contracting and overall. Additionally, the report should identify proposed changes to the program's design that would help the program better achieve its objectives.

In Process According to the department, staff will work to incorporate information in the annual report that is presented to council committee.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	January 2022	January 2022

#11 We recommend Equal Opportunity Contracting create a template for the Small Local Business Enterprise program's annual report that is clear and easy to understand, with sufficient information presented to clearly highlight the program's performance relative to the program's objectives and the goals set.

In Process According to the department, staff will work to develop a template on SLBE program reporting.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	January 2022	~~January 2022~~ March 2022

#12 We recommend Equal Opportunity Contracting draft written policies for data tracking. Methodologies should be consistent year over year, with any changes documented, and the report should have a written quality control reviewing process to minimize errors and ensure the methodologies for the data used in the report do not distort the conclusions drawn from the data.

In Process According to the department, staff is working on developing a written policy for this recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	December 2021	December 2021

San Diego Police Department

21-004 **PERFORMANCE AUDIT OF SAN DIEGO POLICE DEPARTMENT'S DATA ANALYSIS**

(SG) (JP)

#2 The San Diego Police Department (SDPD) should update crime report procedures and training materials to improve reporting consistency and to ensure SDPD can switch their reporting to the National Incident-Based Reporting System (NIBRS) as planned— and ahead of other California agencies. This should include requiring officers to report all known offenses in reportable fields.

As procedures are updated, SDPD should provide training and continuous feedback through supervisory review on the updated procedures.

Finally, SDPD should ensure consistency across Divisions in training and supervisory review of crime report data entry.

In Process According to SDPD, SDPD began reporting NIBRS data to the FBI in January 2021. Agencies in the San Diego region are the only California agencies that report NIBRS data. CA DOJ is in the process of obtaining NIBRS certification.□□Error reporting is continuously monitored through ARJIS error logs and through NIBRS error logs. Data quality assurance reviews are also performed to correct errors and to plan topics for ongoing training updates. Based on these data reviews, in March 2021 Department Order 21-11 required all officers to complete two NetRMS trainings through SuccessFactors. The first covered detailed requirements related to correctly recording auto theft and auto recovery data for NIBRS. The second covered important NIBRS topics and concepts, including: the meaning of incident-based; classifying offenses; recording offenses; lesser included offenses; acting in concert; same time & place; and adding an arrest to an existing case.□□In addition to the online training, lineup training was provided to specialized units that frequently need to document arrests associated to an existing case.□A written training bulletin was released in March 2021 to provide reporting procedures to correctly report carjacking crimes. Continuous data quality reviews are performed to identify future training topics.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	June 2022	June 2022

#4 In order to maximize the effectiveness of limited resources, the San Diego Police Department (SDPD) should formally document a requirement for Commanders to include data analysis in planning and evaluation of Division operations, such as analysis of response times, call outcomes, and community-oriented policing efforts. As part of these procedures, SDPD should determine if the analysis is appropriate for public release, document that determination, and publish the analysis if appropriate. SDPD should also provide additional training in evidence-based policing for Commanders.

In Process According to SDPD, Crime Analysis is in the process of evaluating tools and reports to identify the most effective and efficient methods for the commands to incorporate data analysis in the planning and evaluation of division operations. Focus is on improved dashboard and mapping capabilities that are user-friendly and provide robust functionality.

Evidence-based policing training opportunities and curriculum are being researched and evaluated.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	June 2022	June 2022

#5 San Diego Police Department's Crime Analysis Unit should document a process to conduct outreach with Patrol and Neighborhood Policing Commanders to determine data analysis needed to evaluate operations. This should include designing reports in a way that allows Commanders to access the same or similar analysis on a regular basis, such as designing new reports in the Mapping Dashboard that can be accessed by Commanders as needed. The Crime Analysis Unit should inform relevant officers of the report availability. The Crime Analysis Unit should keep a catalog of available reports for officers to request.

In Process According to SDPD, Crime Analysis is in the process of evaluating tools and reports to identify the most effective and efficient methods for the commands to evaluate operations. Focus is on improved dashboard and mapping capabilities that are user-friendly and provide robust functionality. Crime Analysis is partnering with Central Division as the pilot area to determine the type, access and format that will be most useful. These processes will be documented and other commands consulted after the initial pilot with Central.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 28, 2020	June 2022	June 2022

#6 San Diego Police Department's Crime Analysis Unit should establish procedures to survey officers and Commanders annually for information needed to effectively evaluate and manage their operations. The Crime Analysis Unit should

design crime analysis reports and new standard reports in available systems, such as the Mapping Dashboard, based on that feedback to be provided periodically and targeted to the relevant officers and Commanders.

In Process According to SDPD, Crime Analysis is working closely with Central as a pilot command to determine useful reports and tools for command use. After the pilot has concluded, a survey will be distributed to fine tune the process of developing useful and tailored products. The survey will be conducted annually for continuous process improvement.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 28, 2020	June 2022	June 2022

#7 The San Diego Police Department should formally establish appropriate reporting review access to the Community Review Board on Police Practices (CRB) to review all formal and documented informal complaints for classification and be able to investigate all calls that come in as inquiries or complaints to ensure they were investigated according to policy, including those resolved by Sergeants without filing a formal complaint. In the case where an independent commission for police oversight assumes the CRB's role, the new commission must also have this access.

In Process According to SDPD, a meeting has been scheduled with the Commission on Police Practices (CPP). Technical options to provide CPP access to Category 1 and Category 2 complaints across different networks are being evaluated, and will be discussed with CPP. Once implemented, this review process will partially satisfy the recommendation as written; however, the audit recommends CPP be granted access to all complaints, including Miscellaneous Memos and Informal (withdrawn) complaints to ensure they were classified correctly. This is EXPRESSLY forbidden in the City Charter language (Section 41.2) which states: "The Commission must receive, register, review, and evaluate all complaints against officers of the Police Department, except the Commission must not review or evaluate a complaint where the complainant has requested the complaint be handled without investigation or where no specific allegation or police officer can be identified."

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	June 2022	June 2022

#8 In order for the San Diego Police Department (SDPD) to ensure those filing complaints are aware of alternative complaint methods, SDPD should develop procedures for officers to inform a complainant of alternative methods of making complaints such as the Community Review Board on Police Practices (CRB) website, City website, or CRB hotline to file complaints. Complaint forms should

be kept in all police vehicles to provide to the public. The procedures should include informing a complainant of the ability to file anonymously.

SDPD should include these updated procedures in its periodic training to ensure the leadership's directives regarding complaints are as easy to follow as possible.

In Process The San Diego Police Department (SDPD) believes it follows or exceeds best practices by requiring a police supervisor to make contact with all citizens who have a complaint. However, the utilization of a complaint form may supplement our current process to facilitate intake and documentation of civilian complaints. The complaint forms will be maintained at each division front counter and will be provided to each command to give to supervisors. The Complaint form will be given to the Commission on Police Practices (CPP) to hand out to citizens and upload to their web site. Internal Affairs is working on the training bulletin regarding the Complaint Form that will be provided to all personnel.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	July 2021	July 2021

21-011 HOTLINE INVESTIGATION OF BOARD-UP SERVICES

(GR)

#1 We recommend that the San Diego Police Department, in consultation with the City Attorney's Office, develop a proposal for City Council to consider amending the San Diego Municipal Code to address abatement of unsecured commercial and private property by police officers. This should include considering the language proposed in 2014.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 24, 2021	July 2022	July 2022

#2 We recommend that the San Diego Police Department procure a competitive contract with a board and secure vendor to ensure a capable vendor is selected. The process should evaluate the vendors based on a predetermined set of criteria, require the vendor to have liability insurance, prohibit unapproved subcontractors, and require the vendor to specify maximum rates that the vendor can bill for specified services.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 24, 2021	April 2023	April 2023

#3 We recommend that the San Diego Police Department update its current procedures to include residential properties, a board-up report, a waiver of liability form, details regarding the amount of time officers will spend attempting to contact a responsible person, and appeal procedures.

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

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	June 24, 2021	October 2023	October 2023

Sustainability Department

21-009 PERFORMANCE AUDIT OF THE CITY'S CLIMATE ACTION PLAN

(DN) (MS)

#2 In conjunction with the CAP 2.0 update, the Sustainability Department should conduct a staffing analysis to determine whether it needs additional resources to support the City's CAP implementation. Once the staffing analysis is completed, the Sustainability Department should present it to the Environment Committee.

In Process The department did not provide an update. OCA will continue to follow up during the next reporting period.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	February 18, 2021	January 2022	January 2022

#3 To strengthen opportunities for collaboration among City departments, the Sustainability Department should ensure that:

- Departmental Sustainability Roundtable meetings are held at least quarterly, and
- Every Sustainability Roundtable meeting has time dedicated in the Agenda specifically for departments to share the implementation status of CAP workplans and to discuss challenges and potential areas for

collaboration and coordination.

In Process The department did not provide an update. OCA will continue to follow up during the next reporting period.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	February 18, 2021	Ongoing/Quarterly	Ongoing/Quarterly

#4 To better inform the public and ensure the City Council is aware of how the items they are voting on help to implement or support the CAP, the Sustainability Department should work with the Council President's Office and Docket Office to revise the Staff Report template to include a section to identify how an item helps to implement or support the CAP.

In Process The department did not provide an update. OCA will continue to follow up during the next reporting period.

Priority 3	Issue Date:	Original Target Date:	Current Target Date:
	February 18, 2021	August 2021	August 2021

#5 As part of the City's CAP 2.0 update and to facilitate the prioritization of the City's limited resources for CAP implementation, the Sustainability Department should conduct an assessment and develop a rating system of CAP measures, using factors such as cost estimates, staff resources, feasibility, GHG reductions, climate equity, and other benefits to help inform prioritization.

In Process The department did not provide an update. OCA will continue to follow up during the next reporting period.

Priority 1	Issue Date:	Original Target Date:	Current Target Date:
	February 18, 2021	March 2022	March 2022

#6 Once CAP 2.0 is developed, the Sustainability Department (Sustainability) should develop an implementation plan, including an estimate of associated costs, information on funding sources, and identification of funding gaps. Sustainability should consider seeking assistance, such as from the Department of Finance, Department of Performance and Analytics, or a consultant, if necessary.

In Process The department did not provide an update. OCA will continue to follow up during the next reporting period.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	February 18, 2021	August 2022	August 2022

Storm Water Department

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

(AH) (MJ) (DN)

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

- Importance of water quality and flood reduction to residents and businesses;
- Whether, and how much residents or property owners are willing to pay for water quality measures, storm water infrastructure, and other SWD activities;
- Funding mechanism structure options, such as tiered fee rates, fee rates that adjust annually by inflation, a sales tax measure, general obligation bonds, etc.;
- Identify objections and strategies to overcome them; and
- Whether the funding mechanism can be obtained by a simple majority or a two-thirds supermajority

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

In Process The Stormwater long-term funding strategy was developed as part of Recommendation 5. City Council approved the funding strategy report and directed Stormwater Department (SWD) to continue identifying potential funding mechanisms and to conduct public surveys on 2/9/2021. Since that time, the SWD hired a consultant to conduct an unbiased, statistically-reliable survey of potential voters to estimate voter support for a variety of funding options deemed viable by the long-term funding strategy. Stakeholder engagement will be an important component to this phase along with the development of a funding measure expenditure plan for a voter-approved

measure. An update on the Stormwater Department's progress will be provided to the Environment Committee in July 2021.

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

21-003 PERFORMANCE AUDIT OF THE TRANSPORTATION AND STORMWATER DEPARTMENT'S STREET SWEEPING SECTION

(CK) (MJ) (DK)

#1 The Transportation and Stormwater Department Stormwater Division (SWD) should develop a periodic report, generated no less than annually (via a BusinessObjects report from EAM), to capture data necessary to analyze operations. SWD should work with the Department of Information Technology to create reports in EAM to extract sweeping information, such as tonnage or volume of debris and other meaningful measuring points or data which can be reported from EAM.

In Process This recommendation is in process. The department has reported that the EAM Business Objects report has been created and will be utilized moving forward to review and manage data for the Street Sweeping program. However, OCA will need to review the new Business Objects report to consider this recommendation as implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 22, 2020	September 2021	September 2021

#2 The Transportation and Stormwater Department Stormwater Division (SWD) should develop and document a process to review route frequencies to determine if any route sweeping priorities need adjusting based on management analysis of debris collection data and motor sweeper operator input of results.

a. The review process should include an annual assessment of operational adjustments to determine if any near-term modifications are needed for items such as missed or incomplete routes, newly implemented cycle tracks, new development or seasonal variability.

b. In FY22, SWD should analyze data from FY19-FY21 for a comprehensive reassessment of all route frequencies, priorities, posting designations, staffing for shifts, sweeper types, and debris removal to ensure that these elements correlate with one another and that they account for debris levels and watershed areas. Reallocation of resources/staff should be

based on this trend analysis and incorporated into the MS4 Permit cycle to focus on sweeping areas with high debris and that are in watershed areas with high priority pollutants.

c. A trend analysis should be conducted at a minimum with each subsequent permit cycle or as frequently as possible. When changes are made outside of the permit cycle and Jurisdictional Runoff Management Plan (JRMP) renewal period, the changes should be communicated to the California Regional Water Quality Control Board, San Diego Region, via the annual JRMP report.

In Process According to the department, the recommendation is on track and updates will be provided at the next reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 22, 2020	December 2021	December 2021

#3 After completing the FY19-FY21 program assessment in Recommendation 2, the Transportation and Stormwater Department Stormwater Division should request budget approval to selectively add posted routes and make any other improvements identified to optimize watershed areas with high priority pollutants and/or high debris.

In Process According to the department, the recommendation is on track and updates will be provided at the next reporting period.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 22, 2020	June 2022	June 2022