Audit Recommendation Follow-Up Report

STATUS UPDATE AS OF

June 30, 2022

Office of the City Auditor

City of San Diego

OCA

Independent • Objective • Accurate

September 2022

THE CITY OF SAN DIEGO

DATE: September 14, 2022

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, 2022. 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 September 21, 2022 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

DIVERSITY BRINGS US ALL TOGETHER

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 31 of the outstanding recommendations. We issued four reports during this reporting period, which included 34 new recommendations. 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 as shown in **Exhibit 1**. 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, 2022

Exhibit 1:

Screen Shot of the Dashboard for the Current Report Period Ending June 30, 2022

The interactive dashboard allows 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.

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, 2022. 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 departments 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, 2021, there were 171 open recommendations. Since then, we have issued four performance audit reports which added 34 new recommendations for a total of 205 outstanding recommendations for the period ending June 30, 2022. The table below summarizes this activity:

Activity for the Period Ending June 30, 2022	Number of Recommendations
Recommendations In Process as of December 31, 2021	171
Recommendations Issued January 1, 2022 through June 30, 2022	34
Total Outstanding Recommendations as of June 30, 2022	**205**

During this reporting cycle, we verified that departments and related entities have implemented 29 recommendations out of 205 (14 percent) since our last report. The results of our review for this reporting cycle are as follows for the 196 recommendations:

Number of Recommendations	Status of Recommendations
31	Implemented
97	In Process – With Past Due Original Target Dates
75	In Process – With Original Target Dates Not Due
1	Will Not Implement – Disagree
1	Not Implemented – N/A
205	**Total**

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

- **Exhibit 2 –** Summarizes the status of the 205[1] recommendations by audit or investigative report in chronological order.
- **Exhibit 3 –** Summarizes the distribution of the 31 recommendations in Attachment B that were **Implemented** by Department/Agency.
- **Exhibit 4 –** Summarizes the distribution of the 97 recommendations in Attachment C that are **In Process – With Past Due Original Target Dates** by Department/Agency.[2]
- **Exhibit 5 –** Summarizes the distribution of the 75 recommendations in Attachment D that are **In Process – With Original Target Dates Not Due** by Department/Agency.
- **Exhibit 6 –** Breaks down the 205 recommendations by their status and the length of time the recommendation remains open from the original audit report date.
- **Exhibit 7 –** Shows Audit Recommendation Activity for the Period Ending June 30, 2022.

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.

[1] Two of the recommendations are highlighted for Audit Committee Attention in Attachment A as Will Not Implement - Disagree and Not Implemented – N/A.
[2] Two of the recommendations are highlighted for Audit Committee Attention in Attachment A.

Attachment B – Recommendations Deemed as Implemented
This attachment includes all outstanding recommendations as of June 30, 2022 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments.

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, 2022 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, 2022 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.

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 2 below summarizes the status of the 205 recommendations by audit report in chronological order.

Exhibit 2:

Audit Reports and Recommendation Status

Report No.	Report Title	Implemented	In Process	Will Not Implement or N/A
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	1		
17-013	Performance Audit of the San Diego Convention Center		1	
18-007	Performance Audit of the Economic Development Department's Business Cooperation Program		2	
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	1	

Report No.	Report Title	Implemented	In Process	Will Not Implement or N/A
19-002	Performance Audit of the Real Estate Assets Department's Portfolio Management Practices		2	
19-003	Performance Audit of the Public Utilities Department's Water Billing Operations	1	2	
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	1		
19-013	Performance Audit of Community Planning Groups		2	
19-015	Performance Audit of City Employee Pay Equity		1	
19-016	Performance Audit of the City's Administration of Joint Use Agreements with San Diego Unified School District	1		
19-019	Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)	1	4	
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		9	
20-003	Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract		4	
20-007	Hotline Report of Public Records Act Responses		2	

Report No.	Report Title	Implemented	In Process	Will Not Implement or N/A
20-008	Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects	1	6	
20-009	Performance Audit of the City's Efforts to Address Homelessness	1	3	
20-010	Hotline Investigation of Gifts Received by a City Employee		1	
20-011	Performance Audit of the City's Strategic Human Capital Management	3	6	
20-013	IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption	2	2	
20-015	Performance Audit of the City's Public Liability Management	1	2	
21-001	Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program		4	
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	1	2	
21-004	Performance Audit of San Diego Police Department's Data Analysis		5	1
21-005	Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program	2	7	
21-006	Performance Audit of Strategic Human Capital Management II: Employee Performance Management	2	9	
21-007	IT Performance Audit of Legacy Applications	1		
21-009	Performance Audit of the City's Climate Action Plan	3	2	

Report No.	Report Title	Implemented	In Process	Will Not Implement or N/A
21-010	Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program - Part II		5	1
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	1		
21-013	Performance Audit of IT Service Delivery Effectiveness	3	3	
22-001	Performance Audit of The City's Use of CARES Act Funding	1	2	
22-002	Performance Audit of the City's Major Building Acquisition Process	1	9	
22-004	Performance Audit of the City's General Fund User Fees		3	
22-005	Performance Audit of Equity in Recreation Programming		16	
22-007	Performance Audit of the City's Lease Management and Renewal Process		14	
22-008	Performance Audit of Workplace Safety and Workers' Compensation		10	
22-009	Performance Audit of the Development Services Department's Code Enforcement Division		10	
GRAND TOTAL		**31 (15%)**	**172 (84%)**	**2 (1%)**

Exhibit 3 summarizes the distribution of the 31 recommendations in Attachment B that were **Implemented** by Department/Agency as of June 30, 2022.

Exhibit 3:

Number of Recommendations Implemented by Department/Agency

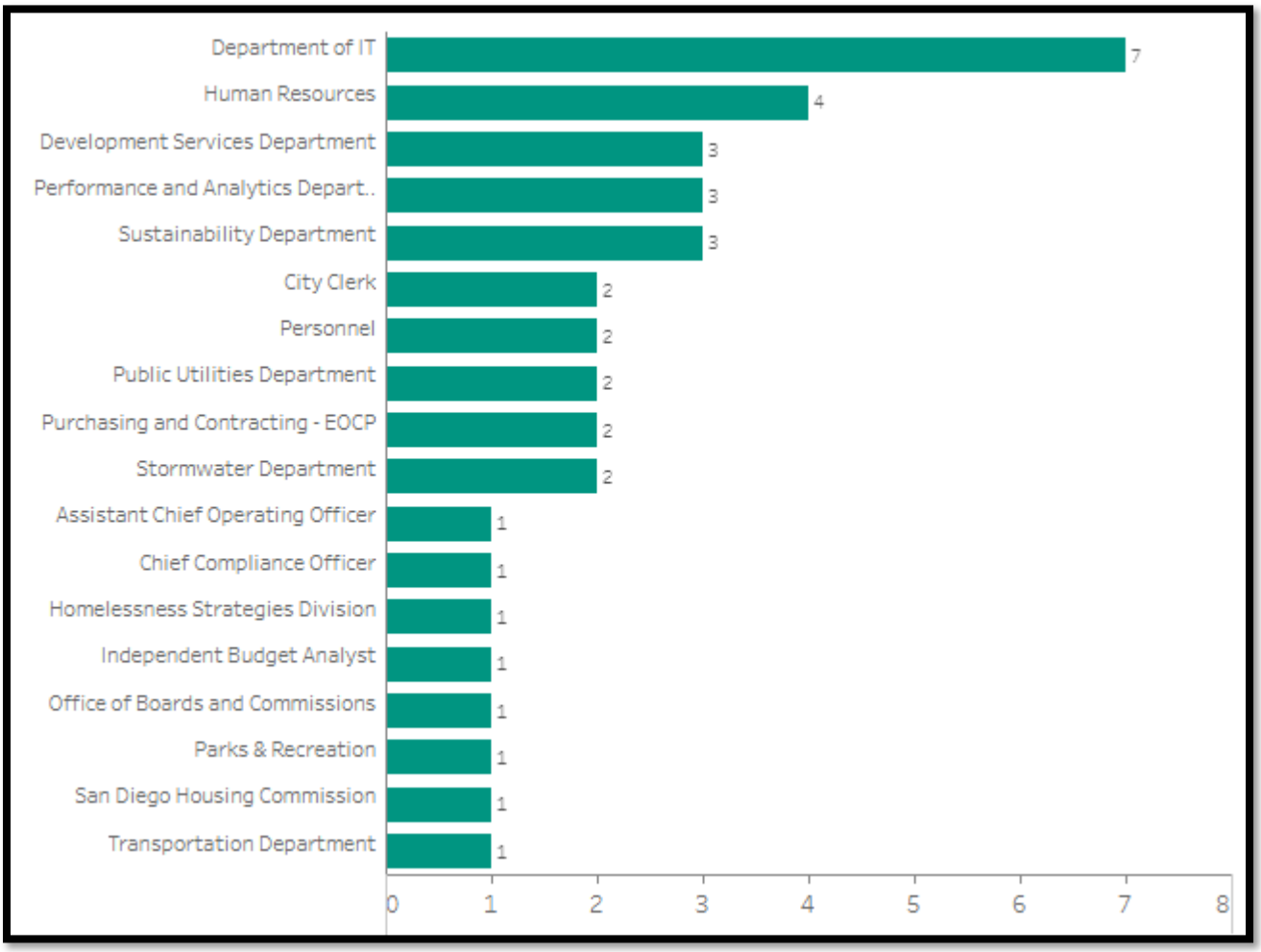

Exhibit 4 summarizes the distribution of the 95 recommendations in Attachment C, and 2 recommendation in Attachment A, that are **In Process – With Past Due Original Target Dates** by Department/Agency as of June 30, 2022.

Exhibit 4:

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

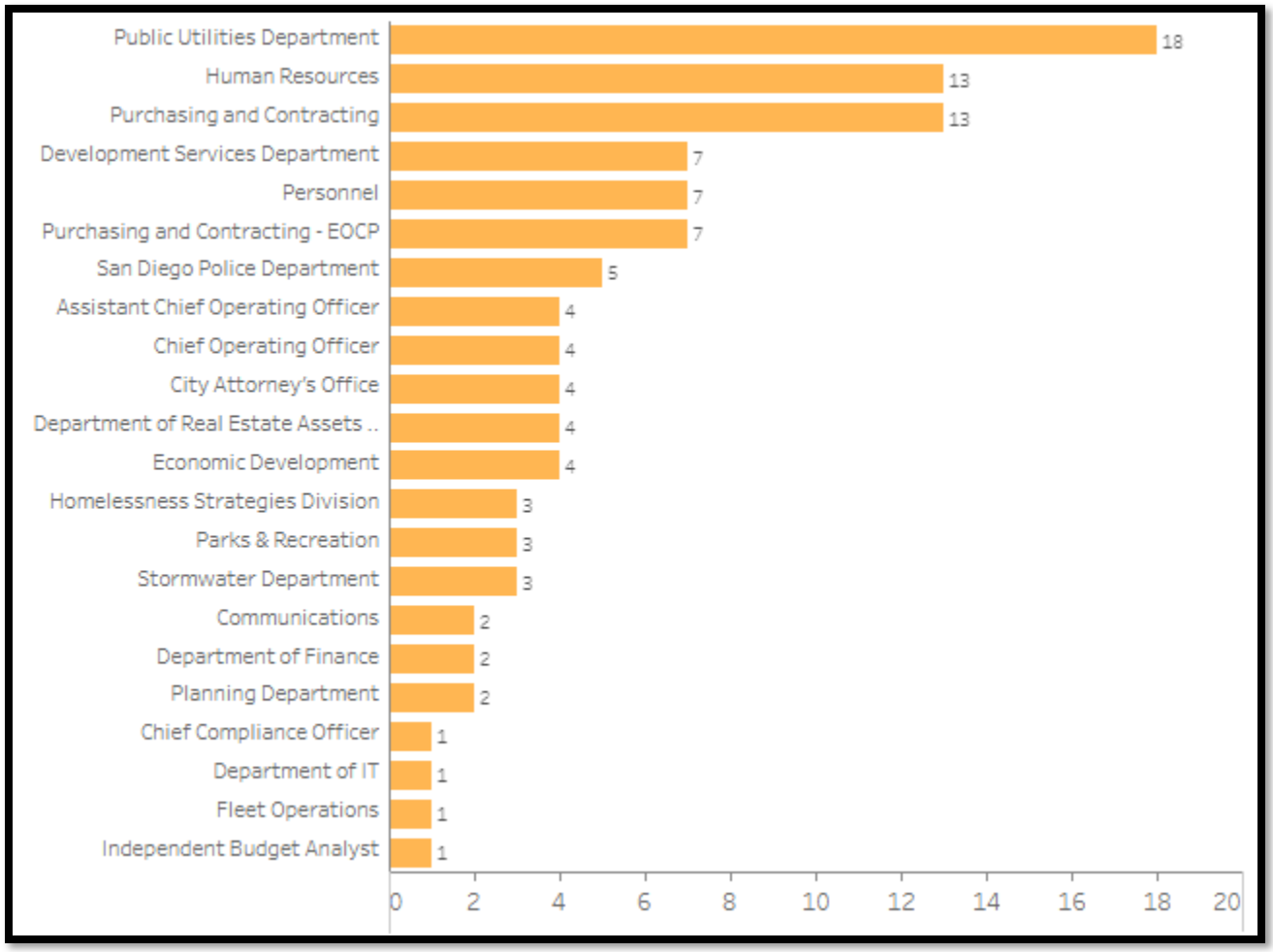

Exhibit 5 summarizes the distribution of the 75 recommendations in Attachment D that are **In Process – With Original Target Dates Not Due** by Department/Agency as of June 30, 2022.

Exhibit 5:

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

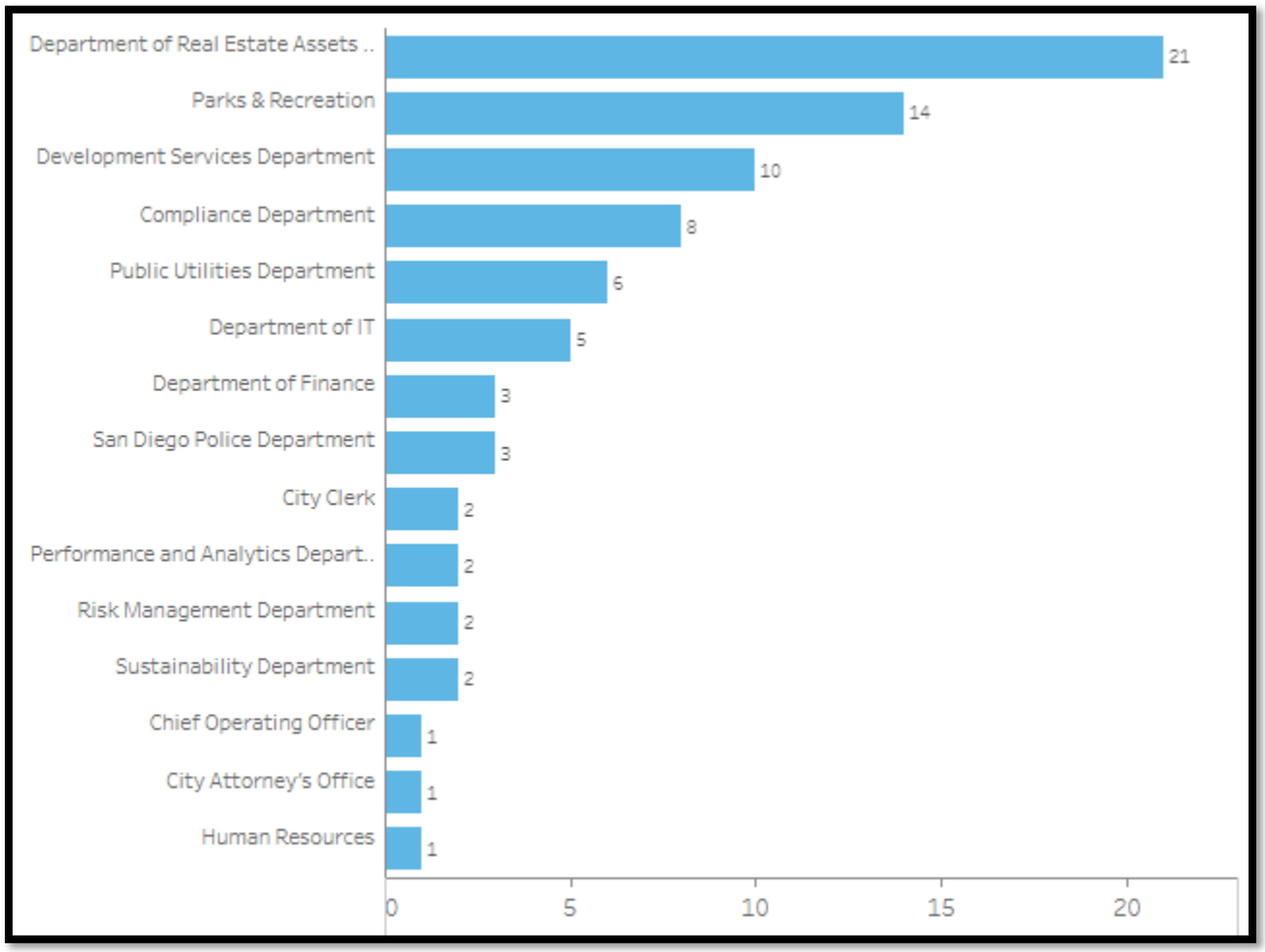

Exhibit 6 shows the current 31 recommendations implemented, the recommendations deemed as implemented in prior Recommendation Follow-Up Reports, and the length of time recommendations have remained open from their original audit report date.

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 6:

Current Report Audit and Investigative Recommendations Implementation Aging for June 30, 2022 Period

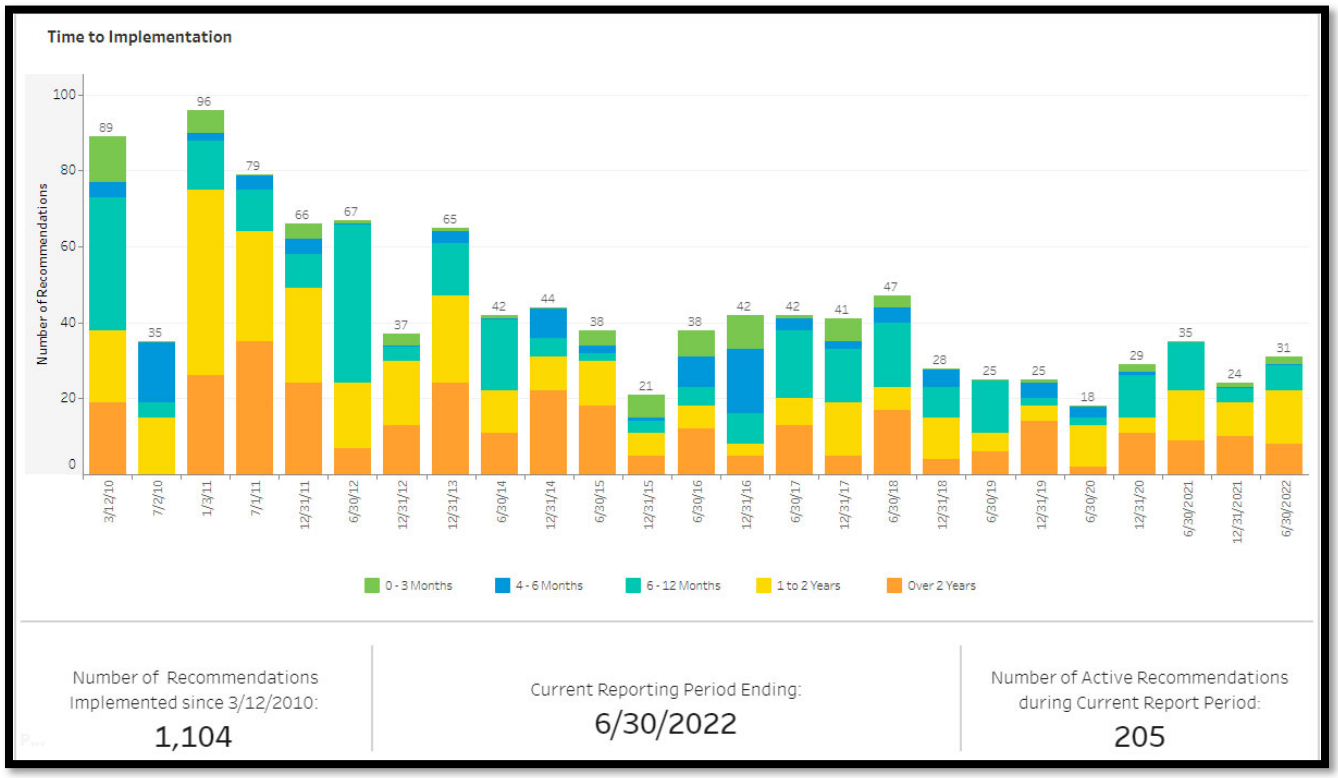

Exhibit 7 displays a summary of the recommendation activity for this reporting period.

Exhibit 7:

Audit and Investigative Recommendation Activity for the Period Ending June 30, 2022

Activity for the Period Ending June 30, 2022	Number of Recommendations
Open Recommendations Carried Forward from Period Ending December 31, 2021	
Recommendations In Process as of December 31, 2021	171
Recommendations issued January 1, 2022 through June 30, 2022	34
Total Outstanding Recommendations as of June 30, 2022	**205**

Recommendations Implemented	31
Recommendation Not Implemented – N/A	1
Recommendation Will Not Implement – Disagree	1
Recommendations Resolved for Period Ending June 30, 2022	**33**
Carry Forward Open Recommendations	**172**

June 2022

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

In our 2020 Performance Audit of the City's Public Liability Management, we found that the City took a reactive approach to many risks, including for public liabilities as well as other major operational efforts. As a result, the City was not as effective as it could be at anticipating and mitigating risks and increasing operational success. We recommended that the City implement an Enterprise Risk Management (ERM) framework to better assess, anticipate, and mitigate risks to major operational initiatives. ERM is a best practice that is used successfully by other government organizations and the private sector.

The Administration at the time agreed to fully implement all recommendations, and both the prior and current Administrations have made various efforts to address risk since that time. However, the current Administration has indicated that it does not intend to implement ERM as recommended, and does not intend to adopt key ERM components such as comprehensively documenting risks, establishing risk mitigation plans, and monitoring results. In addition, while the Administration had established a Risk Oversight Committee (ROC) to help oversee and coordinate the City's approach to various risks, the focus and structure of this committee has now shifted toward workplace safety risks (recently renamed the Safety and Risk Oversight Committee) rather than public liability risks or Citywide strategic risks, which Recommendations #1 and #6 were intended to address. Additionally, both recommendations tasked the ERM Manger (Chief Compliance Officer) and the ROC with overseeing the implementation and monitoring of the City's ERM framework. Since the City's will not continue with the implementation of an ERM-based framework, it is unclear how the Administration intends to satisfy the spirit of these recommendations.

We have had several conversations with the Administration on this issue and appreciate their efforts. We are hopeful that there is a path forward for the Administration to achieve the intent of Recommendation #1 and Recommendation #6. Therefore, we recommend that the Audit Committee request the Administration to fully implement these recommendations to help ensure risks to major City programs are effectively mitigated.

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

(GT)

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

I. The City should create an Executive-Level Risk Oversight Committee, headed by a sufficiently empowered executive official (ERM manager), that has sufficient authority and resources to direct, coordinate, and

support the work of departments that incur public liabilities for the City. The City should codify this authority through an appropriate mechanism, such as an Administrative Regulation.

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

a. Requiring the top five City departments incurring the highest public liability claims costs to perform an annual risk assessment for all claim types incurring cumulative costs of $500,000 or more in the preceding three fiscal years. Specifically, this should include identifying risks, the likelihood and impact of identified risks, and mitigative measures to address such risks (see Appendix D for a sample risk assessment template).
b. Assisting City departments to develop annual public liability risk assessments and monitoring City departments' implementation of mitigation plans to ensure risks are effectively identified and mitigation measures are effective. Information on mitigation measures employed and their effectiveness should be aggregated and included in the City's Risk Management Annual Report to City Council, such as the number and percent of City vehicle drivers that attended the Risk Management Department's proactive vehicle driving course.
c. Supervising the collection, processing, and presentation of City-wide liability data to the top five liability-incurring City departments through dedicated risk management reports, information-sharing sessions, and trainings.
d. Requiring and facilitating collaboration between liability-incurring departments, such as through the recently created City-wide Risk Oversight Committee, to identify, develop, and implement risk mitigation strategies for specific categories of public liabilities (e.g., City vehicle accidents, trip & falls, storm drain backups, etc.)

In Process After meeting with City Management, we have determined that the status of this recommendation is unclear since, according to the City Management, the City does not intend to continue the Operational Framework (i.e., proactive enterprise risk management framework) or replace it with another ERM-based framework to help the City better address its public liability risks. We will continue to work with the City Management to determine how the City can more effectively

identify and mitigate its public liability risks without utilizing an ERM-based framework.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	December 2020	~~December 2020~~ ~~December 2021~~ ~~November 2022~~ March 2023

#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 The Chief Compliance Officer is working with the Executive Team and will determine further methods necessary to complete this recommendation beyond the work that has already been implemented through existing Balanced Scorecards and Perform SD efforts. An updated implementation date will be provided once the methods are determined.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	June 11, 2020	December 2020	~~December 2020~~ ~~December 2021~~ ~~June 2022~~ Unknown

At the March 16, 2022 Audit Committee meeting, the Committee unanimously requested SDPD to fully implement this recommendation, and we have continued to work with SDPD regarding the status.

While SDPD has implemented most elements of this recommendation, they continue to indicate that they will not implement the portion of the recommendation that complaint forms be kept in all vehicles, and have requested that we consider the recommendation implemented. While we appreciate SDPD's efforts, we stand by our recommendation, as our audit found that it is extremely important to provide a wide variety of methods for concerned parties to file complaints, to ensure that the complaint process is more accessible to persons who may not feel comfortable making a complaint directly to a police officer or their supervisor.

Therefore, because SDPD continues to indicate that they will not keep complaint forms in all vehicles consistent with the recommendation, we request that the Audit Committee close this recommendation as "Will Not Implement – Disagree."

21-004	**PERFORMANCE AUDIT OF SAN DIEGO POLICE DEPARTMENT'S DATA ANALYSIS**
	(JP)
#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.
Will Not Implement - Disagree	SDPD has partially implemented this recommendation. SDPD updated its procedures, instructed all personnel to be prepared to refer a complainant to alternative methods for making a complaint, and informed all department members that the department accepts and investigates anonymous complaints. SDPD stated that it 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. As such, SDPD has not

implemented the portion of the recommendation that complaint forms be kept in all police vehicles.

The Department feels it should not put the forms in every patrol car for several reasons.

1. If the form is available in every patrol car, officers could just hand the forms out without calling a supervisor to the scene.
2. The supervisor needs to be called to the scene to triage the complaint and are required to have the forms in their car.

For instance, if the complaint should happen to be a criminal allegation, the supervisor will know what notifications need to be made.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	July 2021	~~July 2021~~ Unknown

This recommendation cannot be implemented because the City's OpenCounter Business Portal is no longer in service. Therefore, we request the audit committee close the recommendation as no longer applicable.

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.
Not Implemented – N/A	PUD reported that the City decided not to continue using Open Counter or issue a RFP after all. The current contract and service expired in June 2022 and there are no plans to continue with Open Counter.

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

June 2022

ATTACHMENT B

Recommendations Deemed As Implemented

This attachment includes all outstanding recommendations as of June 30, 2022 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

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

(MS)

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

Implemented This recommendation has been implemented. The DSD Fee Analysis in Accela reports fee information for street damages and the corresponding permits.

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.

Implemented This recommendation is implemented. DSD had previously attested to improving their project management tracking and utilizing the Critical Path method in 2017 to evaluate the cycle review times for Expedite projects; they have now provided multiple examples of project reviews utilizing Gantt charts to track and communicate timelines, including cycle breakouts, critical milestones, etc. applicable to discretionary projects, including Expedite program projects. The evidence is sufficient and appropriate to consider the spirit of the recommendation as implemented.

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.

Implemented This recommendation has been implemented. The Stormwater Department has completed an extensive funding strategy to address its present and future stormwater capital and operational needs. To refine its strategy to pursue a dedicated funding source, the Stormwater Department surveyed a diverse group of City of San Diego residents to gauge their understanding of stormwater priorities, perceived funding need, and willingness to pay. The survey also tested respondents' willingness to pay a parcel tax with different rate amounts. While survey results indicate majority support for a possible ballot measure to fund stormwater infrastructure improvements through a parcel tax, the support does not yet reach the supermajority level needed for the ballot measure to pass. With the survey consultant's emphasis on public outreach as key in communicating the importance of stormwater, the Stormwater Department will continue to pursue an increase in support of a potential ballot measure through public outreach and education. Additionally, the department continues to aggressively pursue other stormwater funding opportunities like grants, loans, cost recovery funding options, as well as continue to incorporate innovation and efficiencies into day-to-day operations to maximize available funding.

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

(JP)

#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.

Implemented This recommendation is implemented. 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.

PUD has also created a prioritization process for high priority trouble codes. The prioritization process has highest priority trouble codes (replace meter, backwards meter, and improper install), high priority trouble code (leaking meters), and trouble codes for meters that cannot be manually or remotely read. According to the prioritization process, WMS determines the monthly replacement schedule by selecting a grouping of approximately 290 meters each month in one or more meter reading routes in the same geographic area for efficiency. All meters with the high priority codes are to be selected for replacement or repair in the monthly meter replacement schedule.

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.

Implemented Management's response is sufficient to satisfy the intent of the recommendation. The updated language in the Human Resources Department's Quick Reference guide clarifies that City employees have the ability to request to be excused from service if they have previously responded to a summons or served as a juror on a trial (within specified timeframes).

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

(TS)

#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.

Implemented This recommendation is implemented. The Department of IT provided sufficient and appropriate evidence to support the implementation.

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

(GT)

#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.

Implemented This recommendation is implemented. According to Parks & Rec, the Department of Finance has finalized the Process Narrative PN-0396 and it has been posted to CityNet. The Department will commence with the first Tracking Sheet Update per the PN-0396 in September 2022 and will prepare an OnBase

Information Item to Council Committee in October 2022, and the approved Tracking Sheet Update will be an attachment to the item.

PN-0396 became effective on June 13, 2022. The PN details the responsibilities of Parks & Rec personnel for data inputs and review of the JUA Tracking Sheet shared between the San Diego Unified School District and the Parks & Rec Department. Parks & Rec's Play All Day Joint Use Coordinator (Preparer) is responsible for coordination with the District, execution of Joint Use Agreements and renewals, and updating the Tracking Sheet. Reviews of the Tracking Sheet are performed by a Parks & Rec Analyst and Project Officer before being sent to Parks & Rec's Director for approval to be uploaded to the department's Joint Use webpage and for submittal as an information item to the PS&LN Council Committee.

The process for updating, maintaining, and reviewing the JUA Tracking Sheet ensures that the City will have access to accurate information for its joint use agreements with the District and therefore satisfies the spirit of this recommendation.

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

(MJ)

#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.

Implemented This recommendation is implemented. PUD has successfully created a customer service training program, along with a standard operating procedure that guides its customer service representatives on how to provide excellent customer service. Staff have completed their training program, which includes modules that incorporate soft skills (such as conflict resolution) and hard skills (such as how to log customer information into PUD's water billing system).

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

(MJ)

#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.

Implemented This recommendation is implemented. Development Services Department's Bulletin 503, Fee/Deposit Schedules for Development & Policy Approvals/Permits, effective January 2022, has been revised to require discretionary projects to have the highest applicable minimum balance for any project requiring multiple approval types. DSD has submitted evidence showing that Accela automates the minimum required balance for discretionary projects and sets the minimum required balance as the highest amount for projects with multiple approval types.

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.

Implemented This recommendation is implemented. In addition to working with the Communications Department to launch a new web site, the Homelessness Strategies and Solutions Department (HSSD) has drafted its FY2023 communications plan. HSSD stated that it has engaged in ongoing meetings with Communications to discuss the long-term planning needs of the department regarding communications. To date, HSSD has outlined its goals and projects for the fiscal year. For specific projects, timelines have been developed and modes of communications (i.e., videos, fact sheets, web content, etc.) have been identified. According to HSSD, throughout this planning effort, it has identified areas for improving how program goals and outcomes are presented.

With regards to communicating funding needs, the 5-year Outlook for both the operating budget and the CIP are public venues during which the financial

forecast and planning to fund homeless services will be presented to Council and the public. Additionally, the department will provide quarterly updates at Council committee to elevate in a public forum the urgent need to address homelessness and shore up the crisis response system. Finally, the Mayor's 2022 State of the City communicated the importance of addressing homelessness. In addition, the IBA's FY 2023 Homelessness Programs and Funding report and the IBA's reviews of proposed budgets emphasize funding needs.

OCA has determined that the spirit of this recommendation has been addressed through the various public venues in which the City is communicating homelessness funding needs.

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).

Implemented This recommendation has been implemented. HR, Personnel, and PANDA have collaborated by offering multiple employee surveys assessing important metrics such as overall satisfaction, net promoter scores, and elements of compensation and benefits. They have also integrated recent analyses into a more comprehensive workforce report, including putting results into context by comparing to the Federal Employee Viewpoint Survey and UC San Diego. The evidence is reasonable, appropriate, and sufficient to consider the

recommendation implemented and HR, Personnel, and PANDA deserve to be commended for their efforts on this important recommendation.

#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.

Implemented The recommendation is considered implemented. HR has reviewed, and according to their determination, language in the labor agreements does not exist that would prevent re-negotiation, in accordance with labor laws.

#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.

Implemented The evidence is sufficient and appropriate to consider the spirit of the recommendation implemented. Personnel provided an example detailing how their figures are calculated. The categories even included separate columns for "other job", "quits rate", and "overall turnover". This is a huge improvement to previous analyses that were less transparent and which used a problematic methodology; Personnel should be commended for their reforms to provide more accurate and transparent information. Personnel also stated that they are retaining all working files that substantiate the SSA write ups for five years pursuant to their records retention schedule.

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

(TS)

#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.

Implemented This recommendation has been implemented. The supporting documentation demonstrates how the Chief Data Officer, Chief Information Officer, and City Clerk worked together to complete a Citywide Data Classification schema. This schema contains attributes collected for the Department Record File Plans

combined with attributes used for Open Data, Enterprise GIS, Department of IT Security, and additional City Clerk programs.

#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.

Implemented This recommendation is implemented. The three departments met, discussed, and agreed to leverage existing internal resources and supplement consulting to coordinate and execute the data management strategy.

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

(NO) (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.

Implemented According to Transportation, the revised SOP and sidewalk condition mapping program are already being used by the department for planned/proactive sidewalk maintenance. The SOP requires the utilization of geographic grouping of areas based on Pedestrian Priority Model (PPM) composite scoring, density of sidewalk locations identified during 2014-2015 Citywide Sidewalk Assessment, ADA complaint locations, and areas identified based on Risk

Management's claims data to create new maintenance project boundaries for field assessments.

The sidewalk condition mapping program bundles damaged sidewalk locations into "boundaries" based on the factors listed above. Craig's team will be performing field assessments of the existing sidewalk damages and will mark-out sidewalk repair limits starting with boundary 1 (highest concentration of damaged locations based on priority factors) and then will move on to subsequent boundary numbers 2, 3, 4, etc. until they have marked-out enough locations to accommodate Street Division's project budget. It's expected that these 2 projects (i.e. CD5 and CD7 replacement projects) will not need to use all of the planned boundary areas. Assuming that is the case, then the next time a project is scoped within the same council district Street Division will pick up where they left off. The Division anticipates needing more boundary areas planned for future sidewalk replacement projects, then they can perform this same planning process Citywide as needed so that projects are always ready to be initiated once their department obtains funding at the beginning of each fiscal year.

According to the revised SOP, selecting areas for sidewalk maintenance utilizing this type of geographic grouping, which combines PPM composite scoring overlaid in GIS with the other factors listed above to identify areas with both high PPM composite scoring and higher densities of Sidewalk Assessment, ADA complaints, and claims locations, should allow Transportation to increase economic efficiency of assessing and marking-out maintenance locations and obtain competitive bid pricing from contractors. By following this revised SOP, the department should be more effective at identifying and mitigating sidewalk damage locations in high-pedestrian usage areas of the City, thereby reducing trip and fall and other risks caused by such damaged locations.

Based on the documentation and write-ups provided by Transportation, as well as several meetings with the department to discuss the revised SOP, the spirit of this recommendation has been met.

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

(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.

Implemented This recommendation is implemented. The Stormwater Department's FY2023 adopted budget now reflects the new key performance indicators of planned annual miles of streets swept and tons of debris collected from planned street sweeping.

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

(CN)

#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.

Implemented This recommendation is implemented. The department provided the information requested in the FY2021 Business Diversity Annual Report.

#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.

Implemented This recommendation is implemented. The department provided the FY2021 Business Diversity Annual Report and it includes percentages as requested.

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

EMPLOYEE PERFORMANCE MANAGEMENT#

(NO) (GT)

#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.

Implemented This recommendation is considered implemented. According to the Personnel Department (Personnel), the department has automated the Classified Employee Performance Review Program. This new functionality is available in SuccessFactors. This automation is intended to mirror and enhance the current method of presenting employee performance reviews to Classified employees. The new functionality is available to Personnel, Risk Management, Human Resources, Fleet Operations, Development Services, and Public Utilities Departments in Success Factors. This new functionality is scheduled to be available for all Departments Fall of 2022.

Personnel provided supporting screen shots of the enhanced online EPR management tool, EPR reminder emails sent to City departments, and an EPR manager report. Based on this evidence, Personnel and City departments should have sufficient monitoring capabilities to ensure classified employees receive their EPRs in a timely manner.

#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.

Implemented This recommendation is considered implemented. According to the Human Resources Department (HR), as of June 20, 2022, the department has reviewed DL usage in accordance with audit recommendations and has not identified any abuse of current caps. In addition, HR has conducted a pulse survey of employees on the use of the rewards and recognition program with DL awards being indicated as one of the top desired rewards. Due to the absence of abuse and interests in DL Awards as a motivator for staff, HR will not be implementing additional caps.

We conclude that HR's explanation of its decision to not make any changes to the City's D/L entry cap policy is sufficient to address the spirit of this recommendation.

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

(TS)

#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.

Implemented This recommendation is implemented. The Department of IT provided sufficient and appropriate evidence to support the implementation.

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.

Implemented This recommendation is implemented. On May 26, 2022, the Sustainability and Mobility Department presented the CAP Staffing Analysis to the Environment Committee. The staffing analysis identifies nine new staff positions for the Department over the next three years to support implementation of the CAP.

#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.

Implemented This recommendation has been implemented. The Sustainability Department held quarterly Sustainability Roundtable meetings with dedicated time that allowed departments to discuss CAP implementation and areas for collaboration and coordination.

#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.

Implemented This recommendation has been implemented. The 2022 CAP provides ratings (i.e., "high", "medium", and "low") for factors pertaining to feasibility (e.g., stakeholder acceptability, technical feasibility, ease of implementation, financial viability, and mainstream potential) and potential for equitable implementation of actions (e.g., community benefits and burdens, community empowerment, and whether the action addresses historical disparities). In addition, Appendix C - CLIMACT Prio Methodologies and Results of the 2022 CAP scores actions for feasibility, equity, air quality, public health, jobs and economy, and resiliency. The scoring of these factors results in a CLIMACT Prio Score for each action that can be used to inform prioritization.

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.

Implemented This recommendation is implemented. The Resolution R-313989 was passed by City Council on March 22, 2022, which appointed a new member to replace the member that served more than the maximum of 8 consecutive years on the Mission Bay Improvement Fund Oversight Committee.

21-013 PERFORMANCE AUDIT OF IT SERVICE DELIVERY EFFECTIVENESS

(TS)

#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.

Implemented The recommendation has been implemented. The Department of IT is tracking mandatory SAP training, SAP training completion rates, and employee satisfaction. In FY22, there were no mandatory training events to measure completion rate and employee satisfaction. The mandatory training results will continue to be tracked and reported annually if applicable, however the discretionary SAP training for 8,210 courses completed has been added to the annual KPI dashboard report.

#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.

Implemented This recommendation is implemented. The dashboard presented by DoIT meets the intent of the recommendation and provides a mechanism for continuous monitoring of the user experience across the board, The dashboard is expected to evolve to include additional metrics.

#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.

Implemented This recommendation is implemented. The Department of Information Technology has been working with the five departments who are the top users of the GIS information. DoIT, the five identified departments, and vendor are working together to ensure useful, accurate, and reliable data is available for their needs.

22-001 PERFORMANCE AUDIT OF THE CITY'S USE OF CARES ACT FUNDING

(JP) (DK)

#4 For the remaining Housing Stability Assistance Program, the San Diego Housing Commission should update its procedure manual to require documentation of final determination of household size and income that clearly ties to supporting documentation showing case managers followed up in instances where residents listed on the lease exceeded the number of individuals providing income verification.

Implemented This recommendation is implemented. The San Diego Housing Commission updated the procedure manual for the Housing Stability Assistance program, and review of a random sample of 25 case files showed that all case files had documentation of income for all individuals, an explanation of individuals without income, or were rejected.

22-002 PERFORMANCE AUDIT OF THE CITY'S MAJOR BUILDING ACQUISITION PROCESS

(CN) (MJ)

#9 If determined to be necessary, we recommend that the Independent Budget Analyst (IBA) consider requesting budget approval from City Council for an as-needed consultant contract to assist the IBA in reviewing the City's best practices set out in Recommendation 1. The consultant could evaluate whether the checklist itself is fully developed and appropriate. The consultant could also evaluate proposed acquisitions and how well the City completed the checklist with regard to specific future acquisitions.

implemented This recommendation is implemented. The IBA has provided sufficient and appropriate evidence that the FY23 Council priority memos indicated support

for funding necessary for IBA to cover any as-needed consultant contracts for real estate acquisitions.

June 30, 2022

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, 2022 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

Chief Compliance Officer

22-001 **PERFORMANCE AUDIT OF THE CITY'S USE OF CARES ACT FUNDING**

(JP) (DK)

#2 The Chief Compliance Officer should work in conjunction with the Purchasing and Contracting Department and the City Attorney's Office to determine if the City should pursue a refund from the vendor for up to $1.118 million in payments made by the City above the contracted rate for the portable showers. If a refund is provided, the Department of Finance should also reallocate the $721,000 in overcharged funds reimbursed from the Coronavirus Relief Fund to other eligible expenses and revise reporting to the Department of Treasury Office of the Inspector General accordingly.

In Process On May 10, 2022, the City Attorney's Office issued a statement indicating that they have filed suit against the vendor for raising the price of services it provided to the City when the San Diego Convention Center was converted into a homeless shelter during the height of the COVID-19 pandemic. City Attorney investigators noted prices were increased more than 100 percent. This suit is ongoing and at this time there is no known date of resolution.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 21, 2021	December 2021	~~December 2021~~ Unknown

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 The administration reported that this recommendation is considered pending with no target date as it is still subject to a court proceeding.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	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. EDD has created a departmental procedure with instructions detailing how EDD staff operate the BCP program. An analysis by the Office of the City Attorney has confirmed that the current contract with the consultant includes BCP services. To consider the recommendation as implemented, OCA will need documented verification that the consultant has engaged in BCP services for the City.

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

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 According to HR, the Performance and Analytics Department is leading a multi-departmental review team and is concluding the RFP process for the next Pay Equity Study. Outlined in the RFP are requirements to conduct qualitative research, including focus groups, to evaluate the root causes of existing adjusted earnings gaps among the groups identified. The study will include recommendations for the development of an action plan to mitigate any existing gaps which will be implemented by responsible departments upon the conclusion of the study and City Council direction. The study is expected to begin in August of 2022 with results being provided to City Management and City Council in October of 2023. The recommendation appears to be on track to be considered implemented at that time.

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

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 department has investigated and exhausted all avenues to bring trash collection service at Short Term Residential Occupancy units (STROs) into compliance with the People's Ordinance; resolution of this recommendation requires legislative action.

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

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 department reported that final edits are being performed by Purchasing & Contracting and it will be sent to the City Attorney by the end of July. At that point, the Deputy City Attorney will complete their final review and route for review by the City Attorney. Expected completion is September/October 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 11, 2019	February 2020	~~February 2020~~ ~~Unknown~~ ~~December 2021~~ ~~Unknown~~ October 2022

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

In Process No change in status since the last reporting period. At the December 2, 2021, Civil Service Commission meeting, the Personnel Director presented policy item #10 for the "Deletion of Civil Service Rule XVII (Review of Contracts for Services) and Personnel Manual Index Code N-1." The item was approved by the Civil Service Commission and will be presented to the City Council in early 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 11, 2019	May 2020	~~May 2020~~ ~~March 2022~~ August 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 The department reported that final edits are being performed by Purchasing & Contracting and it will be sent to the City Attorney by the end of July. At that point, the Deputy City Attorney will complete their final review and route for review by the City Attorney. Expected completion is September/October 2022.

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

~~Unknown~~
~~December 2021~~
~~Unknown~~
October 2022

#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 department reported that final edits are being performed by Purchasing & Contracting and it will be sent to the City Attorney by the end of July. At that point, the Deputy City Attorney will complete their final review and route for review by the City Attorney. Expected completion is September/October 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 11, 2019	February 2020	~~February 2020~~ ~~November 2020~~ ~~Unknown~~ ~~December 2021~~ ~~Unknown~~ October 2022

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 City staff are working on a presentation to the Ethics Commission Board, for the September 8th meeting, with a plan for implementation of this recommendation. Once the plan is presented to the Board, City staff will create a RIWP outlining next steps to implement this recommendation and revise the Target Implementation date.

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; and

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 is requesting a couple more weeks to finalize as A.R. 95.21 has been returned by the City Attorney's Office and was forwarded to Human Resources. The department has confirmed that Human Resources has the final and we are waiting to hear back to complete the implementation of this recommendation. Once complete, the new A.R. will be updated on CityNet.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 13, 2019	December 2020	~~December 2020~~ ~~June 2021~~ ~~August 2021~~ ~~June 2022~~ September 2022

#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 is requesting a couple more weeks to finalize as A.R. 95.21 has been returned by the City Attorney's Office and was forwarded to Human Resources. The department has confirmed that Human Resources has the final and we are waiting to hear back to complete the implementation of this recommendation. Once complete, the new A.R. will be updated on CityNet. Implementation date moved out to September to allow time for finalization but we anticipate it will be completed before then.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	December 13, 2019	December 2020	~~December 2020~~ ~~June 2021~~ ~~August 2021~~ ~~June 2022~~ September 2022

Department of Finance[3]

15-016 PERFORMANCE AUDIT OF CITYWIDE CONTRACT OVERSIGHT

(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.

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.

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

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 Purchasing and Contracting (P&C) staff will have a copy of the draft contract compliance manual for OCA review on or before August 31, 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 25, 2015	November 2015	~~November 2016~~ ~~June 2017~~ ~~December 2020~~ ~~February 2022~~ August 2022

Department of Real Estate and Airport Management

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 No change in status since the last reporting period. The department reported that under a subsequent audit regarding Acquisitions, staff is updating its real estate policies and this will be a part of the comprehensive review and update.

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~~

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

(MJ)

#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 No change in status since the last reporting period. The department reported that DREAM is requesting new lease administration software in its FY2023 budget. Upgrading/replacing this software will create the opportunity for DREAM to re-evaluate the property classifications and ensure they are in line with industry best practices.

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~~ December 2022

#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 The department indicated that DREAM would like to request that this recommendation be subsumed under the more current Lease Holdover Audit as

it is duplicative. OCA will consider DREAM's request during the next reporting cycle.

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~~ ~~July 2022~~ March 2023

22-002 PERFORMANCE AUDIT OF THE CITY'S MAJOR BUILDING ACQUISITION PROCESS

(CN) (MJ)

#7 We recommend that the Independent Budget Analyst, in consultation with the City Attorney's Office, create and bring forward to City Council for approval a section to be added to the San Diego Municipal Code to provide an enforcement mechanism for Charter Section 32.1, to ensure that City staff accurately represent and inform City Council of all material facts or significant developments relating to real estate acquisitions under the jurisdiction of City Council.

In Process No change in status since the last reporting period. The department did not provide an update. OCA will continue to follow up during the next reporting cycle.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 22, 2021	N/A	Unknown

22-007 **PERFORMANCE AUDIT OF THE CITY'S LEASE MANAGEMENT AND RENEWAL PROCESS**

(NO) (SM) (NK)

#3 The Department of Real Estate and Airport Management should ensure that each new or renewed lease includes a financial disincentive clause regarding holdover status (for example, 150 percent or up to two times the last month's rent and/or market-rate rent for non-profits). The disincentive clause may be written such that the City only exercises the financial disincentive when appropriate.

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 9, 2022	Immediately	~~February 2022~~ June 2023

Development Services Department

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

(LB)

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

In Process No change since the last reporting period. 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~~ ~~April 2022~~ Unknown

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

(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 Development Services Department (DSD) remains in agreement with the recommendation. However, we are currently in conversations with DoF for the possibility of changing the current MRB to billable rates for both ministerial and discretionary projects. DSD will be awarding a contract to a fee study consultant that will study other options such as creating billable rates for different classifications bill to these projects; these billable rates will be invoiced on a monthly basis via SAP. The fee study will initiate in August of current year and is expected to be completed by May of 2023. After further review and testing of the MRB for discretionary projects, we are considering also moving forward with the billable rates for these. In addition, DSD is currently conducting further testing now that deposit accounts are in Accela and we are gathering new requirements for quality assurance and control.

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 Development Services Department (DSD) remains in agreement with the recommendation. However, we are currently in conversations with DoF for the possibility of changing the current MRB to billable rates for both ministerial and discretionary projects. DSD will be awarding a contract to a fee study consultant that will study other options such as creating billable rates for different classifications bill to these projects; these billable rates will be invoiced on a monthly basis via SAP. The fee study will initiate in August of current year and is expected to be completed by May of 2023. After further review and testing of the MRB for discretionary projects, we are considering also moving forward with the billable rates for these. In addition, DSD is currently conducting further testing now that deposit accounts are in Accela and we are gathering new requirements for quality assurance and control.

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

#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 Development Services Department (DSD) remains in agreement with the recommendation. However, we are currently in conversations with DoF for the possibility of changing the current MRB to billable rates. DSD will be awarding a contract to a fee study consultant that will study other options such as creating billable rates for different classifications bill to these projects; these billable rates will be invoiced on a monthly basis via SAP. The fee study will initiate in August of current year and is expected to be completed by May of 2023. In addition, DSD is currently conducting further testing now that deposit accounts are in Accela and we are gathering new requirements for quality assurance and control.

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

#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 DSD went live with Accela implementation for discretionary and ministerial deposit accounts on December 20, 2021. According to DSD, this recommendation has been implemented. While we were able to verify the auto-calculation of the minimum required balance for discretionary projects in Accela, the auto-calculation for ministerial accounts has not yet been implemented and is still under review. Additionally, DSD reports that it has engaged a consultant to evaluate the feasibility of moving towards billable rates that, pending the study's outcome and department's decision, could take the place of deposit accounts in the future. While the study is underway, however, DSD should continue to move forward with automating the minimum required balance for ministerial and deposit accounts.

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 the recommendation. After discussions with Department of IT (DoIT), it was discovered that SAP invoices cannot be automated for these deposits, however we will be awarding a contract to a fee study consultant that will study other options such as creating billable rates for different classifications bill to these projects; these billable rates will be invoiced on a monthly basis via SAP. The fee study will initiate in August of current year and is expected to be completed by May of 2023.

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 DSD is currently conducting further testing now that deposit accounts are in Accela and we are gathering new requirements for quality assurance and quality control.

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. EDD has created a departmental procedure detailing how EDD will coordinate with DSD on the BCP program. EDD stated that DSD is in the process of creating the tag in Accela to indicate when a project is over $25 million and may qualify for BCP. EDD also stated DSD is in the process of adding an intake question related to BCP. OCA will need documentation that verifies the Accela tag has been created as well as the updated DSD intake questions to confirm this recommendation has been 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~~ Unknown

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

(AH) (DK)

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

In Process EDD has completed the Recommendation Implementation Work Plan (RIWP), as requested at Audit Committee. The RIWP includes specific detailed steps matching the goal of the recommendation (for EDD to complete a comprehensive outreach strategy that focuses in older, underserved areas of the City). Additionally, the RIWP includes timely deadlines, with a goal of implementation in October 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	January 16, 2018	January 2019	~~January 2019~~ ~~December 2020~~ ~~Unknown~~ October 2022

#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 The Recommendation Implementation Work Plan (RIWP) EDD completed for Recommendation #1 includes EDD coordinating with DSD and the Office of the City Treasurer as part of the development of a comprehensive outreach strategy for the program. EDD has indicated a goal to finalize this comprehensive outreach strategy in October 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	January 16, 2018	January 2019	~~January 2019~~ ~~December 2020~~ ~~Unknown~~ October 2022

Fleet Operations Department

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

(JP)

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

In Process Fleet reports that the Draft AR 30.20 has been actively progressing through the AR process since January 2022. It is currently being reviewed by the City Attorney's Office. If there are no further substantive changes requiring redistribution to the Departments, the draft AR will be forwarded to the Department of Finance and Human Resources for their final review (including any potential meet & confer with REO's, if required), and then to the COO/Mayor's office for approval and implementation. Fleet anticipates this will be completed by October 2022.

Since the last update, Fleet reports that the following progress has been made:

- 2/11/2022 Department's edits, comments, and questions received
- 3/14/2022 Substantive edits completed, and new draft distributed to Departments for review
- 3/23/2022 Department's Approval / Review of substantive edits received
- 3/30/2022 Having received no further substantive edits, Draft AR 30.20 was forwarded to the City Attorney's Office for their "Full Legal Review"
- 4/24/2022 DGS-Fleet received CAO initial comments & edits
- 4/28/2022 DGS-Fleet provided edits, updates, & comments to CAO

- 6/15/2022 DGS-Fleet and CAO met to discuss and review additional edits

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 27, 2018	June 2020	~~June 2020~~ ~~October 2020~~ ~~December 2021~~ ~~May 2022~~ October 2022

Homelessness Strategies & Solutions Department

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

The City, during the FY2023 budget process, developed a funding proposal that significantly utilized federal and State of California grant funding to ensure continuity of services provided as well as set in motion the expansion of shelter bed capacity as outlined in the City Community Action Plan on Homelessness.

To date, HSSD has:

- Developed a record of City department funding contributing toward homelessness services by City departments.
- Worked more closely with the Office of the Independent Budget Analyst to jointly understand fiscal constraints.
- Established the process for engaging the Department of Finance on budget development discussions throughout the fiscal year.
- Actively participated in the Funders Together to End Homelessness monthly meetings to understand how foundations and other private funders see to align their investments.
- Initiated discussion with DOF and the CFO on 5-year outlook planning for both operating needs and capital needs (e.g., shelter expansion).
- Applied for County and State competitive grants to offset costs to City funds.
- Provided information to support the City's ongoing efforts related to Measure C.

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

#9

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

In Process

The City collects outreach data at point of engagement with individuals experiencing unsheltered homelessness. These data are captured by the Homeless Outreach Team of the Neighborhood Policing Division in the San

Diego Police Department and outreach data are also captured by street-based social workers (as part of the City's Street Outreach Program and also the CityNet outreach team canvassing CalTrans properties). The focus on data reporting is client engagement in services. The outreach data captured by street-based case management is reported on the website of the Homelessness Strategies and Solutions Department (HSSD). The department also reports client engagement as part of its key performance indicators published in the budget document and also on the HSSD website. At point of engagement with individuals, the services offered may not meet the needs of that individual or other times the services needed are unavailable. Refusal of services can be an indication of misalignment of services offered and an individual's need, at point of engagement.

As evident in the FY2023 budget plan, data collected have been analyzed to inform the program models for shelter bed expansion (e.g., women's shelter, senior shelter, family shelter) and development of new partnerships to enhance housing outcomes resulting from street-based case management. In addition, the Regional Task Force on the Homeless (RTFH) recently funded advisors with lived experience to conduct interviews with individuals at the end of outreach events to determine barriers to accessing service. HSSD is requesting for that information to be shared with the City.

OCA will continue to follow up on this recommendation to determine whether the information from RTFH can be used to sufficiently address the spirit of the recommendation.

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

#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

Across all outreach efforts, the City collects data at point of engagement with individuals experiencing unsheltered homelessness. Data is captured by the San Diego Police Department's Neighborhood Policing Division (NPD) and by street-based outreach workers (as part of the City's Street Outreach Program).

Per the City's abatement protocol, law enforcement (i.e., NPD officers) accompanies City Environmental Services Department (ESD) crews conducting cleaning activities to maintain safety for the workers and be available to intercede if issues arise. NPD captures data on when shelter is inaccessible to persons experiencing homelessness. However, NPD does not differentiate the data between whether a contact was made during the course of an ESD encampment abatement or during other times. According to NPD, during the ESD encampment abatements, NPD's role is to be the security team for the ESD workers. NPD focuses on ensuring their safety along with the public's safety by keeping people away from areas that are being abated along with staying clear of the compactors that are usually present. When not conducting abatement with ESD, officers from NPD will complete "Get It Done" requests submitted by community members. NPD's mission during this time is to offer shelter, services and conduct enforcement utilizing the progressive enforcement model. Through the Homeless Outreach Team, law enforcement also promotes shelter and assistance opportunities, connects individuals experiencing homelessness to other services, or gets medical assistance should it be necessary. However, the Homeless Outreach Team does not directly coordinate with ESD encampment abatements.

Per the Citywide Street Outreach Program's coverage plan, areas of high impact have dedicated outreach workers. However, per the San Diego CoC Street Outreach Standards, outreach is not conducted directly related to the enforcement activity of ESD abatements. This is because effective street outreach depends on establishing trust between the outreach worker and the person experiencing homelessness and having outreach workers directly associated with any enforcement activities would harm this trust. Instead, according to the Homelessness Strategies and Solutions Department (HSSD), although they do not directly coordinate with each other, there is overlap in the areas of focus for both the ESD abatements and the outreach workers as both activities can be prompted by Get It Done service requests. The volume, location, and frequency of reports help to inform workload for ESD crews. The volume, location, and frequency of reports also help to determine "hotspots" which are often areas known to street outreach workers.

Because the City's outreach workers are not working directly with NPD officers and ESD crews at these encampment abatements, the data collection recommended in this recommendation is not being collected.

OCA will continue to work with HSSD to determine whether the spirit of this recommendation can be addressed in the future. In addition, Recommendation #10 from the audit, which had previously been considered implemented and was based on prior guidance and best practices, will be revisited during OCA's next Recommendation Follow-Up reporting cycle.

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

Human Resources Department

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

(NO) (GT)

#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 Human Resources is still in the Meet and Confer process with City Recognized Employee Organizations to develop and review a Citywide Teleworking Policy.

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

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

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

    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 The Annual Workforce Report has been completed and is being reviewed by City Management prior to presentation to City Council. Anticipate releasing the report and presenting to City Council upon conclusion of City Council Fall Recess.

Priority	Issue Date:	Original Target Date:	Current Target Date:
			~~December 2021~~

1	April 23, 2020	December 2021	~~June 2022~~ September 2022

#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:

- By department;
- By job classification;
- By labor group; and
- By retirement plan type.

In Process The Workforce Dashboards have been completed and are being reviewed by City Management prior to presentation to City Council. Anticipate releasing the report and presenting to City Council upon conclusion of City Council Fall Recess.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	December 2021	~~December 2021~~ ~~June 2022~~ September 2022

#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 The Annual Workforce Report has been completed and is being reviewed by City Management prior to presentation to City Council. Contained in the initial workforce report is information on turnover rates, quit rates, and other identified metrics. Targets will be established in subsequent reports.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	April 23, 2020	December 2021	~~December 2021~~ ~~June 2022~~ September 2022

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

(NO) (GT)

#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 According to the Human Resources Department (HR), the department is currently monitoring Rewards & Recognition Program usage data on a monthly basis in accordance with the audit recommendation. Additionally, HR has conducted a pulse survey of employees on the use of the Rewards & Recognition Program and is currently analyzing the results to identify overall program improvements. Once improvements are identified, HR will update AR 95.91 and include targeted interventions to increase utilization.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	November 25, 2020	July 2021	~~July 2021~~ ~~June 2022~~ December 2022

#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 According to the Human Resources Department (HR), the department is currently monitoring Rewards & Recognition Program usage data on a monthly basis in accordance with the audit recommendation. Additionally, HR has conducted a pulse survey of employees on the use of the Rewards & Recognition Program and is currently analyzing the results to identify overall program improvements. Once improvements are identified, HR will update AR 95.91 and include targeted interventions to increase utilization.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	~~December 2021~~ ~~June 2022~~ December 2022

#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 change in status since the last reporting period. The Human Resources Department reported that due to evolving priorities related to the COVID-19 Pandemic, the City's internal COVID-19 response and recovery efforts, and other critical time sensitive projects, this recommendation has been delayed.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	~~December 2021~~ September 2022

#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 change in status since the last reporting period. The Human Resources Department reported that due to evolving priorities related to the COVID-19 Pandemic, the City's internal COVID-19 response and recovery efforts, and other critical time sensitive projects, this recommendation has been delayed.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	July 2021	~~July 2021~~ September 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 change in status since the last reporting period. The Human Resources Department reported that due to evolving priorities related to the COVID-19 Pandemic, the City's internal COVID-19 response and recovery efforts, and other critical time sensitive projects, this recommendation has been delayed.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	~~December 2021~~ September 2022

#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 change in status since the last reporting period. The Human Resources Department reported that due to evolving priorities related to the COVID-19

Pandemic, the City's internal COVID-19 response and recovery efforts, and other critical time sensitive projects, this recommendation has been delayed.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	~~December 2021~~ September 2022

Parks and Recreation Department

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

(RG)

#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

No change in status since the last reporting period. 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

22-005 **PERFORMANCE AUDIT OF EQUITY IN RECREATION PROGRAMMING**

(AR) (MS) (LB)

#14 To facilitate data analysis efforts, the Parks and Recreation Department should develop, document, and implement naming conventions for the same or similar recreation programs in its recreation program management software, and train staff on these naming conventions as part of Recommendation #16.

In Process The department indicated that it has reconvened the ActiveNet Super User Committee to begin developing program naming conventions and training related to naming conventions and proper categorization of recreation programs. Further, the department noted that training is tentatively scheduled to roll out to department supervisors in October 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	November 10, 2021	May 2022	~~May 2022~~ October 2022

#16 To ensure that staff are adequately trained on how to enter program information into its recreation program management software, the Parks and Recreation Department should:

- Provide an updated (current) training on its recreation program management software to all users that includes documenting

the appropriate program name, primary program instructor, and noting the appropriate activity status; and

- Annually provide a recreation program management software refresher training to all users.

In Process

The department indicated that is has reconvened the ActiveNet Super User Committee to update training materials for new user orientation training as well as annual refresher trainings. Trainings are tentatively scheduled to roll out to department supervisors in October 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	November 10, 2021	April 2022	~~April 2022~~ October 2022

Personnel Department

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

Human Resources (HR) HR developed a Total Compensation Philosophy and presented it to City Council during the January 25, 2022 City Council Meeting. The philosophy states in part that "The City’s total compensation for its employees endeavors to pay at least the market median for comparably situated public employees. The City’s goal is to move toward the market median for all classifications that are currently under the market median."

The FY2023–FY2027 Outlook does project an additional 3.05 percent annual general salary increase, but there is no link to the compensation philosophy and the projections appear to not be enough to move the City to mid-market (which is the stated philosophy). According to the Department of Finance, the Department of Finance will review the compensation study currently being developed and incorporate the appropriate information in the upcoming outlook to ensure that the City’s fiscal outlooks incorporate the City’s Compensation Philosophy in future budget documents. Target Implementation date updated to December 2022 in order to incorporate release and review of General Fund Outlook FY2024–FY2028.

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

#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 The Personnel Department, Human Resources Department, and the Department of Information Technology have created the Turnover Dashboard in Business Objects for departments to run for turnover information. The Turnover Dashboard helps departments identify possible turnover issues. This dashboard provides a variety of turnover information including:

- An overview of separations in the City by date range.
- Charts and graphs that provide a quick glance of separation information and details for Citywide separations.
- Counts of average active employees, employee separations by bargaining unit, job, department, etc., and turnover percentages.
- Enables filtering of separation data by different criteria including Personnel Area, Business Area, job, and separation reason.

In addition, the Personnel Department is in the process of creating a new NEOGOV report to help identify recruitment problems.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	April 23, 2020	December 2021	~~December 2021~~ ~~July 2022~~ Unknown

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

According to HR, the annual workforce report has been completed and is being reviewed by City Management prior to presentation to City Council. Anticipate releasing the report and presenting to City Council upon conclusion of City Fall Recess. The recommendation appears to be on track to be considered implemented in Fall of 2022.

Since implementation of this recommendation depends on the completion and release of the City's Annual Workforce Report, the target implementation date will be extended to the end of the next recommendation follow-up cycle (December 31, 2022) to allow for the release and presentation of the report to City Council.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	November 25, 2020	December 2021	~~December 2021~~ ~~June 2022~~ December 2022

#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 According to Personnel, City supervisors can sign up for EPRP and AAIT training classes through SuccessFactors. The Personnel Department is also working on creating a new bi-weekly report that identifies new and current supervisors in SAP (i.e., based on Chief assignment). This bi-weekly report will be provided to departments so they can work to enroll their supervisors in the EPRP and AAIT training classes within one year of them becoming a supervisor. The example report is ready for testing. Personnel anticipates full implementation of this recommendation by December 31, 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 25, 2020	December 2021	~~December 2021~~ ~~July 2022~~ December 2022

Planning Department

19-013 PERFORMANCE AUDIT OF COMMUNITY PLANNING GROUPS

(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. The Planning Department has been monitoring actions related to Community Planning Group (CPG) reform. Councilmember LaCava's office has taken the lead in drafting the proposed changes to Council Policies 600-24 and 600-09. The City Charter requires advisory boards and commissions be created through an ordinance and requires all members be appointed by the Mayor and confirmed by City Council. Currently, CPGs are advisory boards, though they are governed by Council Policy 600-24, not created by ordinance nor are the members appointed. Councilmember LaCava is proposing to amend the Council Policies and amend the Municipal Code to make CPGs independent advisory bodies.

Councilmember LaCava's office presented the proposal to the Planning Commission on January 20, 2022. The Planning Commission made the recommendation to the City Council to support the proposed amendments related to the CPGs to the San Diego Municipal Code by a unanimous vote. The Councilmember's office presented the proposal to the Land Use and Housing (LU&H) Committee on June 16th, 2022. LU&H Committee unanimously made a recommendation to the City Council to adopt the proposed resolutions to amend Council Policies 600-24 and 600-09, and adopt an ordinance containing amendments to San Diego Municipal Code Sections 86.0104, 98.510, 112.0203, 112.503, 112.0602, and 157.0203 all related to CPGs. At this time, the Planning Department anticipates that the Councilmember's office will request to docket the proposal for the City Council approval at a hearing date in September 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	December 13, 2018	December 2019	~~December 2019~~ ~~December 2020~~ ~~Unknown~~ ~~June 2022~~ October 2022

#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. The Planning Department has been monitoring actions related to Community Planning Group (CPG) reform. Councilmember LaCava's office has taken the lead in drafting the proposed changes to Council Policies 600-24 and 600-09. The City Charter requires advisory boards and commissions be created through an ordinance and requires all members be appointed by the Mayor and confirmed by City Council. Currently, CPGs are advisory boards, though they are governed by Council Policy 600-24, not created by ordinance nor are the members appointed. Councilmember LaCava is proposing to amend the Council Policies and amend the Municipal Code to make CPGs independent advisory bodies.

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Priority	Issue Date:	Original Target Date:	Current Target Date:
2	December 13, 2018	December 2019	~~December 2019~~ ~~December 2020~~ ~~Unknown~~ ~~June 2022~~ October 2022

Public Utilities Department

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

(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 continues to monitor implausible readings on a daily basis and investigate and resolve related issues. In the previous reporting period, the Customer Support Division implemented a new version of the daily report of unbilled accounts which specifies in more detail the cause of each account being unbilled. This helps the team prioritize resolution work and inform decisions about potential system and process improvements to prevent recurrence. The department is on target to complete this recommendation by January 31, 2023.

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

#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 For part "a", PUD is working with the Department of IT on an SAP enhancement which would allow for a letter or email notification to be sent to any customer who did not receive a bill due to the account being under review. In addition, PUD is testing a bill release process for higher than normal bills. As a reminder, the department has implemented and continues to follow a Standard Operating Procedure to notify customers of rate increases and other bill-impacting activities (part "b"). This remains on target for completion by July 31, 2023.

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~~ ~~January 2023~~ July 2023

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. The department reported the new contact center software solution is not in place and the latest estimate is mid-August 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	~~January 2020~~ ~~June 2020~~ ~~June 2021~~ ~~August 2021~~ January 2023

#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. The department reported the new contact center software solution is not in place and the latest estimate is mid-August 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	January 2020	~~January 2020~~ ~~January 2021~~ ~~July 2021~~ January 2023

#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 PUD indicated that it has no substantial update since the last reporting cycle. The department reported the new contact center software solution is not in place and the latest estimate is mid-August 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 4, 2019	December 2019	~~December 2019~~ ~~July 2020~~ ~~January 2021~~ ~~Unknown~~ January 2023

#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 In addition to expanded permissions that have occurred since the audit was initially released, additional authority has recently been given for all Customer Services Representatives to handle customer emails, customer correspondence, and make changes to MyWaterSD. The authority to release customer bills has been expanded to CSRs who have completed that training, and will continue to expand as training is completed. OCA will verify implementation during next reporting period.

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

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's RFP to hire project management services responsible for refining the implementation plan and ensure success of the project posted on June 21, 2022 with proposals from vendors being due no later than July 27, 2022. After

evaluations, the selected vendor and contract will be routed for City Council approval.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	January 2020	~~January 2020~~ ~~July 2021~~ ~~January 2022~~ ~~June 2022~~ July 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 as discussed in response to #3, the RFP for project management services will address how success is defined and ensure objectives are achieved.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	January 2020	~~January 2020~~ ~~July 2021~~ ~~January 2022~~ August 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 indicate the RFP for project management services identifies a task for developing a staffing plan for Citywide deployment.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	January 2020	~~January 2020~~ ~~July 2021~~ ~~January 2022~~ August 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 the RFP for project management services identifies a task for developing a staffing plan for Citywide deployment.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 11, 2019	July 2020	~~July 2020~~ ~~January 2021~~ ~~January 2022~~ August 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 The department reported there are no substantial updates since the last reporting cycle. PUD indicated that instructions have been developed, but since the project is on hold, this cannot be assessed.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 11, 2019	January 2020	~~January 2020~~ ~~July 2020~~ ~~January 2022~~ December 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 The department reported there are no substantial updates since the last reporting cycle. PUD indicated that the RFP for project management services will ensure charges are monitored.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 11, 2019	January 2020	~~January 2020~~ ~~July 2020~~ ~~January 2022~~ August 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 The department reported there are no substantial updates since the last reporting cycle. PUD indicated that it has started working with DoIT on the workflow of meter exchange, which requires multiple systems integration.

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

#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 The department reported there are no substantial updates since the last reporting cycle. PUD indicated that it is working with DoIT, and will begin the

testing phase to validate the process for installing ERTs (endpoints) to ensure effectiveness of processes and accuracy of data.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 11, 2019	June 2020	~~June 2020~~ ~~July 2021~~ ~~January 2022~~ July 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 The department reported there are no substantial update since the last reporting cycle. This recommendation will be dependent on the outcome of the above system integration items and a component of the project management services.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	July 11, 2019	July 2020	~~July 2020~~ ~~July 2022~~ December 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 The Public Utilities Department drafted a Department Instruction document that explains how staff tracks IWCP program costs and revenues, which would help program staff determine the fee levels necessary to achieve cost recovery for the program. However, this recommendation remains in progress until audit staff can verify that the policies and procedures have been finalized and made effective.

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

Unknown

#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 No change since the last reporting period. PUD indicated that this recommendation remains in process. Negotiations are still ongoing.

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

#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 This recommendation is in process while a new system to replace PIMS is acquired and implemented. According to PUD, it is in the final stages of creating a purchase order for this system, and the contractor has estimated it will take 6 months to build and implement a new system. Audit staff will follow-up with PUD to verify that the new system's settings are set to automatically generate and send invoices.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 15, 2020	June 2021	~~June 2020~~ ~~June 2022~~ January 2023

Purchasing and Contracting

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

(TS)

#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 have a copy of the draft contract compliance manual for OCA review on or before August 31, 2022.

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~~ ~~February 2022~~ ~~May 2022~~ August 2022

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

- Ensure that the report in development will clearly identify orders made without references to the appropriate contract and his staff is trained to utilize the report.
- Create a policy defining the intervals of review and actions taken to correct the control weakness.

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

In Process The Purchasing & Contracting Department (P&C) reported that it will have a copy of the draft contract compliance manual for OCA review on or before August 31, 2022.

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~~ ~~March 2022~~ ~~May 2022~~

15-016 PERFORMANCE AUDIT OF CITYWIDE CONTRACT OVERSIGHT

(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;

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

d. Value, and Contract Validity Dates; and

e. 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 have a copy of the draft contract compliance manual for OCA on or before August 31, 2022.

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~~
			~~February 2022~~
			August 2022

#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 have a draft document of available procedures for OCA review on or before August 31, 2022.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	April 25, 2015	November 2015	~~November 2016~~ ~~June 2017~~ ~~December 2020~~ ~~Unknown~~ ~~December 2021~~ ~~February 2022~~ August 2022

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

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

b. Define specified periods in a contract lifespan;

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

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

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

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

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

In Process The Purchasing & Contracting Department (P&C) reported that it will have a copy of the draft contract compliance manual for OCA review on or before August 31, 2022.

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~~ ~~February 2022~~ August 2022

#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 it is nearing the completion of this task and expects to have detailed information for the OCA to review by early September.

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~~
			~~February 2022~~
			September 2022

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 it did not meet the completion date of March, but expects to have updated processes on or before mid-September.

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

~~March 2022~~
September 2022

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

In Process The Purchasing & Contracting Department (P&C) reported that delays have occurred with the completion of this item, but the team expects to have this completed before November 2022.

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

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 The department reported that the transition into Warehouse Management was completed in April 2022. P&C is now working with DoIT staff to review various handheld scanners to determine appropriate model based on the new inventory model. P&C expects to have these purchase by September 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 14, 2020	April 2021	~~April 2021~~ ~~March 2022~~ September 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 The department reported that the transition into Warehouse Management was completed in April 2022. Staff will now document policies on maintaining inventory based on the new system. Expected completion is December 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 14, 2020	June 2021	~~June 2021~~ ~~December 2021~~ ~~Unknown~~ December 2022

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

(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 The department reported that it needs additional time to determine how to use the Disparity Study completed in July 2021 to address the recommendation.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	December 2021	~~December 2021~~ ~~June 2022~~ June 2023

#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 The department reported that it needs additional time to review the recommendation to determine the best course of action.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	December 2021	~~December 2021~~ ~~June 2022~~ December 2022

#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:

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;

The number of businesses that grow out of the small, local business enterprise category each year; and

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.
- 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 The department reported that it needs additional time to review the recommendation to determine the best course of action.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	December 2021	~~December 2021~~ ~~June 2022~~ June 2023

#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 The department reported that staff needs additional time to review this recommendation 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~~ December 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 The department reported that staff needs additional time to review this recommendation 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~~ June 2023

#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:

- 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.
- Participation rate (as defined above) within construction contracts.
- Participation rate (as defined above) within architectural and engineering service contracts.
- Participation rate (as defined above) within goods and services contracts.
- 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 After reviewing the documentation that was submitted, OCA determined that not all elements of the recommendation have been implemented. Specifically, the annual report did not contain recommendation for the program improvements. As a result, this recommendation will remain in process.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	November 24, 2020	January 2022	~~January 2022~~ Unknown

#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 needs additional time to work 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~~ ~~June 2022~~ June 2023

22-001 PERFORMANCE AUDIT OF THE CITY'S USE OF CARES ACT FUNDING

(JP) (DK)

#3 To ensure the City has followed its own procedures on all Coronavirus Relief Fund-reimbursed procurements, the Purchasing and Contracting Department should bring the portable shower and food service contracts to City Council for approval.

In Process The department reported that delays have occurred with taking this item to Council. The team is expected to begin routing the staff report in OnBase in August 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	July 21, 2021	October 2021	~~October 2021~~ ~~March 2022~~ August 2022

San Diego Police Department

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

(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, it has been reporting NIBRS crime data to the FBI since January 2021 through the Automated Regional Justice Information System (ARJIS). SDPD and ARJIS are currently in the final phase of incident-based reporting implementation, which is focused on developing comprehensive dynamic reports. These reports are currently in a testing environment focused on data integrity and user accessibility. SDPD anticipates having both internal and ARJIS supported reporting tools finalized upon pending migration of reports into the production environment. Data integrity (error monitoring) through ARJIS reports will continue to identify common data entry/systemic errors that can be rectified through either an application fix or update to Department Procedures. Department Procedure 6.04 has been internally finalized. It will be forwarded to the City Human Resources Department for their review and approval before it can be fully implemented. The review and approval process from the City's Human Resources may take several months.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	June 2022	~~June 2022~~ December 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, Command Training will take place during the summer of 2022 from July to August. Command Training is supplementary training provided to the Department's leadership cadre focusing on timely issues and responses to changes in policing. During Command Training, the Research, Analysis and Planning Unit will be working closely with the Crime Analysis Unit to present how data and crime mapping will be integrated into Patrol, Neighborhood Policing and Traffic Divisions. The presentation will discuss how crime mapping, newly developed dashboards and the crime analysts themselves can be used to take a data-centric approach to policing and deployment of limited resources to achieve an optimal result for the community we serve. The presentation will feature two commands (Northern Division & Northwestern Division) which have used data to modify and optimize their provision of service or deployment of resources. This training will be followed on by deployment of the newly developed dashboards into four beta testing commands, Central, Eastern, Northern and Traffic Divisions. The commanders will use the tools, techniques and crime analysts to modify their existing approach to crime fighting and community policing. This will be done with an eye towards the re-implementation of the currently defunct Quarterly Management Report ("QMR"). The new QMR will reflect a project based, problem solving or resource allocation approach which is super charged by the use of data. Thus, every command can become a micro-lab of best practices for the other commanders to follow as these divisional "case studies" are reported on in the group setting of the QMR reporting out process. The dashboard tool is 100 percent functional for internal use. The dashboard tool is currently pending approval from the Department of IT's IT governance process. We anticipate getting the approval before June 30th, 2022. Additionally, there is planning to enhance the dashboard and create a public facing component that will allow citizens to see similar data being accessed by the internal dashboard, which will provide additional transparency in the SDPD's policing policies.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	June 2022	~~June 2022~~ August 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, the Crime Analysis Unit will maintain an inventory of available reports/dashboard views on a unit/command level that is available within the enterprise portal. The SDPD GIS analyst will develop, manage and support the SDPD dashboard tool, working with input from the users to enhance the data accessibility, dashboard performance and evidence-based policing efforts. Training on the dashboard purpose and functionality will be included in the Command Training scheduled for July and August of 2022. The system will be shared out to test groups of users upon final approval from the Department of IT's IT governance process.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	September 28, 2020	June 2022	~~June 2022~~ August 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, in April of 2022 an initial survey was designed and implemented to solicit concerns and needs of the command staff for data visualization and analysis. The results were incorporated into the current dashboard that awaits the City of San Diego Department of IT's approval to put into production. It is anticipated that two types of products would emerge from the Crime Analysis Unit. One would consist of static reports to meet the on-going needs of Command Staff similar to the Quarterly Management Report (QMR). The other would be a more fluid product that allows the dashboard and the reports to be customizable based on evolving criteria such as a surging crime trend, a community concern, or tactical operations. Both products would require continual interaction and communication between the customer and the Crime Analyst, developing a partnership and producing a product that is ever evolving and transforming to the present needs.

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, the Department currently send complaints to CPP on a weekly basis. The department has had several meetings with CPP (Commission on Police Practices) to develop ways to mutually share complaint information in a quicker fashion. CPP is looking into purchasing their own IAPRO program and has met with the City's IT and IAPRO reps. The city wants to see if ISPRO can work with OKTA for security reasons. The Department's security level is higher than what the city has in place. City IT needs to figure out what data can be shared between the two systems such as complaints and transfer of files to the CPP. CPP is waiting to hear back from City IT regarding the mandates of sharing confidential files.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	September 28, 2020	June 2022	~~June 2022~~ December 2022

Stormwater 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 stormwater re-inspections, the Planning Division identified the need for additional resources to administer the program. A budget request was submitted by the Stormwater Department (Department) as part of the FY2023 budget request. However, the request was prioritized against

other budgetary needs and was not selected for funding. The additional resources have been included in the Fiscal Year 2023–2027 Five-Year Financial Outlook and will be included in the FY2024 budget request.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 14, 2018	January 2020	~~January 2020~~ ~~July 2021~~ ~~July 2022~~ July 2023

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

(MJ) (DK)

#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 FY2022, SWD should analyze data from FY2019–FY2021 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 Street Sweeping has proposed a 1-year pilot to assess the cost effectiveness of converting non-posted routes and adjusting sweeping frequencies. However, the pilot includes a relatively small number of routes that have been identified as

targets for adjustment based on the sweeping frequency evaluation. Therefore, the recommendation remains open to allow OCA to review Street Sweeping's assessment of the 1-year pilot. Additionally, Street Sweeping will be able to provide their next steps to adjust a greater percentage of routes that were identified as targets based on the sweeping frequency evaluation.

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

#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 No change in status since the last reporting period. 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~~ Unknown

June 30, 2022

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, 2022 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 Operating Officer

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 noted that this recommendation is in process. The Administrative Regulations is being developed in parallel with the implementation plan.

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**

(TS)

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

In Process No change since the last reporting period. This recommendation is in progress and is on track for the July 2023 implementation date.

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

Department of Finance

22-004 **PERFORMANCE AUDIT OF THE CITY'S GENERAL FUND USER FEES**

(GT) (NO)

#1 The Department of Finance (DoF) should work with City leadership to present a new or updated Council Policy 100-05 for City Council's approval. The Council Policy should require that the relevant materials are consolidated into a single Comprehensive User Fee Study report/presentation, and should include the following information for each individual user fee among all department with General Fund-supported user fees:

a. Date of last fee adjustment;
b. Service costs per fee/unit;
c. Target cost recovery rate;
d. DoF-recommended cost recovery rate;
e. Fee revenue from most recent fiscal year;
f. Subsidization costs for service provision;
g. User fee category;
h. Number of times fee was charged; and

i. Summary totals by department of the cost of providing all user fee-supported services, the total revenues received from user fees for these services, and the overall cost-recovery percentage.

In Process The Department of Finance (DoF) is in the process of updating the User Fee Council Policy and is on target to meet the deadline. Although the policy has not yet been updated, DoF was able to consolidate all information into one single report/presentation and included all of the information recommended by the City Auditor into an attachment of this report during the Fiscal Year 2023 User Fee Process. This information was presented to the Budget and Government Efficiency Committee in December 2021 and the City Council in February 2022.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 20, 2021	December 2022	December 2022

#2 The Department of Finance (DoF), working with the City Administration, should update and comply with Administrative Regulation 95.25 to include a requirement for DoF to ensure monitoring and identification of all user fees that have not been revised/updated in the last five years or longer. Upon identifying such user fees, DoF should require responsible departments to provide documentation showing their intent to revise the user fee(s), or justification as to why the fee(s) will not be revised/updated.

In Process The Department of Finance (DoF) is in the process of updating the Administrative Regulation (AR) and is on target to meet the deadline. Although the AR has not yet been updated, DoF did engage with all departments to identify why certain user fees had not been updated. Parks and Recreation Department user fees were updated during the Fiscal Year 2023 User Fee Process. Additionally, DoF went further and improved the process by also asking various non-General Funds to update their user fees. Some of these fees had not been updated since the early 2000s. This resulted in updating the General Fund user fees as well as a number of Citywide fees.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	October 20, 2021	December 2022	December 2022

#3 The Department of Finance (DoF) should work with the City Administration to update and comply with Administrative Regulation 95.25, as outlined in Recommendation #2, to include the following: a. Requiring departments with General Fund-supported user fees to provide written confirmation to DoF that user fee benchmarking was performed as part of the departments' Comprehensive User Fee Study every three years, and require written justification from departments that do not perform benchmarking as part of the study.

Benchmarking efforts should entail listing the jurisdictions analyzed as well as comparing user fee rates and operational services to determine whether fees should be adjusted or eliminated, whether new user fee services should be established, and/or whether operational efficiencies can be identified and adopted for current services.

In Process The Department of Finance (DoF) is in the process of updating the Administrative Regulation (AR) and is on target to meet the deadline. Although the AR has not yet been updated, DoF did engage with all departments and included additional instructions, training, and materials in the process to ensure that departments conducted benchmarking during the Fiscal Year 2023 User Fee Process. DoF has included the benchmarking attachment which includes benchmarking detail by user fee and also discusses why benchmarking was not conducted for various fees.

Priority 2	Issue Date: October 20, 2021	Original Target Date: December 2022	Current Target Date: December 2022

Department of Information Technology

21-013 **PERFORMANCE AUDIT OF IT SERVICE DELIVERY EFFECTIVENESS**

(TS)

#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

DoIT reported the recommendation as implemented, however after further review, OCA determined not all elements have been implemented. The measure for First Contact Resolution was not updated or shared with the new vendor. Additionally, element "e" has not been developed. In order for OCA to consider this recommendation implemented, all elements should be developed and updated appropriately.

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

DoIT reported the recommendation as implemented, however, after discussions between OCA and DoIT, it was determined that the recommendation is in process. In order for OCA to consider the recommendation implemented, DoIT needs to provide evidence showing the process is working as intended and demonstrate the cost/benefit.

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

DoIT reported the recommendation as implemented, however, after discussions between OCA and DoIT, it was determined that the recommendation is in process. In order for OCA to consider the recommendation implemented, DoIT needs to create metrics for Zensar in the current SLA. A dashboard is a better mechanism to report the data instead of the current PDF, so DoIT should create a dashboard, and the data should be circulated to the departments.

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

Department of Real Estate and Airport Management

22-002 **PERFORMANCE AUDIT OF THE CITY'S MAJOR BUILDING ACQUISITION PROCESS**

(CN) (MJ)

#1 As the lead department, we recommend the Real Estate Assets Department (READ), in consultation with the Independent Budget Analyst (IBA), City Attorney's Office, and other departments as needed, create a new or amended Council Policy for City Council's approval that requires a best practices checklist for building acquisitions. READ and other departments as detailed in the new or amended policy would complete and present the checklist to City Council for every building purchase or lease agreement that requires City Council approval. The checklist in the Council Policy should establish the following steps to be taken and presented to City Council:

a. Determination of how a building acquisition fits in the strategic plan detailed in Recommendation 3.

b. Determination of what the building will be used for and to what extent the building fits the business case.

c. Completion of a funding method analysis, with input from the Debt Management Department.

d. Determination of estimated tenant improvement costs supported by relevant data. Tenant improvement proposals should be presented and approved with the building acquisition. Tenant improvements proposals should include detail on how the tenant improvements will ensure the

building meets the City's needs and detail on the anticipated cost and timeline.

e. Completion of an overall economic analysis including consideration of other acquisition options, with input from the Chief Financial Officer.

f. Completion and presentation of a due diligence checklist (see details in Finding 2, Recommendation 5), including a high-level summary of the due diligence materials obtained by READ and their findings. The due diligence materials obtained by READ and provided at least in summary to City Council should include but not be limited to appraisals, building condition and environmental assessments, and the assessments' findings. Findings from assessments may include the building's Americans with Disabilities Act compliance, the presence of hazardous materials, the results of a building systems investigation, and the results of an asbestos inspection.

g. Identification and designation of a set City Council committee to oversee building leases or purchases that require City Council approval.

h. Presentation of the City Attorney's Office's written analysis of the significant legal risks of the contract.

i. Review of completion of items on the checklist by the IBA or the IBA's as-needed consultant to the best of their knowledge. This review may include an analysis of how well the best practices have been conducted. City staff may note in the checklist if steps required in the checklist were not completed and why. City staff should provide material to the IBA to support each component of the checklist, including the rationale to not complete checklist steps.

In Process Immediately following the Acquisitions Audit, a Lease Management Audit was conducted, which also recommended updates to Council Policies on February 9, 2022. To efficiently use our limited resources and effectively update our policies, this update is now in progress. We are reviewing three Council policies and the A/R would be drafted subsequent to those policies, which we expect to begin routing to other departments within the next 60 to 90 days. Due to the coordination times with other departments and the need to return to both the Audit and LU&H Committees prior to taking an update to the full Council, staff needs additional time and expects this item to be completed by March 31, 2023.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 22, 2021	July 2022	~~July 2022~~ March 2023

#2 When drafting the Council Policy set out in Recommendation 1, we recommend that the Real Estate Assets Department (READ), in consultation with the Independent Budget Analyst (IBA), City Attorney's Office, and other departments as needed, create an Administrative Regulation to establish clear roles and responsibilities for City departments involved in the acquisition process or with expertise to contribute to the acquisition process. The Administrative Regulation that correlates to the Council Policy in Recommendation 1 should, at minimum, include roles and responsibilities for the departments listed below.

a. **Acquisition lead**. The policy should set out the role and responsibilities of the acquisition decisionmaker, as well as the acquiring department, if the parties are different. READ can require the acquisition decisionmaker to provide information to READ for the checklist, such as the business case for the building and the desired funding method.

b. **READ**. READ's role in transactions should be clearly defined, including its responsibility in taking the lead on negotiations and conducting due diligence. READ should conduct an economic analysis of purchasing the building in question compared to other options, as well as an economic analysis of using the funding method recommended compared to other funding methods. READ should consult with the Department of Finance and the Debt Management Department for the economic analysis. READ should be the party responsible for completing the due diligence checklist and ensuring the information presented is accurate.

c. **City Attorney's Office**. The City Attorney's Office should prepare and present a written legal analysis of the significant risks in each building's acquisition contract for all buildings that require City Council approval. The written legal analysis may be included as a dedicated section within the staff report to City Council or may take the form of a separate memo.

d. **Independent Budget Analyst (IBA).** The IBA should be notified and provided all relevant information on building purchase acquisitions at the time a building has been identified and prior to the start of negotiations. The IBA would not be involved in the operations and management side of acquiring the building, but should be provided information to conduct a sufficient and timely analysis of the best

practices followed or not followed. The IBA should also review the best practices checklist (as described in Recommendation 1) and hire a consultant for review of the checklist as needed.

In Process Immediately following the Acquisitions Audit, a Lease Management Audit was conducted, which also recommended updates to Council Policies on February 9, 2022. To efficiently use our limited resources and effectively update our policies, this update is now in progress. We are reviewing three Council policies and the A/R would be drafted subsequent to those policies, which we expect to begin routing to other departments within the next 60 to 90 days. Due to the coordination times with other departments and the need to return to both the Audit and LU&H Committees prior to taking an update to the full Council, staff needs additional time and expects this item to be completed by March 31, 2023.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 22, 2021	July 2022	~~July 2022~~ March 2023

#3 We recommend that the Real Estate Assets Department (READ), in consultation with the City Administration, develop and use a strategic real estate and office space plan. The plan should include the current space usage and a plan for future office space usage for City properties. The Council Policy described in Finding 1 should require READ to present the plan to the designated City Council committee and the City Council for input, changes, and approval every two years.

In Process DREAM requested funding in the FY23 budget development process for a consultant to assist with an analysis of the City's current and future office space needs. This budget request has now been approved in the FY2023 Adopted Budget and DREAM will proceed after July 1, 2022 with the work and plan for future office space optimization.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 22, 2021	February 2023	February 2023

#4 We recommend that the Council Policy set out in Recommendation #1 also require all contractors or advisors with significant input on real estate transactions to have a signed contract with the City and a determination form filed with the Office of the City Clerk by the contracting department. Additionally, we recommend that the policy in Recommendation #1 require the best practices checklist presented to City Council for real estate acquisitions to include a section disclosing any consultants or advisors to the City that were

involved in the acquisition. Before presenting the checklist to City Council, the lead department on the acquisition should confirm with the Office of the City Clerk that each consultant or advisor listed has a Consultant Determination Form on file, and that any consultants and advisors have filed a Statement of Economic Interests form if necessary.

In Process No change in status since the last reporting period. DREAM reported that it will review this as staff is updating its real estate policies to determine who/how this may be implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 22, 2021	February 2023	February 2023

#5 We recommend that the Real Estate Assets Department (READ) create a due diligence checklist in an Administrative Regulation to ensure that the due diligence items (as recommended in Recommendation #1f) are accounted for prior to purchase and presentation to a designated oversight committee. READ should be responsible for completing this checklist, and if READ determines an item is unnecessary for a particular acquisition, READ should be responsible for reporting with supporting information why READ chose not to complete the required item. The checklist should include, but is not limited to, the following items:

a. **Independent Appraisals.** READ should contract for an appraisal for the building early in the negotiations on purchase price, before the purchase price is agreed upon.

b. **Independent Building Condition Assessments.** READ should create a policy on what assessments (e.g., facilities, systems, hazardous materials, ADA, plumbing, geotechnical, etc.) are required and when and who is responsible for ensuring they are conducted.

c. **Environmental Assessment.** READ should hire a contractor and/or have qualified City staff perform a Phase 1 environmental assessment.

d. **Independent Asbestos Assessment.** READ should engage the Asbestos and Lead Management Program to determine if an asbestos inspection is necessary before entering into a purchase and sale agreement. Asbestos inspection conclusions should be considered in the building's negotiated purchase price and/or for future tenant improvements.

e. **Test fit.** READ should create a policy on when a test fit is required and when and who is responsible for ensuring it is completed and included in the tenant improvement cost and cost/benefit analysis.

In Process Immediately following the Acquisitions Audit, a Lease Management Audit was conducted, which also recommended updates to Council Policies on February 9, 2022. To efficiently use our limited resources and effectively update our policies, this update is now in progress. We are reviewing three Council policies and the A/R would be drafted subsequent to those policies, which we expect to begin routing to other departments within the next 60 to 90 days. Due to the coordination times with other departments and the need to return to both the Audit and LU&H Committees prior to taking an update to the full Council, staff needs additional time and expects this item to be completed by March 31, 2023.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 22, 2021	July 2022	~~July 2022~~ March 2023

#6 We recommend that the Council Policy set out in Recommendation #1 also require that the Real Estate Assets Department (READ) or the acquisition lead present the best practices checklist to City Council and demonstrate that all pertinent departments have signed off on all aspects of the acquisition process. The due diligence supporting materials, including those listed in Recommendation #4, must also be made available to City Councilmembers and the public.

In Process While staff has completed a draft checklist, the Council Policy is not yet complete as per recommendations #5, #1, and #2.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 22, 2021	July 2022	~~July 2022~~ March 2023

#8 We recommend that the Council Policy set out in Recommendation #1 require the Independent Budget Analyst (IBA) to review the best practices checklist before City staff present the checklist to City Council committee and determine if staff completed the steps outlined in Recommendation #1. The IBA's assessment should be conducted in writing and presented with sufficient time for City Council to review its conclusions.

In Process The IBA will have the opportunity to review the Council Policy and Checklists, which were identified in recommendations #5, #1, #2, and #6.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	July 22, 2021	July 2022	~~July 2022~~ March 2023

#10 We recommend that the Council Policy set out in Recommendation #1 require the Real Estate Assets Department (READ) to take all building purchases and leases that require City Council approval to the same City Council committee identified and designated in Recommendation #1. The Council Policy should also require that if the acquisition is not taken to the committee overseeing acquisitions, the City Administration should explain in writing why and the action taken by City Council should include an express waiver.

In Process DREAM staff takes all items to LU&H prior to Council, other than eminent domain actions; however, we will memorialize this in the updated real estate polices we are reviewing and comprehensively updating under Recommendations #5, #1 and #2.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	July 22, 2021	July 2022	~~July 2022~~ March 2023

22-007 PERFORMANCE AUDIT OF THE CITY'S LEASE MANAGEMENT AND RENEWAL PROCESS

(NO) (SM) (NK)

#1 The Department of Real Estate and Airport Management (DREAM) should document and execute a strategy for addressing the number of lease holdovers in the City's portfolio, as appropriate. Elements of the strategy that should be considered include:

a. Re-evaluating or removing the 25 percent Lease Holdover key performance indicator and replacing or supplementing it with an alternative goal relating to on-time lease renewals (such as number of lessees approaching holdover that were emailed a lease expiration reminder);
b. Setting a target for completing the renewal of a certain percentage or number of leases which are currently in holdover;
c. Determining a mechanism for selecting which leases will be prioritized for renewal, to include the leases with high potential foregone revenue and leases that have been in holdover the longest; and
d. Completing or updating a policies and procedures manual for DREAM staff that provides guidance on the issues discussed in this finding, such as determining when property agents and DREAM staff should exercise financial disincentives, prioritizing leases for renewal, improving documentation and alerts within REPortfolio, etc.

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 9, 2022	February 2023	February 2023

#2 Aside from developing a strategy and internal procedures, the Department of Real Estate and Airport Management should exercise existing financial disincentives or market-rate adjustments for below-market rate agreements for lease outs that have been in holdover for longer than five years or provide a written explanation for each property explaining why it is not doing so.

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:
2	February 9, 2022	February 2024	February 2024

#4 The Department of Real Estate and Airport Management (DREAM) should prevent future leases from entering into holdover status by leveraging process improvements such as:

a. Automated Reminders: 6 months to 2 years before the lease expiration, DREAM's lease administration system should alert a property agent to begin discussions with the tenant and notify them that the agreement is set to expire on a particular upcoming date and will fall into holdover unless the lease is amended, renewed, or terminated; and
b. If applicable, the lessee should also be informed in writing that their rent may be raised while in holdover but that such a raise in rent can be avoided by renewing the lease prior to the lease expiration date.

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:
2	February 9, 2022	February 2024	~~February 2024~~ April 2024

#5 To ensure the Department of Real Estate and Airport Management (DREAM) has the necessary staffing capacity to meet service demand and performance targets, DREAM should perform a staffing analysis to re-evaluate its staffing levels needed for addressing the high number of holdovers and for performing its lease management practices. This assessment could build on or integrate with Recommendation 1 from OCA's 2021 Mission Bay Audit pertaining to staffing resources. If additional resources are needed to address the findings and recommendations from these audits, DREAM should request additional resources accordingly.

In Process The recommendation is still in process. DREAM has indicated that they have completed a staffing analysis to address the recommendation. However, DREAM has not provided a copy of the completed staffing report to the audit team.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 9, 2022	January 2023	January 2023

#6 To improve productivity, oversight, and accountability, the Department of Real Estate and Airport Management (DREAM) should establish and enforce productivity standards, goals, or similar performance targets and procedures based on reasonable expectations for conducting property inspections, ensuring up-to-date insurance and/or indemnification of the City, adjusting rent timely, and documenting appraisals. Finalized performance targets should be communicated to all appropriate employees within DREAM so that all are aware of these expectations and monitored via routine reporting by DREAM management/supervisors. Deviations from agreement terms should be documented and maintained within REPortfolio, EDRS, or another information management system.

In Process The department has articulated a 3 step plan in the corresponding RIWP for this recommendation. Step 1 is to develop a document with productivity standards, goals, and performance targets for property agents. Step 2 is to incorporate standards into performance plans. Step 3 is to enforce the productivity standards through regular 1-1 meetings and annual performance reviews.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 9, 2022	February 2024	~~February 2024~~ March 2024

#7 The Department of Real Estate and Airport Management should consider retaining a third-party agent or other efforts to improve the process for collecting and reviewing insurance certificates

In Process The department has articulated a 3 step plan in the corresponding RIWP for this recommendation. Step 1 is to run a report of outdated insurance certificates. Step 2 is to research third-party agents to support process improvements for keeping insurance certificates up to date. Step 3 is to prioritize outstanding outdated insurance, create a timeline to complete the backlog, and create alerts in existing lease software to ensure proper management of insurance certificates moving forward.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 9, 2022	January 2023	~~January 2023~~ April 2023

#8 The Department of Real Estate and Airport Management should perform and document a property inspection for all properties that have not had a documented inspection within the last 3 years.

In Process The department has articulated a 4 step plan in the corresponding RIWP for this recommendation. Step 1 is to compile a list of properties with no inspections for more than three years; prioritize properties. Step 2 is to create an action plan to conduct the inspections, or informal site visits; track inspection completion. Step 3 is to complete inspections and site visits for properties on the list. Step 4 is to update lease software alerts.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 9, 2022	January 2023	~~January 2023~~ November 2023

#9 To improve oversight of potentially foregone revenue from non-competitively priced leases, the publicly-presented Portfolio Management Plan or similar publicly-presented plan should include a listing of all City lease-outs. The list should include leases' most recent market rental value, the date of said value, and the actual annual rent paid to the City. The results should be presented both by lease as well as grand totals, and leases with the largest differences between market value and actual rent paid should be highlighted for public transparency. The Department of Real Estate and Airport Management should work with City leadership to include a control, such as a requirement within updated Council Policy, to ensure that this reporting continues periodically.

In Process The department has articulated a 2 step plan in the corresponding RIWP for this recommendation. Specifically, DREAM stated its intent to include the specifications outlined in the recommendation for a scope of work for an RFP for a new lease administration system, and create a report that would include the information in the recommendation. The original planned implementation date was by July 2022; however, the department has revised the target date to July 1, 2024.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	February 9, 2022	July 2022	~~July 2022~~ July 2024

#10 The Department of Real Estate and Airport Management should ensure that when Council Policy 700-10 is updated, its allowance of a statement of value instead of an appraisal is permitted by the San Diego Municipal Code, or should ensure that the policies are aligned accordingly.

In Process In process. DREAM is working on a draft update to 700-10 and reviewing the alignment with SDMC.

Priority	Issue Date:	Original Target Date:	Current Target Date:

3	February 9, 2022	July 2022	~~July 2022~~ December 2023

#11 The Department of Real Estate and Airport Management (DREAM) should work with the City Treasurer's Office to create additional internal control(s) to verify that charges for flat-rate lease agreements are charged accurately and on time. Potential outcomes could include:

a. Adding flat-rate lease review to the City Treasurer's Office's audit responsibilities; and
b. DREAM providing the City Treasurer's Office with draft agreements to ensure new agreements do not limit the City's ability to audit in compliance with Council Policy 700-10.

In Process The department has articulated a 2 step plan in the corresponding RIWP for this recommendation. Step 1 is to add flat-rate lease review to the City Treasurer's audit responsibilities. Step 2 is to review existing internal controls and add processes to validate accurate and on-time charges. The original planned implementation date was by January 2023; however, the department revised it to March 2023.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 9, 2022	January 2023	~~January 2023~~ March 2023

#12 The Department of Real Estate and Airport Management should research and implement the use of REPortfolio or another lease administration system's capabilities, as appropriate, to:

a. Create task/checklist imports available for property agents that can also act as checklists for each of the following lease management practices: inspections, insurance updates, appraisals, rent adjustments, and other recurring obligations/tasks under the lease; and
b. Require agents to use the Job Notes (or similar) feature to record interactions or notes regarding the leasing process for each tenant. Notes could be added for each interaction and agreement action, such as updated information regarding the status or completion of inspections, requests and receipts of insurance certificates, appraisals ordered and completed, and rent adjustments, and can link to the City's electronic lease file where other correspondence is housed.

In Process In process. DREAM requested budget for a new lease administration system and it was approved and included in the FY2023 Adopted Budget. DREAM staff is drafting an RFP for the technical requirements and Scope of Work for the new lease administration software.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 9, 2022	February 2024	October 2023

#13 The Department of Real Estate and Airport Management should conduct or facilitate a formal training of its staff on the capabilities and limitations of REPortfolio, EDRS, and/or another lease administration system, as appropriate.

a. Training topics for consideration should include: timely uploading of documentation, consistent naming conventions, and a post process review by supervisory staff to ensure adherence to system usage procedures.

In Process The department has articulated a 2 step plan in the corresponding RIWP for this recommendation. Step 1 is to, once the FY2023 Budget is approved, issue an RFP for new lease administration software. As part of the implementation requirement, DREAM will require training for all necessary staff. Step 2 is to provide instructions for lease management standards including naming conventions, agreement information, and documentation upload timelines and review timelines. The original planned implementation date was by February 2024; however, the department has indicated the revised target implementation date will be April 2024.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	February 9, 2022	February 2024	~~February 2024~~ April 2024

#14 In order to maintain uniform lease clauses throughout the City of San Diego's lease portfolio, the Department of Real Estate and Airport Management should work with the City Attorney's Office to create a master lease template(s) and a lease clause database, and should ensure that the database is updated at least every 3 years to account for changes in clauses.

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:
2	February 9, 2022	February 2023	April 2023

Development Services

22-009 **PERFORMANCE AUDIT OF THE DEVELOPMENT SERVICES DEPARTMENT'S CODE ENFORCEMENT DIVISION**

(LB) (GT) (AR)

#1 To address the issue of new/active cases not receiving an initial inspection on time or any inspection at all, the Development Services Department should re-implement and update as needed its Voluntary Compliance Program, while also maintaining its current Alternative Compliance Program, to help reduce the total number of new cases that are assigned to investigators.

The Voluntary Compliance Program should allow for cases to go through the regular case progression if the complainant is not satisfied or if the violation persists. The Code Enforcement Division could use this procedure to respond to low-priority cases that involve the following case types:

- Fences/Walls
- Mobile Food Trucks
- Excessive Storage in Garage
- Outdoor Merchandise Displays
- Outdoor Storage
- Vehicle Repair
- Roosters

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 9, 2022	July 2023	July 2023

#2 To ascertain staffing needs discussed in both Finding 1 and Finding 2, and to better articulate resource needs and budget requests with evidentiary support, the Development Services Department (DSD) should:

Establish a Key Performance Indicator (KPI) for the optimal average caseload for the Code Enforcement Division's building and zoning investigators. DSD should report this KPI in its annual budget document.

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 9, 2022	July 2022	July 2022

#3 To help investigators and management better organize and analyze case data, the Development Services Department should create or expand fields for the following case information in Accela:

- Indication of a special project that does not follow the regular complaint procedure;
- Notice and Fine Detail; and
- Status (both Active and Closed). Add at least the following choices:
  - Status for Admin Hearing;
  - Awaiting Permit; and
  - Referred to City Attorney's Office

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 9, 2022	July 2023	July 2023

#4 After expanding Accela field options, to consistently analyze data on an aggregate level, the Development Services Department should create a data dictionary for Accela that clearly defines choices for at least the following fields:

- Types of Inspections (specify which ones contribute towards Re-Inspection Fees);
- Active Case Status; and
- Closed Case Result.

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 9, 2022	July 2023	July 2023

#5 In order to maintain ongoing involvement in long-term cases, the Development Services Department should update Code Enforcement's Procedures Manual and Accela training materials to require all new or active cases to have a workflow task scheduled with target due date for next step in the case management process, and to require investigators to check the "My Tasks" dashboard in Accela daily. Examples of possible workflow tasks include:

- Estimated inspection date of initial inspection;
- Compliance inspection after issuance of a notice; and
- Estimated permit completion date.

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 9, 2022	July 2023	July 2023

#6 In order for the Development Services Department (DSD) Code Enforcement Division's management to better track aggregate case data, DSD should update Code Enforcement's Procedures Manual and Accela training materials to include the following:

- Investigators should list all zoning/building violations in "Violation Table" in Accela; and
- Investigators should enter pertinent case information, such as Civil Penalty Notice and Order and Administrative Citation/Warning issuance date, compliance date, and fine/penalty amounts, into the Civil Penalty Notice and Order and Administrative Citation Warning fields in Accela.

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 9, 2022	July 2023	July 2023

#7 To address Finding 1 and to give more information to supervisors and managers, the Development Services Department should develop and use tools such as Accela reports or online dashboards that include the following:

- New or active cases that do not have an initial inspection and the number of days from case open date;
- All cases with number of inspections and whether they have a re-inspection fee issued;
- All active cases open longer than 90 days without a notice issued;
- All active cases without an update in the last 90 days; and
- All active cases with most recent workflow task.

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:
1	June 9, 2022	July 2023	July 2023

#8 To help Development Services Department (DSD) Code Enforcement Division's supervisors hold investigators accountable, DSD should update Code Enforcement's Procedures Manual to require Code Enforcement senior investigators to regularly review individual investigators' caseloads to identify and follow-up on cases that have had no updates in the past three months. DSD should consider the following:

- Supervisors should filter out cases that they do not expect investigators

to actively work when reviewing individual investigators' caseloads to identify cases that have no updates for at least three months.
- During their review of individual investigators' caseloads, management should require supervisors to ensure that investigators provided a written notice to the property owner for all active cases with violations, as well as ensure cases with three or more follow-up inspections have had a re-inspection fee issued.

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 9, 2022	July 2023	July 2023

#9 To address the misreporting of Key Performance Indicators (KPIs) and inaccurate tracking of response time, the Development Services Department (DSD) should create and use a report from Accela that accurately measures Code Enforcement 's initial response time. This report should include cases opened in the current fiscal year that:

- Have received an inspection; or that
- Have no inspection but are beyond the goal response time.

Additionally, the basis of DSD's annual KPI reporting should be this report pulled on a date at least eight months after the start of the reported fiscal year.

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 9, 2022	July 2023	July 2023

#10 To address data reliability issues, the Development Services Department (DSD) should create a checklist for online case files, and Code Enforcement's Procedures Manual should require Code Enforcement management to conduct periodic audits of cases using this checklist. The checklist should require Code Enforcement to check for both accuracy and completeness of the Accela case file and should include at least:

- Date of First Inspection;
- Number and Type of Inspections;
- Number and Type of Violations;
- Number and Amount of Fines/Fees;
- Complaint Details;
- Completed Workflow and Activities; and
- Closed Status.

Based on the results of these audits, Code Enforcement's Procedures Manual should outline appropriate management response when issues with investigator performance are identified.

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 9, 2022	July 2023	July 2023

Human Resources Department

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

(NO) (GT)

#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 Though the Personnel Department (Personnel) provided several supporting documents that address sub-recommendations B and C, the department did not provide a written update explaining how the documents support these elements. Furthermore, Personnel did not provide a written update nor supporting documentation for sub-recommendations A and D. As a result, OCA cannot consider this recommendation implemented until either Personnel or the Human Resources Department (this recommendation is addressed to both departments) resolve these outstanding issues.

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

Parks and Recreation Department

22-005 **PERFORMANCE AUDIT OF EQUITY IN RECREATION PROGRAMMING**

(AR) (MS) (LB)

#1 To ensure a formalized approach for obtaining recreation programming feedback from the community at-large, the Parks and Recreation Department should:

- Develop, document, and implement a process for conducting a community needs assessment that includes identifying the types of programs communities need, satisfaction levels, effectiveness, and recreation priorities, and demographic information such as race, income, education level, age, etc.; and
- Conduct this assessment at least every five years to reevaluate the data and update strategic plan efforts.

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	November 10, 2021	September 2022	September 2022

#2 Once the Parks and Recreation Department (Parks & Rec) completes a community needs assessment, it should develop a strategic plan for addressing recreational equity that:

- Defines Parks & Rec's vision for equitable recreational programming;
- Includes objectives and goals with performance measures to gauge progress;
- Identifies resource needs to implement:
- The goals and objectives of the strategic plan;
- The recommendations in this audit report; and
- Any other strategies Parks & Rec plans to pursue to improve recreation programming equity;

- Requires Parks & Rec to annually update progress on its performance measures; and
- Requires Parks & Rec to update its objectives, goals, and performance measures every five years and incorporate findings from the community needs assessment. Parks & Rec should present the strategic plan to the City Council for approval.

In Process The department indicated that it is currently working with the Office of Race and Equity to develop a department specific Race and Equity Tactical Plan that outlines department goals, objectives, initiatives, and performance indicators. This plan is targeted for completion by January 2023 and the department plans to present this to Committee and City Council in the following months. The department also indicated that it will acquire the community needs assessment consultant in fiscal year 2023 as part of the FY2023 budget allocation; completion of the community needs assessment is projected to be completed by June 2023. Upon completion of the community needs assessment, the department plans to update the Race and Equity Tactical Plan which it plans to provide the Committee and City Council with an update in the fall of 2023.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	November 10, 2021	September 2022	~~September 2022~~ December 2023

#3 To fully recover taxpayer money spent on contracted recreation programs, the Parks and Recreation Department should include contracted recreation programs in its next User Fee Study and increase the program surcharge, if necessary, in order to reach 100 percent cost recovery on these programs.

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	November 10, 2021	June 2025	June 2025

#4 To identify disparities in equitable funding, the Parks and Recreation Department should develop, document, and implement a resource allocation model that will evaluate resource equity between recreation facilities. The model should be based on:

- Community-specific criteria (e.g., health indicators, poverty, transportation access, etc.); and
- Site-specific criteria (e.g., size, frequency of visitors, amenities, etc.).

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	November 10, 2021	June 2023	June 2023

#5 To monitor the quality of staff-run and contractual programs, the Parks and Recreation Department should develop, document, and implement a comprehensive method for measuring the quality of all recreation programs. This should include training staff to conduct these program quality assessments in a way that is standardized and incorporates notes, observations, and interview data.

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:
2	November 10, 2021	June 2023	June 2023

#6 To address the resource disparities identified in Recommendation #4 and the disparities in program quality identified in Recommendation #5, the Parks and Recreation Department should develop, document, and implement a plan for directing resources, including any equity-based funding, toward specific steps to eliminate identified disparities. Steps taken to address disparities should:

- Consider using equity-based funding for scholarships that apply to contracted programs;
- Incorporate community feedback;
- Include measurable metrics;
- Report on the effectiveness of the Opportunity Fund in addressing inequities; and
- Be included in any update to the strategic plan developed in response to Recommendation #2.

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	November 10, 2021	June 2023	June 2023

#7 In order to increase and standardize marketing efforts, the Parks and Recreation Department (Parks & Rec) should hire a marketing professional to: Manage online (e.g., social media, websites) and physical (e.g., flyers, banners) content;

coordinate marketing efforts across Parks & Rec; and lead strategic marketing initiatives for Parks & Rec (e.g., public relations, educational campaigns, etc.).

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:
3	November 10, 2021	June 2023	June 2023

#8 In order to effectively market recreation programs to all residents, the Parks and Recreation Department should:

- Direct individual recreation centers to collect demographic information on participants and the surrounding community, including age, gender, race, and other demographics;
- Use collected information to create a strategic marketing plan that:
- Sets goals and objectives for marketing efforts;
- Creates steps for Citywide marketing plans; and
- Develops policies for individual recreation center marketing plans; and
- Use demographic information to tailor marketing efforts towards specific segments of the population, with the goal of promoting engagement through awareness, access, and participation.

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:
2	November 10, 2021	June 2023	June 2023

#9 To ensure that eligible program participants can receive the fee waiver, the Parks and Recreation Department should develop, document, and implement procedures that allow residents to:

- Apply fee waivers to all eligible programs on an annual basis; and
- Register for classes online while using the fee waiver.

In Process This recommendation is in process. The Parks and Recreation Department's fee waiver is good for the duration of the calendar year in which the applicant was approved, thus, only requiring the applicant to apply once per year. The department indicated that it is working on allowing approved fee waiver applicants to register online for any fee waiver eligible programs and developing an application clearance electronically and securely through ID.me.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	November 10, 2021	July 2022	~~July 2022~~ June 2023

#10 To ensure recreation programs are accessible to people at all income levels, the Parks and Recreation Department (Parks & Rec) should reevaluate its current practice of only allowing the fee waiver for Civic Dance and Aquatics programs and expand eligibility to other recreation programs. As part of this, Parks & Rec should:

- Analyze alternative agency fee waiver models—including higher income limits, tiered systems, and membership passes—and recommend adoption of a decided-upon model; and
- Develop, document, and implement guidelines that specify which programs and costs fee waivers can be applied to and the rationale for leaving other programs and costs ineligible for fee waivers and include them in Park & Rec's fee schedule.

In Process This recommendation is in process. The department noted that it is working with the City Attorney's Office to evaluate its ability to offer a discounted or full waiver of fees for all of the department's recreation programs. The department also noted that in fiscal year 2023, following its hiring of new Recreation Services positions, it will begin its analysis of other agency models in fiscal year 2023. Lastly, it also indicated that although most of the aspects of the recommendation can be met by November 2023, the required fee schedule updates will not be implemented until July 2025.

Priority	Issue Date:	Original Target Date:	Current Target Date:
3	November 10, 2021	July 2022	~~July 2022~~ November 2023

#11 To gain insight into the languages spoken in each community, the Parks and Recreation Department (Parks & Rec) should develop, document, and implement a plan to identify recreation center service areas and the languages spoken by individuals or households in those areas. Parks & Rec should update and review the results of this analysis at least biannually to determine which translation and interpretation languages are necessary in the service areas.

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:
2	November 10, 2021	June 2023	June 2023

#12 To ensure that the Parks and Recreation Department (Parks & Rec) meets community language needs, Parks & Rec should:

- Develop, document, and implement, a department-wide language access plan that includes at least the following elements:
  - Establishment of a threshold at which languages must be spoken in the service area to be considered a substantial number of customers;
  - Policies for recreation center staff that specify which written materials need to be translated into the languages identified in Recommendation #11; and
  - Procedures for getting documents translated and approved by qualified bilingual staff or professional translators.

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:
2	November 10, 2021	June 2023	June 2023

#13 To provide high-quality customer service to residents who speak languages other than English, the Parks and Recreation Department should:

- Work with the Communications Department to obtain access to a contract for over-the-phone interpretation services and written materials translation.

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:
2	November 10, 2021	October 2022	October 2022

#15 To ensure the accuracy of key data fields in the Parks and Recreation Department's (Parks & Rec) recreation program management software, Parks & Rec should:

- Develop automated controls, where possible, to ensure that recreation staff enter program information in the recreation program management software consistently and accurately; and
- Develop policies and procedures that require Area Managers to regularly review program information captured in Parks & Rec's recreation program management software—such as dates, season, and class status, among others—for consistency and accuracy. These policies and procedures

should specify how Area Managers should select data entries for review, require this review to be documented, and identify corrective actions where necessary.

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:
2	November 10, 2021	June 2023	June 2023

Performance & Analytics Department

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

(TS)

#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 The department reported the centralized data management strategy is in progress and additional consulting resources are being leveraged to supplement City resources for completion of the new policy. The target date is being updated to July 1, 2023 for this recommendation, but the overall project is still on track to have all recommendations completed by the original target date of July 1, 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	May 29, 2020	July 2022	~~July 2022~~ July 2023

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~~ July 2023

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 PUD, the policies, procedures, and methods for identifying potential industrial users has been updated but needs to be finalized in the meet and confer process. Once everything is finalized, OCA will review to determine if the recommendation has been fully implemented.

Priority	Issue Date:	Original Target Date:	Current Target Date:
1	March 11, 2021	July 2022	July 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 PUD reported that staff is currently creating narrative guidance to Recommendation #1 SOP and will be reporting to the Independent Rates Oversight Committee once it is finalized.

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 evaluating the businesses that were documented on the County Business Tax License list and working on writing the standard operation procedures and guidance to implement target levels for inspections. IWCP is also developing a tool to evaluate the benefits of utilizing the County Business Tax License list.

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 evaluating the businesses that were documented on the County Business Tax License list and working on writing the standard operation procedures and guidance to implement target levels for inspections. IWCP is also developing a tool to evaluate the benefits of utilizing the County Business Tax License list.

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 PUD reported no substantial update since the last reporting cycle. 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

Risk Management

22-008 **PERFORMANCE AUDIT OF WORKPLACE SAFETY AND WORKERS' COMPENSATION**

(LB) (JP) (RC)

#1 To specify roles and responsibilities in the process of implementing, maintaining, and monitoring department-specific Injury and Illness Prevention Programs (IIPPs), the Compliance Department's Occupational Safety and Health program (OSH) should establish and implement an Administrative Regulation

or process narrative that includes the following elements.

For operating departments, the Administrative Regulation or process narrative should establish roles and responsibilities that include:

- Developing and implementing a department-specific IIPP that meets State requirements and department-specific needs;
- Providing the department-specific IIPP to OSH for review;
- Collecting information on activities supporting the IIPP and reporting it to OSH; and
- Conducting an annual review of the department-specific IIPP and reporting the results to OSH with an attestation from the department director.

For OSH, the Administrative Regulation or process narrative should establish responsibilities that include:

- Educating departments on requirements for department-specific IIPPs;
- Reviewing department-specific IIPPs for compliance with State requirements and conformance with Citywide workplace safety goals;
- Notifying appropriate Deputy Chief Operating Officers and the Chief Operating Officer of departments lacking an IIPP;
- Requesting departments review their IIPP annually, report to OSH the results of their review with an attestation by each department director on the accuracy of the update, and report any changes to the department-specific IIPP; and
- Summarizing annual updates from departments in an annual Citywide safety report to Department Directors, Deputy Chief Operating Officers, the Chief Operating Officer, and the Safety and Risk Oversight Committee.

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:
1	May 9, 2022	December 2023	December 2023

#2 To help ensure the Occupational Safety and Health program (OSH) is fulfilling its goals, the Compliance Department should establish Key Performance Indicators (KPI) for OSH that include measurable progress towards safety goals. The Compliance Department should consider KPIs that include, but are not limited to: trainings conducted by OSH, response time to reports of safety concerns or hazards received by OSH, and departments reviewed by OSH for compliance with their Injury and Illness Prevention Program.

As part of this endeavor, OSH should consider developing a Citywide workplace

safety incentives program for investing in safety measures and creating opportunities to learn from other departments, similar to the University of California's Be Safe About Safety initiative, and consider external funding sources such as occupational safety and health grants from outside agencies.

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	May 9, 2022	August 2022	August 2022

#3 To help address employee concerns and improve Citywide workplace safety culture, the Compliance Department's Occupational Safety and Health program (OSH) should work with the Performance and Analytics Department to include questions regarding workplace safety programs in the Employee Satisfaction Survey (ESS). In addition to department directors, OSH should receive a copy of ESS results and use the results of the survey to analyze potential Citywide trends or employee concerns and coordinate with departments—allowing for departments with designated safety personnel to conduct their own analysis—to address employee concerns and make process adjustments to improve department safety programs, such as reporting safety concerns, conducting periodic inspections, providing regular training, and promoting a safe workplace.

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	May 9, 2022	October 2022	October 2022

#4 To ensure all employees are aware of how to report safety concerns, the Compliance Department's Occupational Safety and Health program (OSH) should prepare annual notifications that provide all City employees with information on how to report safety concerns. For departments with designated safety personnel, OSH should coordinate these annual notifications to ensure the notifications are aligned with the departments' specific procedures for reporting safety concerns. For departments without designated safety personnel, OSH should send these annual notifications to employees.

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	May 9, 2022	May 2023	May 2023

#5 To ensure the City takes a data-driven approach to proactively identifying safety issues and preventing injuries from happening, Occupational Safety and Health program (OSH) should work with City departments to set department

safety goals and establish department safety performance indicators that include:

- Leading safety indicators, such as the percentage of employees attending safety refresher trainings, average time to address safety issues, and percentage of monthly/weekly safety inspections completed; and
- Lagging safety indicators, such as Incident Rate, Days Away, Restricted, or Transferred (DART) Rate, and injury frequency and severity.

The selection of department safety indicators should involve employees at all levels within the department/division. Safety performance results should be shared with all levels of the department/division.

OSH should periodically review departments' performance in achieving their safety goals, report this information in the annual Citywide safety report identified in Recommendation 1, and work with departments to update their IIPPs on a regular basis based on departments' safety performance.

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:
1	May 9, 2022	TBD based on FY2024 budgeted resource allocations	TBD based on FY2024 budgeted resource allocations

#6 To ensure City departments are kept informed on workers' compensation claim trends, the Risk Management Department should report on all City departments with workers' compensation claimants in its Worker' Compensation and Safety performance report. The report should include workers' compensation claim trends analysis, incident cause analysis, and, where possible, incident location analysis.

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	May 9, 2022	December 2022	December 2022

#7 To ensure management and the Occupational Safety and Health program (OSH) have timely access to injury and illness information to evaluate and drive positive changes to the City's safety programs, OSH should implement a safety data collection process outlining the roles and responsibilities of OSH and operational departments. OSH should:

- Implement a data solution, such as a safety software system, that will enable the capture of recordable injuries and Supervisor's Injury/Illness Investigation Reports at the department level.
- Provide guidance and training to department safety personnel on how to analyze their department's data and how to report to department management as well as to OSH the number and type of incidents, common incident causes, corrective actions taken, trends in Incident Rates and Days Away, Restricted, or Transferred (DART) Rate, etc. OSH should perform such analysis for departments without safety personnel.
- Analyze records submitted by departments to identify and monitor Citywide trends and benchmark against comparable organizations or occupations to identify areas for improvement.
- Report the results of their analysis and coordinate with department directors to report department-specific analysis to the Safety and Risk Oversight Committee at least annually.

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:
1	May 9, 2022	TBD based on FY2024 budgeted resource allocations	TBD based on FY2024 budgeted resource allocations

#8 To ensure departments can effectively conduct incident investigations and take corrective action measures timely, the Compliance Department's Occupational Safety and Health program (OSH) should develop, document, and implement a Citywide incident investigation program. The program should provide for OSH and any designated department safety staff to train department supervisors and other relevant personnel on incident investigation procedures, specify when and how often trainings will be provided, focus on identifying root cause(s) of the injury, emphasize correcting root cause(s), and provide for an annual program review to identify areas of improvement to the program. Trainings should guide personnel who conduct investigations to effectively conduct, document, and perform injury root cause analysis as well as identify and implement corrective action measures. To ensure program effectiveness, OSH should coordinate with department safety staff to provide department supervisors with relevant accident examples, realistic corrective actions, and guidance on using a systems approach for incident investigation, including root cause analysis.

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:
1	May 9, 2022	July 2023	July 2023

#9 To ensure supervisor incident investigations are properly documented, the Compliance Department's Occupational Safety and Health program (OSH) should:

- Update the Citywide Supervisor Injury/Illness Investigation form to include a description of the incident from eyewitnesses and employees with knowledge of the incident, identification of root cause(s), and corrective action(s) taken.
- Require all departments use the standard Citywide Supervisor Injury/Illness Investigation form. However, in cases where departments need to customize the form, OSH should work with departments as needed to tailor their form to meet department-specific needs while also meeting the minimum requirements of the Citywide form.

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	May 9, 2022	TBD based on FY2024 budgeted resource allocations	TBD based on FY2024 budgeted resource allocations

#10 In order to strengthen the control environment and provide supervisors and managers in the Risk Management Department with the ability to verify that all red flags and tips are thoroughly investigated, the Risk Management Department's Workers' Compensation Division (Workers' Compensation) should update its procedures for investigating red flags and fraud tips to include monitoring of all fraud red flags and tips in a central document. Workers' Compensation should analyze all fraud red flags and tips and make appropriate updates to its procedures if it identifies any trends. Workers' Compensation should document its analysis and report the results of its assessment to the Safety and Risk Oversight Committee on an annual basis.

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	May 9, 2022	December 2022	December 2022

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 According to SDPD, the draft Ordinance has been reviewed and approved by the City Attorney's Office and routed through the Red Folder process. The Scope of Work has been completed and the required documents were uploaded to OnBase. The working group had a Teams Meeting with Matt Yagyagan from the Mayor's Office on June 2, 2022 and he approved the project moving forward. This project has been docketed and the briefing will be presented to PS&LN on July 20, 2022.

Priority	Issue Date:	Original Target Date:	Current Target Date:
2	June 24, 2021	July 2022	~~July 2022~~ September 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 According to SDPD, after presenting to the CEC, it was determined that SDPD will move forward with the RFP process as Facilities Services Division will not be able to perform the services. SDPD Management and Fiscal will be working with P&C to complete the RFP once approved at PS&LN.

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 According to SDPD, it issued a training bulletin to all personnel in January 2022 requiring the Field Lieutenant to approve all Board and Secure callouts. This Training Bulletin addresses when businesses should be boarded up (i.e., Hazardous Materials, weapons, sensitive material, or as deemed necessary by the Field Lt.). This will limit unnecessary callouts.

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)

#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 indicated that this recommendation is in process and that the full implementation plan is targeted for six months after the CAP adoption. Further, the 2022 CAP, adopted on August 2, 2022 indicates that more detailed department evaluations will be obtained for all actions and supporting actions as part of the Implementation Matrix development.

Priority 2	Issue Date:	Original Target Date:	Current Target Date:
	February 18, 2021	August 2022	~~August 2022~~ January 2023