Audit Recommendation Follow-Up Report

SEPTEMBER 2023

Status Update as of June 30, 2023

Andy Hanau, City Auditor

Matthew Helm, Assistant City Auditor

Danielle Knighten, Deputy City Auditor

CITY OF SAN DIEGO

OCA

OFFICE *of the* **CITY AUDITOR**

September 14, 2023

Honorable Members of the Audit Committee
City of San Diego, California

Recommendation Follow-Up Report – Status Update as of June 30, 2023

Attached is the Office of the City Auditor's Recommendation Follow-Up Report, which provides the status of open recommendations as of June 30, 2023. 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 20, 2023 and October 11, 2023 Audit Committee meetings.

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.

Respectfully submitted,

Andy Hanau
City Auditor

cc: Honorable Mayor Todd Gloria
        Honorable City Councilmembers
        Eric Dargan, Chief Operating Officer
        Matthew Vespi, Chief Financial Officer
        Rolando Charvel, Department of Finance Director and City Comptroller
        Jeff Peele, Assistant Director, Department of Finance
        Christiana Gauger, Chief Compliance Officer
        Deputy Chief Operating Officers
        Department Directors

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Summary

The mission of the Office of the City Auditor is to advance open and accountable government through accurate, independent, and objective audits and investigations that seek to improve the efficiency, effectiveness, and equity of City government.

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 18 of the outstanding recommendations. Management disagreed with 2 of the recommendations but plans to address the risks identified, and the Audit Committee unanimously requested to keep those recommendations open to ensure transparency and accountability for addressing the risks.

We issued three reports during this reporting period, which included 11 new recommendations. The Administration and City departments agreed to implement 9 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:
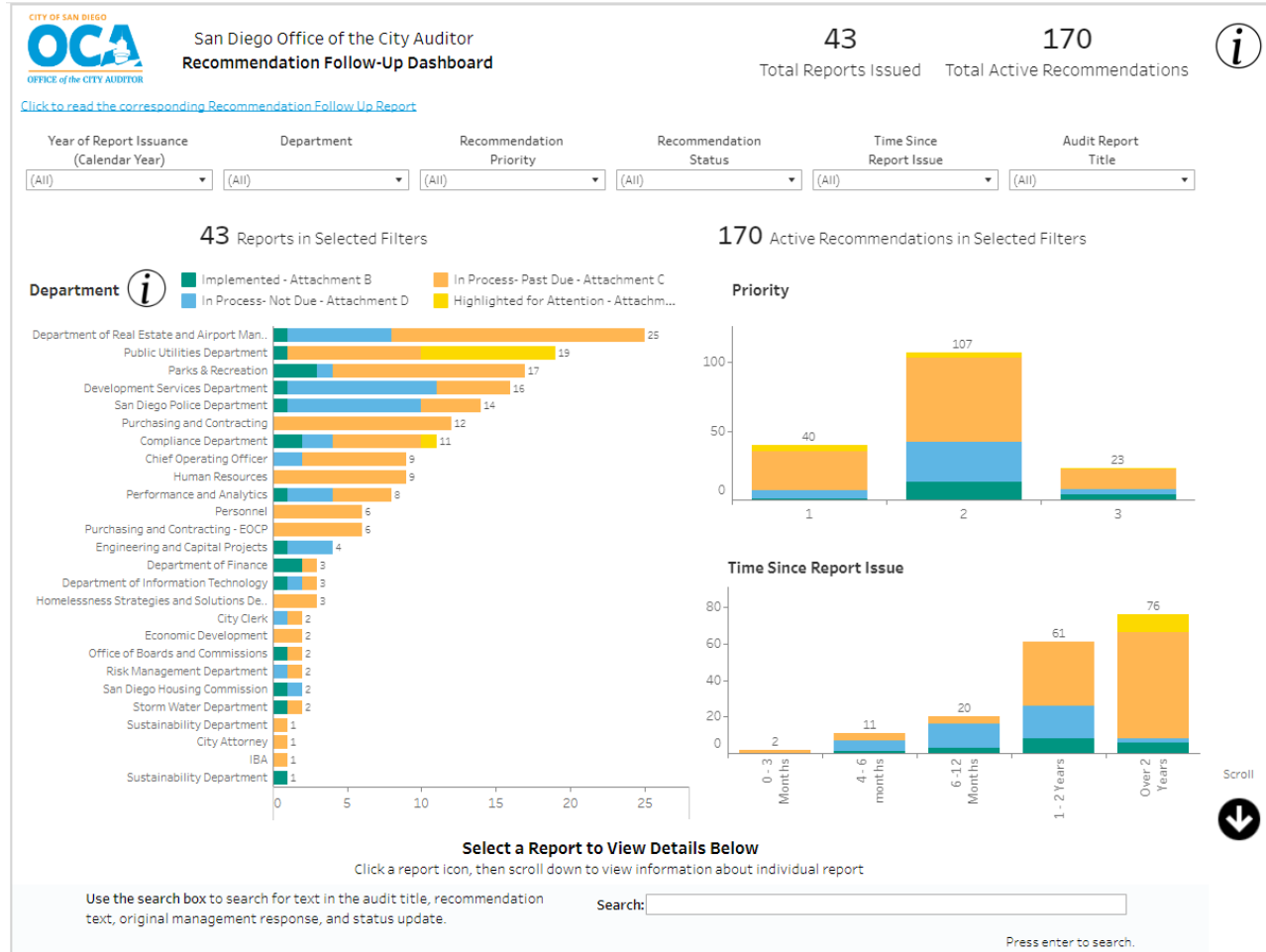
Recommendation Follow-Up Dashboard

All Implemented Recommendations Over Time

Current Report Period Ending June 30, 2023

Exhibit 1

Screenshot of the Dashboard for the Current Report Period Ending June 30, 2023

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.

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, 2023. 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, 2022, there were 159 open recommendations. Since then, we have issued two performance audit reports and one fraud hotline report, which added 11 new recommendations for the period ending June 30, 2023, with 82 percent agreement, as shown below.

11 new recommendations to improve efficiency, effectiveness, and equity of City operations issued January 1, 2023 through June 30, 2023

City Management agreed with **82%** of our new recommendations

Recommendation Agreement

82%
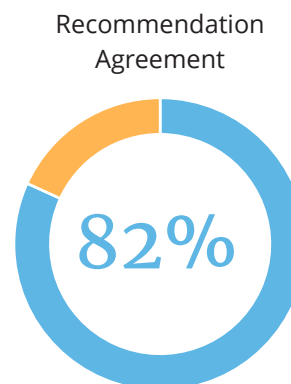
Exhibits

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

- **Exhibit 2 –** Summarizes the status of the 170[3] recommendations by audit or investigative report in chronological order.

- **Exhibit 3 –** Summarizes the distribution of the 18 recommendations in Attachment B that were Implemented by Department/Agency.

- **Exhibit 4 –** Summarizes the distribution of the 109[4] recommendations in Attachment C that are In Process – With Past Due Original Target Dates by Department/Agency.

- **Exhibit 5 –** Summarizes the distribution of the 39 recommendations in Attachment D that are In Process – With Original Target Dates Not Due by Department/Agency.

- **Exhibit 6 –** Breaks down the 170 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, 2023.

3   Ten recommendations are highlighted for Audit Committee Attention in Attachment A. Nine of the recommendations are reported as Not Implemented - N/A. OCA agrees and requests that three recommendations be closed, while six of the remaining recommendations be considered as in process. The tenth Recommendation is reported as Will Not Implement and we agree it should be closed.

4   Six of the recommendations are highlighted for Audit Committee Attention in Attachment A that we consider as in process.

Attachments

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

Attachment A – Recommendations Highlighted for the Audit Committee's Attention

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

Attachment B – Recommendations Deemed as Implemented

This attachment includes all outstanding recommendations as of June 30, 2023 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, 2023 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, 2023 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 170 recommendations by audit report in chronological order.

Exhibit 2

Audit Reports and Recommendation Status

Report #	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		1	
15-016	Performance Audit of Citywide Contract Oversight		5	
16-016	Citywide Contract Oversight II - Contract Review		2	
17-013	Performance Audit of the San Diego Convention Center		1	
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	
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		2	
19-019	Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)		3	
20-002	Performance Audit of Public Utilities Department's Advanced Metering Infrastructure Implementation		6	3
20-003	Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract		4	
20-008	Performance Audit of Development Services Department Administration of Deposit Accounts for Development Projects	1	5	
20-009	Performance Audit of the City's Efforts to Address Homelessness		1	
20-010	Hotline Investigation of Gifts Received by a City Employee		1	

Report #	Report Title	Implemented	In Process	Will Not Implement or N/A
20-011	Performance Audit of the City's Strategic Human Capital Management		3	
20-013	IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption		2	
20-015	Performance Audit of the City's Public Liability Management		1	1
21-001	Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program		3	
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		
21-004	Performance Audit of San Diego Police Department's Data Analysis		2	
21-005	Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program		6	
21-006	Performance Audit of Strategic Human Capital Management II: Employee Performance Management		7	
21-009	Performance Audit of the City's Climate Action Plan	1	1	
21-010	Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program - Part II	1	1	
21-011	Hotline Investigation of Board-Up Services	1	1	
21-013	Performance Audit of IT Service Delivery Effectiveness	1		
22-001	Performance Audit of the City's Use of CARES Act Funding	1	1	
22-002	Performance Audit of the City's Major Building Acquisition Process		9	
22-004	Performance Audit of the City's General Fund User Fees	2		
22-005	Performance Audit of Equity in Recreation Programming	2	14	
22-007	Performance Audit of the City's Lease Management and Renewal Process	1	10	
22-008	Performance Audit of Workplace Safety and Workers' Compensation	1	9	
22-009	Performance Audit of the Development Services Department's Code Enforcement Division		10	

Report #	Report Title	Implemented	In Process	Will Not Implement or N/A
23-001	Performance Audit of SDPD's Use and Management of Body Cameras		6	
23-002	Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2021	2	4	
23-004	Performance Audit of the City's Get It Done Application and Service Requests Management	1	5	
23-005	Performance Audit of the City's Towing Program		4	
23-07	Performance Audit of the San Diego Housing Commission's Homelessness Services Contract Management	1	3	
23-08	Hotline Report of Unsafe Driving by City Employees		4	
23-09	Performance Audit of the City's Capital Improvement Project Approval Process		3	
Grand Total		18 (11%)	148 (87%)	4 (2%)

The following icons are used throughout this report to indicate the 21 recommendations for which the department reported that it requires additional resources and the 32 recommendations for which the department did not provide a current update on the implementation status.

💰 **= Requires Resources**

❓ **= No Update Provided**

Exhibit 3 summarizes the distribution of the 18 recommendations in Attachment B that were **Implemented** by Department/Agency as of June 30, 2023.

Exhibit 3

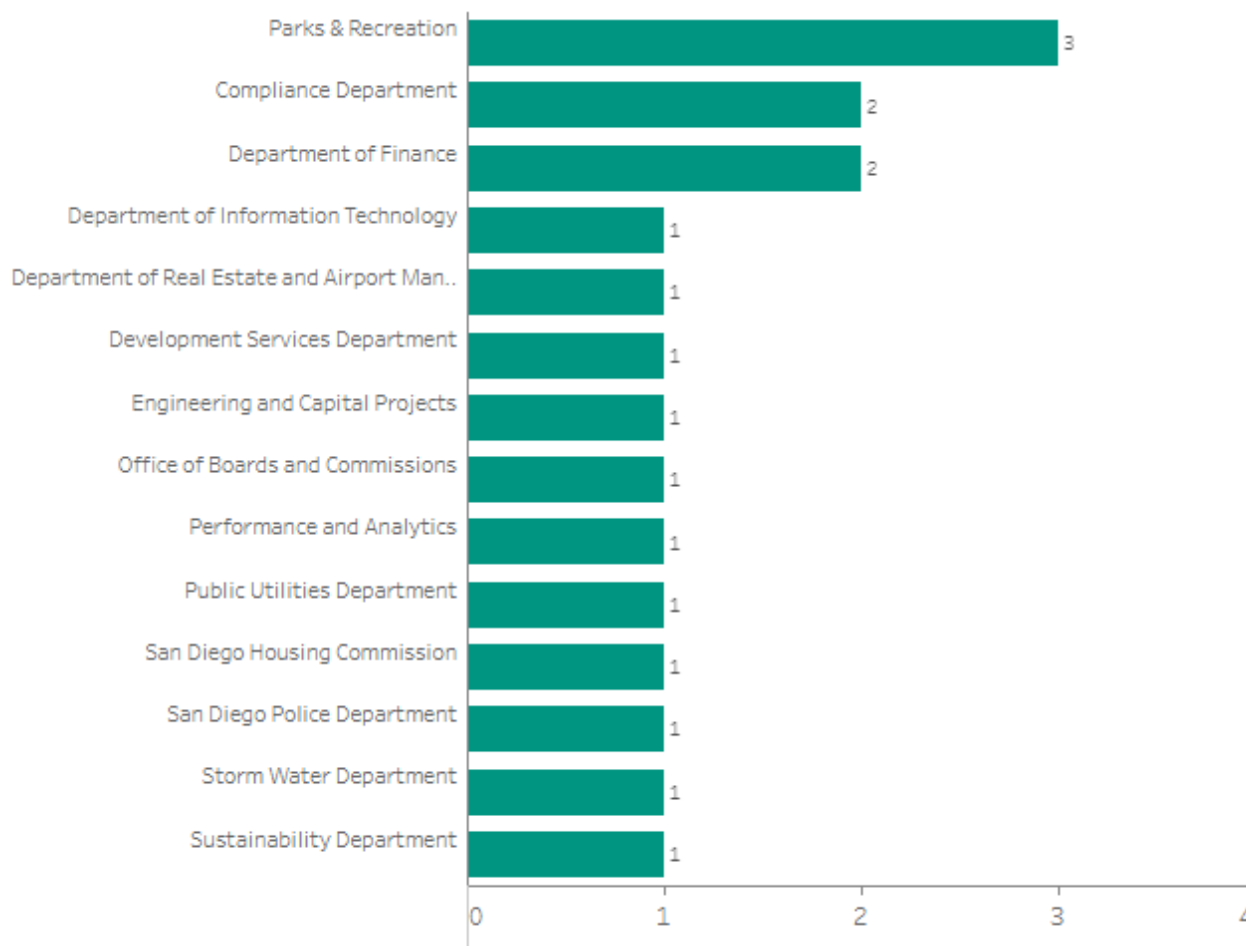## Number of Recommendations Implemented by Department/Agency

Exhibit 4 summarizes the distribution of the 103 recommendations in Attachment C, and 10 recommendations in Attachment A, that are In Process – With Past Due Original Target Dates by Department/Agency as of June 30, 2023.

Exhibit 4

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

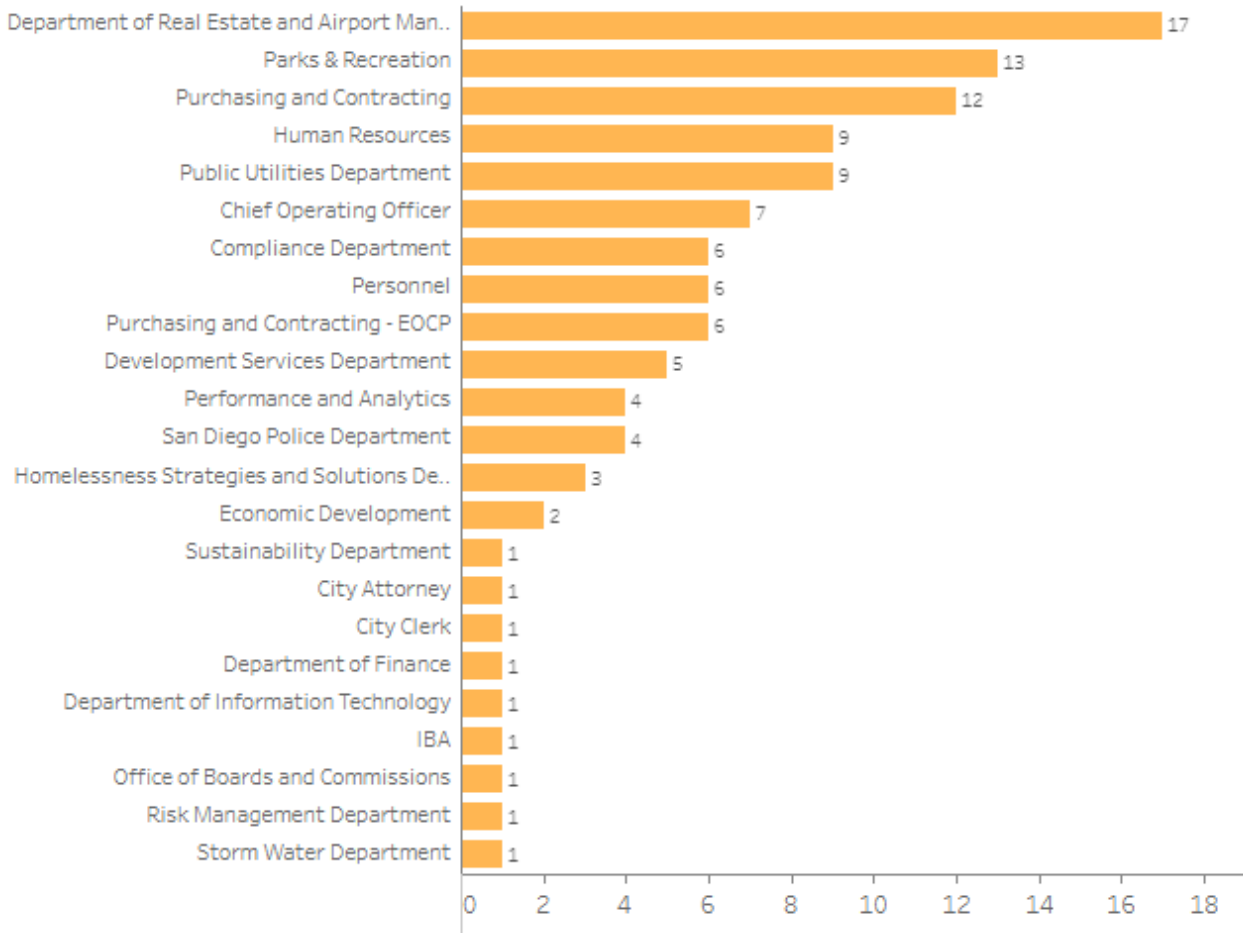| Department/Agency	Number
Department of Real Estate and Airport Man..	17
Parks & Recreation	13
Purchasing and Contracting	12
Human Resources	9
Public Utilities Department	9
Chief Operating Officer	7
Compliance Department	6
Personnel	6
Purchasing and Contracting - EOCP	6
Development Services Department	5
Performance and Analytics	4
San Diego Police Department	4
Homelessness Strategies and Solutions De..	3
Economic Development	2
Sustainability Department	1
City Attorney	1
City Clerk	1
Department of Finance	1
Department of Information Technology	1
IBA	1
Office of Boards and Commissions	1
Risk Management Department	1
Storm Water Department	1

Exhibit 5 summarizes the distribution of the 39 recommendations in Attachment D that are In Process – With Original Target Dates Not Due by Department/Agency as of June 30, 2023.

Exhibit 5

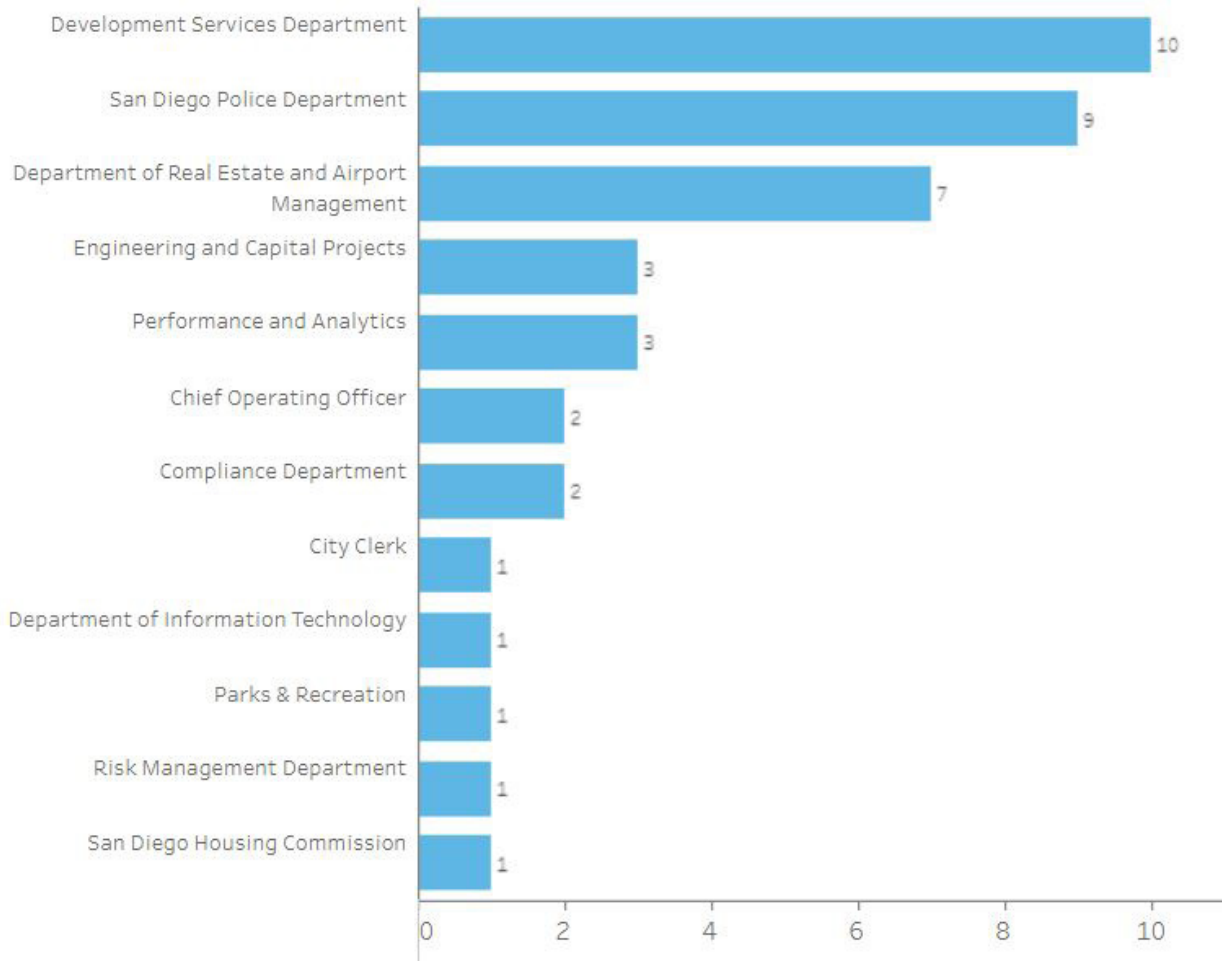**Number of Recommendations In Process – Not Due by Department/Agency**

Exhibit 6 shows the current 18 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.

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, 2023 Period
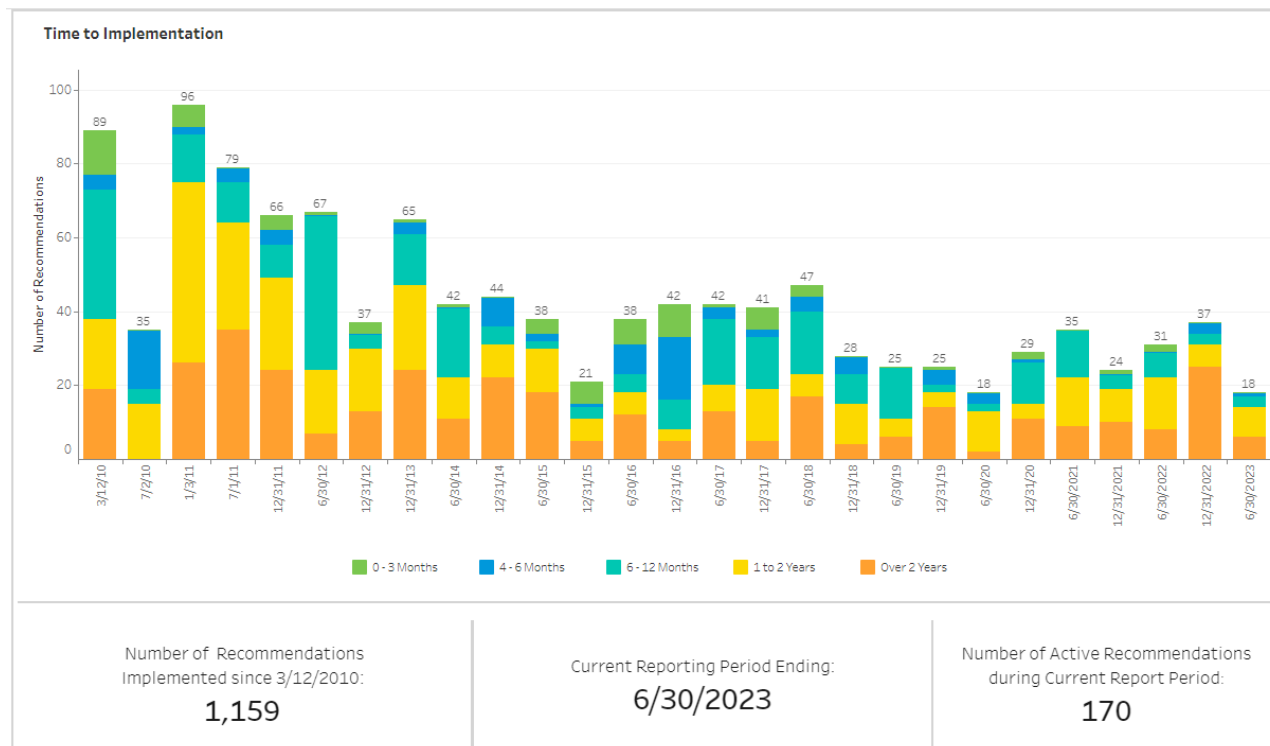

Number of Recommendations Implemented since 3/12/2010:	Current Reporting Period Ending:	Number of Active Recommendations during Current Report Period:
1,159	6/30/2023	170

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, 2023

18 Recommendations Resolved for Period Ending June 30, 2023

170 outstanding recommendations:
- **18** Implemented
- **110** In Process – past due original target dates
- **39** In Process – original target dates not due
- **1** Will Not Implement
- **3** Not Implemented – N/A

Attachment A
Recommendations for the Audit Committee's Attention

Attachement 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.

Public Utilities Department: Advanced Metering Infrastructure (AMI) Implementation Audit Recommendations

The Public Utilities Department (PUD) reported the following recommendations as "Not Implemented – NA." According to PUD, they have tasked Jacobs Engineering Group with developing a successful redeployment plan. As such, they have stated that the recommendations no longer apply.

For recommendations 3, 6, 8, 11, 12, and 13, we respectfully disagree with PUD's conclusion that these recommendations are no longer applicable. Although PUD contracted the AMI implementation, the risks identified in the audit are risks that apply to project management, even if it is managed by a contractor. PUD ultimately owns the AMI system and the water billing operations with which it must integrate. As such, it is PUD's responsibility to ensure that the identified risks are appropriately mitigated.

Furthermore, PUD has not indicated that it disagrees with the recommendations, and PUD's contract with Jacobs Engineering Group includes deliverables to implement the recommendations and address these risks. However, it is PUD's responsibility to manage the contract and accept the deliverables. Once accepted, these recommendations would be considered "Implemented."

Requested Action:

Request the Office of the City Auditor keep these recommendations as In Process and continue to follow up to verify that management is taking steps to mitigate the internal controls deficiencies identified in the report, regardless of whether the implementation is completed by the department or a contractor.

20-002 **Performance Audit of PUD's Advanced Metering Infrastructure Implementation**

(JP)

Recommendation 3 (Priority 1)

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.

Department Reported: Not Implemented – N/A

OCA Request: In Process

According to PUD, with lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfully develop a redeployment.

However, whether the AMI implementation is managed by PUD or by a contractor, it is still a project management best practice to develop an implementation plan. Therefore, as long as there is an AMI implementation project, the risks associated with this recommendation should be addressed.

The spirit of this recommendation is likely partially addressed under the Jacobs Engineering Group contract Scope of Services section 3.2.1, contingent on acceptable delivery of the services. This section of the contract requires Jacobs Engineering Group to prepare an AMI Implementation Plan and a staffing and resources plan.

Issue Date: July 11, 2019

Original Target Date: January 2020

Current Target Date: ~~January 2020~~ ~~July 2021~~ ~~January 2022~~ ~~June 2022~~ ~~July 2022~~ September 2023

Recommendation 6   (Priority 1)

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.

Department Reported: Not Implemented – N/A

OCA Request: In Process

According to PUD, with lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfully develop a redeployment.

However, whether the AMI implementation is managed by PUD or by a contractor, it is still a project management best practice to develop a staffing plan. Therefore, as long as there is an AMI implementation project, the risks associated with this recommendation should be addressed.

The spirit of this recommendation is likely partially addressed under the Jacobs Engineering Group contract Scope of Services section 3.2.1, contingent on acceptable delivery of the services. This section of the contract requires Jacobs Engineering Group to prepare an AMI Implementation Plan and a staffing and resources plan.

Issue Date: July 11, 2019

Original Target Date: January 2020

Current Target Date: ~~January 2020~~   ~~July 2021~~   ~~January 2022~~   ~~August 2022~~ September 2023

Recommendation 8 (Priority 1)

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.

Department Reported: Not Implemented – N/A

OCA Request: In Process

According to PUD, with lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfully develop a redeployment.

However, whether the AMI implementation is managed by PUD or by a contractor, it is still a project management best practice to develop and implementation plan. Therefore, as long as there is an AMI implementation project, the risks associated with this recommendation should be addressed.

The spirit of this recommendation is likely partially addressed under the Jacobs Engineering Group contract Scope of Services section 3.2.1, contingent on acceptable delivery of the services. This section of the contract requires Jacobs Engineering Group to prepare an AMI Implementation Plan and a staffing and resources plan.

Issue Date: July 11, 2019

Original Target Date: July 2020

Current Target Date: ~~July 2020~~ ~~January 2021~~ ~~January 2022~~ ~~August 2022~~ September 2023

Recommendation 11 (Priority 2)

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.

Department Reported: Not Implemented – N/A

OCA Request: In Process

According to PUD, with lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfully develop a redeployment.

Although Jacobs Engineering Group is contracted to manage the AMI implementation project, the risk of incomplete, inaccurate, and untimely data entry for meter replacements remain if the risks identified in the audit for data entry systems used for recording meter replacements is not addressed.

The spirit of this recommendation is likely addressed under the Jacobs Engineering Group contract Scope of Services section 3.3.3, contingent on acceptable delivery of the services. This section addresses examining and making recommendations with respect to integrating AMI data with existing City standard systems as well as existing and third-party software applications.

Issue Date: July 11, 2019

Original Target Date: February 2020

Current Target Date: ~~February 2020~~   ~~January 2021~~   ~~Unknown~~   ~~December 2022~~ December 2023

Recommendation 12 (Priority 2)

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.

Department Reported: Not Implemented – N/A

OCA Request: In Process

According to PUD, with lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effirt, will be evaluating how to successfully develop a redeployment.

Although Jacobs Engineering Group is contracted to manage the AMI implementation project, the risk of incomplete, inaccurate, and untimely data entry for AMI endpoint installation remain if the risks identified in the audit for data entry systems used for recording AMI endpoints is not addressed.

The spirit of this recommendation is likely addressed under the Jacobs Engineering Group contract Scope of Services section 3.3.3, contingent on acceptable delivery of the services. The spirit of this recommendation is likely addressed under the Jacobs Engineering Group contract Scope of Services section 3.3.3, contingent on acceptable delivery of the services. This section addresses examining and making recommendations with respect to integrating AMI data with existing City standard systems as well as existing and third-party software applications.

Issue Date: July 11, 2019

Original Target Date: June 2020

Current Target Date: ~~June 2020~~   ~~July 2021~~   ~~January 2022~~   ~~July 2022~~
December 2023

Recommendation 13 (Priority 3)

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.

Department Reported: Not Implemented – N/A

OCA Request: In Process

According to PUD, the lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfuly develop a redeployment.

However, the EMMA and SAP Workflow Inbox risks identified in the audit are not addressed by the contract with Jacobs Engineering Group, because the risks are related to the billing system and not the AMI implementation alone. Tracking the causes, resolution, and duration of all exceptions cases is a mechanism for PUD to ensure that all meter replacements and endpoint installations are performed correctly for every customer. This also provides a mechanism for monitoring Jacobs Engineering Group's service delivery during the AMI implementation. Therefore, we believe the risk has not been addressed by contracting the project out and remains applicable.

Issue Date: July 11, 2019

Original Target Date: July 2020

Current Target Date: ~~July 2020~~   ~~July 2022~~   ~~December 2022~~   December 2023

The Public Utilities Department reported recommendations 4, 9, and 10 as "Not Implemented – NA. OCA agrees with PUD's conclusion. As discussed for each recommendation individually, these recommendations addressed risks related to coordination and management of PUD work groups. With a contractor conducting the AMI implementation going forward, the circumstances have changed and these recommendations no longer address a significant risk.

Requested Action:

The Office of the City Auditor agrees these recommendations are not applicable for the reasons described and they should be closed as Not Implemented – N/A.

Recommendation 4   (Priority 1)

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

Department Reported: Not Implemented – N/A

OCA Request: Not Implemented – N/A

According to PUD, with lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfully develop a redeployment. If the Audit Committee requests this recommendation to remain In Process, OCA will work with PUD and the contractor to verify that a comprehensive redeployment plan is developed.

This recommendation was intended to address coordination challenges between PUD work groups identified in the audit. Since PUD has now contracted the AMI implementation to Jacobs Engineering Group, the circumstances have changed and the coordination challenges do not represent the same risk to the project as they did at the time of the audit. Therefore, we agree that this recommendation is no longer applicable.

Issue Date: July 11, 2019

Original Target Date: January 2020

Current Target Date: ~~January 2020~~   ~~July 2021~~   ~~January 2022~~   ~~August 2022~~ ~~September 2023~~   N/A

Recommendation 9 (Priority 2)

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.

Department Reported: Not Implemented – N/A

OCA Request: Not Implemented – N/A

According to PUD, with lessons learned from the previous launch of AMI and building upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfully develop a redeployment.

This recommendation was intended to address underreporting of labor costs for meter replacement crews to the project. Since PUD has now contracted the AMI implementation to Jacobs Engineering Group, the circumstances have changed and underreporting by City crews no longer poses the same risk to the project as they did at the time of the audit. We note that some PUD staff will likely still be involved in the project, but that the level of involvement is now lower. Therefore, we agree that this recommendation is no longer applicable.

Issue Date: July 11, 2019

Original Target Date: January 2020

Current Target Date: ~~January 2020~~ ~~July 2020~~ ~~January 2022~~ ~~December 2022~~ ~~December 2023~~ N/A

Recommendation 10 (Priority 2)

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.

Department Reported: Not Implemented – N/A

OCA Request: Not Implemented – N/A

According to PUD, with lessons learned from the previous launch of AMI and builidng upon their expertise, PUD has tasked Jacobs Engineering Group with developing a comprehensive plan to ensure a successful redeployment plan. Included in this effort, will be evaluating how to successfully develop a redeployment.

This recommendation was intended to address underreporting of labor costs for meter replacement crews to the project. Since PUD has now contracted the AMI implementation to Jacobs Engineering Group, the circumstances have changed and underreporting by City crews no longer poses the same risk to the project as they did at the time of the audit. We note that some PUD staff will likely still be involved in the project, but that the level of involvement is now lower. Therefore, we agree that this recommendation is no longer applicable.

Issue Date: July 11, 2019

Original Target Date: January 2020

Current Target Date: ~~January 2020~~ ~~July 2020~~ ~~January 2022~~ ~~August 2022~~ ~~December 2023~~ N/A

Public Liability Management Audit Recommendation

In response to the Audit Committee's September 21, 2022 request when Audit Committee Member Halpern suggested that, prior to the Audit Committee making a decision to drop the recommendation, additional information from the Administration is necessary for the Audit Committee to make an informed decision regarding this recommendation. Specifically, Mr. Halpern requested that the Administration return to the Committee, preferably with the new Chief Compliance Officer, to present and explain its comprehensive approach to risk management. The Chief Compliance Officer agreed to the request.

The Chief Compliance Officer presented an Overview of the City's Approach to Risk Management at the June 14, 2023 Audit Committee meeting. The presentation was an informational item, and no actions were taken at that time. The department indicated that it will not implement the recommendation.

Requested Action:

OCA recommends closing this recommendation as Will Not Implement.

20-015   Performance Audit of the City's Public Liability Management (GT)

Recommendation 6   (Priority 1)

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.

Department Reported: Will Not Implement

OCA Request: Will Not Implement

This recommendation was agreed to by the prior administration, in support of the Operational Framework program that was in place at that time. According to management, the Operational Framework program ended with the prior administration. Per the request of Audit Committee Member Halpern, the Chief Compliance Officer presented an overview of the City's alternative risk management approach at the June 14, 2023 Audit Committee meeting.

Though City Management deserves credit for its efforts to mitigate risks through regular risk reviews such as quarterly budget monitoring that reviews high priority City initiatives, reporting of key performance indicators, identifying areas of potential risk as part of the City's Annual Comprehensive Financial Report process, etc., it is OCA's opinion that developing and implementing an ERM-based framework to address the City's operational and strategic risks would be a more effective and comprehensive approach to risk management.

However, we acknowledge that the ERM-based framework (i.e., Operational Framework) established by the previous administration has been discontinued and will not be replaced by another ERM-based risk mitigation framework. Therefore, we do not expect this recommendation to be implemented and will change its status to "Will Not Implement."

Issue Date: June 11, 2020

Original Target Date: December 2020

Current Target Date: ~~December 2020~~   ~~December 2021~~   ~~June 2022~~   N/A

Attachment B

Recommendations Deemed as Implemented

This attachment includes all outstanding recommendations as of June 30, 2023 that have been deemed as **Implemented** by City Auditor staff based on sufficient and appropriate evidence provided by the departments.

14-019	**Performance Audit of Real Estate Assets Department**
(RG)	

Recommendation 1 (Priority 2)

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.

Implemented

This recommendation is implemented. A plan to remove residential use from Sunset Cliffs Natural Park has been developed and is documented via the inclusion of CIP L-14005: Sunset Cliffs Park Drainage Improvements in the City's Annual Budget. The removal of the houses will resolve the conflict between private tenancies at Sunset Cliffs and the Charter Section 55 restriction on dedicated parks for public park use.

In terms of project development and timeline, issuance of the design consultant contract is scheduled for August 2023, design is estimated to be complete in May 2025, and bid, award, and completion of construction are expected to occur by December 2026.

OCA monitors this project annually when it conducts the Mission Bay and San Diego Parks Improvement Funds Audit, so OCA can verify it's completion during the that audit.

20-008	**Performance Audit of DSD Administration of Deposit Accounts for Development Projects**
(MJ)	

Recommendation 11 (Priority 2)

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.

Implemented

This recommendation is implemented. The Development Services Department has implemented a control in Accela to lock ministerial and discretionary projects that have deposit accounts in deficit. The control prevents further activity on the project until the deficit is paid.

21-003 **Performance Audit of the Transportation and Stormwater Department's Street Sweeping Section**
(MJ) (DK)

Recommendation 3 (Priority 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.

Implemented

This recommendation is implemented. In FY23, the Stormwater Department (SWD) was granted $4 million to expand the street sweeping program which included adding posted routes to comply with the Municipal Stormwater Permit. The SWD also submitted budget approval in FY24 to selectively add posted routes and make any other improvements identified to optimize watershed areas with high priority pollutants and/or high debris. However, this request was not approved and will be resubmitted in FY25 for approval. Based on the outcome of the approval for FY25 budget process, further updates to the Street Sweeping Program could be considered and implemented if approved.

21-009 **Performance Audit of the City's Climate Action Plan**
(DN) (MS)

Recommendation 6 (Priority 2)

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.

Implemented

This recommendation is implemented. The department developed the CAP Implementation Plan, which includes the associated costs for implementing the CAP's measures and actions. The CAP Implementation Cost Analysis also includes the associated costs and funding sources to implement the CAP's measures and actions. The CAP Implementation Cost Analysis anticipates no funding gaps.

21-010	Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program – Part II

(SM)

Recommendation 7 (Priority 1)

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.

Implemented

This recommendation is implemented. PUD provided OCA with a staffing analysis and explanation that determined that the program should be capable of conducting yearly inspections on all Significant Industrial Users yearly and Non-Significant Industrials Users as needed once all vacant inspector positions are filled without requesting additional positions.

21-011	Hotline Investigation of Board-Up Services

(GR)

Recommendation 2 (Priority 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.

Implemented

This recommendation is implemented. The Board and Secure Services contract met the criteria in the recommendation.

21-013   **Performance Audit of IT Service Delivery Effectiveness**
(TS)

Recommendation 6   (Priority 2)

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.

Implemented

This recommendation is implemented. The Department of IT has provided more data for projects that were completed in FY23 following the implementation of new processes and a survey of departments around 3-9 months after projects were completed to determine if they had realized the benefits in operations.

ServiceNow tracks the quoted cost, business case/benefits, project start date, project end date, and an interface to SAP pulls in the final costs. A post-implementation review validates the final benefits by the business owner. 3-9 months after implementation, the department is surveyed to validate the benefits of the project.

The new process was followed in FY23 to solicit post-project surveys after departments operationalized project changes.

DoIT provided the summarized list of projects that have been completed and operationalized. DoIT's completed process changes, ServiceNow enhancements, and accumulation of new data in the process has sufficiently implemented the recommendation.

22-001   **Performance Audit of the City's Use of CARES Act Funding**
(JP) (DK)

Recommendation 2   (Priority 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.

Implemented

This recommendation is implemented. The City sued the vendor, settled with the vendor, and received $1,185,467.

22-004   Performance Audit of the City's General Fund User Fees
(GT) (NO)

Recommendation 2 (Priority 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.

Implemented

This recommendation is implemented. The updated version of Administrative Regulation (AR) 95.25 states that the Department of Finance (DoF) is responsible for identifying "any User Fees that have not been revised or updated in the last five years or longer. Upon identifying such User Fees, the Department of Finance shall require responsible Administering Departments to provide documentation showing their intent to revise each affected User Fee, or justification as to why the fee will not be revised or updated." The AR language mirrors the language of this recommendation and thus directly addresses the risk of departments not regularly revising/updating user fees when appropriate.

Recommendation 3 (Priority 2)

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.

Implemented

This recommendation is implemented. The updated version of Administrative Regulation (AR) 95.25 states that the Department of Finance (DoF) is responsible for "requiring each Administering Department with General Fund supported User Fees to confirm in writing that the Administering Department performed User Fee benchmarking as part of its Comprehensive User Fee Study or justify in writing the lack of any need to perform benchmarking." The AR language mirrors the language of this recommendation and thus directly addresses the risk of City departments not benchmarking user fee rates with other California cities to compare 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.

22-005   Performance Audit of Equity in Recreation Programming
(AR) (MS)

Recommendation 14   (Priority 3)

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.

Implemented

This recommendation is implemented. The Parks and Rec Department developed and documented naming conventions for the same or similar recreation programs. Additionally, in October 2022, the department held trainings over several days to train staff on the use of these naming conventions.

Recommendation 16   (Priority 3)

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.

Implemented

This recommendation is implemented. The Parks and Rec Department developed and documented naming conventions for the same or similar recreation programs. Parks and Rec incorporated training on the use of naming conventions, program instructor, and activity status into its ActiveNet training materials. Additionally, in October 2022, the department held ActiveNet trainings over several days for new and existing staff on the topics noted above.

22-007 **Performance Audit of the City's Lease Management and Renewal Process**

(NO) (SM) (NK)

Recommendation 2 (Priority 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.

Implemented

This recommendation is implemented. DREAM provided OCA with evidence that lists all the leases that have been in holdover longer than five years and provided a written explanation why a market rate adjustment or financial disincentive was not exercised. Additionally, OCA staff met with DREAM to discuss why the disincentives could not be exercised. DREAM explained that the cause was due, primarily, to outdated contract language which does not include disincentive clauses. DREAM stated that, moving forward, new leases will include language with stronger holdover disincentives, and that DREAM has a plan to bring all the older leases out of holdover. Recommendations 1, 4, and 14 from this same report also address and mitigate the issue of leases going into holdover by making sure that new lease language includes stronger disincentive language.

22-008 **Performance Audit of Workplace Safety and Workers' Compensation**

(JP)

Recommendation 2 (Priority 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.

Implemented

This recommendation is implemented. Compliance added Occupational Safety and Health KPIs to its FY2024 budget, and it has vetted the feasibility to establish incentive programs and determined that it is allowable per AR 95.91, Employee Rewards and Recognition Program. Compliance provided evidence that a Department has implemented such a program Citywide, and stated that when the currently vacant Safety Training Manager position is filled, the position will work with departments to assist with development and establishment of corresponding departmental incentive programs.

23-002	**Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2021**

(RG)

Recommendation 1 (Priority 2)

To enhance the Mission Bay Park Improvement Fund Oversight Committee's and the San Diego Regional Park Improvement Fund Oversight Committee's ability to carry out their oversight responsibilities under Charter Section 55.2, we recommend: The Engineering & Capital Projects and the Parks and Recreation Departments should enhance the detail of capital project information provided to the Improvement Fund Oversight Committees. Whenever a request is made to increase funding/budget of a project that requires committee approval, detailed project estimates including factors driving cost increases should be provided to the committees. Additionally, this information should also be provided to the committees once a year for each project requesting new funding in the coming fiscal year.

Implemented

This recommendation is implemented. Greatly enhanced reports are now being provided to each oversight committee. The Parks and Recreation Department worked with Engineering and Capital Projects Department to develop a more comprehensive presentation that expands on key project information including scope, financials, schedule, and status. The goal is to offer this report at least two times each year. When new funding requests are made, reports will show the project scope, financials, schedule, and status, much like the semi-annual update. This includes both mid-year funding allocation requests and development of the upcoming fiscal year budget.

Recommendation 6   (Priority 3)

To ensure proper representation of Council Districts on the Mission Bay Park Committee, in light of the redistricting, we recommend: The City should amend Municipal Code Section 26.30 to reflect geographic representation of the Mission Bay community.

Implemented

This recommendation is implemented. The Office of Boards and Commissions initiated the process of amending the Municipal Code to reflect the redistricting changes. Municipal Code Section 26.30(c)(3)(A) was amended on December 14, 2022, by Ordinance 21580, effective January 13, 2023, to state the following:

(3) The members shall be appointed by the Mayor and confirmed by the City Council, subject to the following conditions:

(A) The Mayor shall appoint three members from nominations submitted by the Councilmember representing the Council District that contains the largest geographic area of Mission Bay Park, and three members from nominations submitted by the Councilmember representing the Council District that contains the next largest area of Mission Bay Park, or if none, the Council District located in closest proximity to Mission Bay Park;

23-004   Performance Audit of the City's Get It Done Application and Service Requests Management
(NO) (MS) (SM)

Recommendation 3   (Priority 2)

The Performance and Analytics Department (PandA), in consultation with departments, should revise the response language to customers to not use the term "Closed" if a case has merely been referred and the customer's issue may not yet have been addressed.

Implemented

This recommendation is implemented. PandA has updated the "Date Closed" field to "Date Referred" for Get It Done cases that have been referred to the corresponding City department or outside entity for resolution.

23-07	**Performance Audit of the San Diego Housing Commission's Homelessness Services Contract Management**

(JP) (AR)

Recommendation 1.1   (Priority 2)

The San Diego Housing Commission should issue an Administrative Regulation to require Statements for Public Disclosure for sole source contracts in accordance with its Conflict of Interest Policy and collect required statements for all current and future contracts over $50,000.

Implemented

This recommendation is implemented. The San Diego Housing Commission updated its Statement of Procurement Service Administrative Regulation to include a requirement for all contractors—including sole-sourced contractors—to submit a Statement for Public Disclosure. The updated Administrative Regulation was effective May 30, 2023.

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, 2023 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.

Chief Compliance Officer

22-008	Performance Audit of Workplace Safety and Workers' Compensation
(JP)	

Recommendation 3 (Priority 2)

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

Compliance reported that it is continuing to work with PandA to refine survey questions. The survey will be stand alone. Compliance anticipates finalization and distribution of the survey by October 31, 2023.

Issue Date: May 9, 2022

Original Target Date: October 2022

Current Target Date: ~~October 2022~~   ~~December 2023~~   October 2023

Recommendation 4 (Priority 3)

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

The department reported that the communication draft is being finalized and that it is working with Communications to distribute by August 31, 2023.

Issue Date: May 9, 2022

Original Target Date: May 2023

Current Target Date: ~~May 2023~~   August 2023

Recommendation 5   (Priority 1)

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

According to Compliance, the Safety Data solution scope is being finalized, the department is working with IT staff to go through the STAC process, and anticipates a new system in FY2024. The Program Coordinator position was approved in the FY2024 budget, and is anticipated to be filled in October 2023. Once both the Program Coordinator and system are in place, the Program Coordinator can assist departments in using information from the safety data to develop department specific safety indicators. Full implementation is still TBD based on system selected.

Issue Date: May 9, 2022

Original Target Date: TBD based on FY2024 budgeted resource allocations

Current Target Date: TBD based on system selected

Recommendation 7 (Priority 1)

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

According to Compliance, the Safety Data solution scope is being finalized, the department is working with IT staff to go through the STAC process, and anticipates a new system in FY2024. The Program Coordinator position was approved in the FY2024 budget, and is anticipated to be filled in October 2023. Full implementation is still TBD based on system selected.

Issue Date: May 9, 2022

Original Target Date: TBD based on FY2024 budgeted resource allocations

Current Target Date: TBD based on system selected

Recommendation 9 (Priority 2)

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**

Management agreed with the recommendation but noted the need for an additional Safety Officer position. Compliance Department submitted a request for the position as part of the FY2024 budget process, but the position was not approved. Compliance is re-evaluating program resources and will submit the request again as part of the FY2025 budget process.

Issue Date: May 9, 2022

Original Target Date: TBD based on FY2024 budgeted resource allocations

Current Target Date: TBD based on FY2025 budgeted resource allocations

Chief Operating Officer

| 17-013 | Performance Audit of the San Diego Convention Center |

(JP)

Recommendation 4 (Priority 2)

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

According to the department, there has been no change in status since the last reporting period. The administration reported that this recommendation is considered pending with no target date as it is still subject to court proceedings to determine if Proposition C was approved.

Issue Date: January 18, 2017

Original Target Date: December 2017

Current Target Date: ~~December 2017~~   ~~June 2018~~   ~~December 2018~~   Unknown

| 20-003 | Hotline Report of Abuse Related to the Unfair Award of a Multi-Million-Dollar Contract |

(AH)

Recommendation 1 (Priority 2)

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 has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, Purchasing & Contracting reported that it experienced delays in getting the final version back to City Attorney's Office. It had been forwarded for review and the department was hopeful to get this completed within the following 60–90 days.

Issue Date: September 11, 2019

Original Target Date: February 2020

Current Target Date: ~~February 2020~~ ~~Unknown~~ ~~December 2021~~ ~~Unknown~~ ~~October 2022~~ ~~March 2023~~ September 2023

Recommendation 5 (Priority 3)

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

According to the department, as a result of subsequent discussions with the Office of the City Auditor and the office of the City Attorney, the Personnel Director presented the below revision to Civil Service Rule XVII to the Civil Service Commission on May 4, 2023. The Commission approved the revision and this recommended revision will be presented to the City Council by October 31, 2023. The revision to Civil Service Rule XCII is anticipated to be: "All contracts for expert professional services that are temporarily exempt from the Classified Service as prescribed by Charter section117 (a)(15) shall be reviewed by the Civil Service Commission prior to execution to ensure compliance with the personnel-related provisions of the City Charter, Municipal Code, and Civil Service Commission Rules and Regulations."

Issue Date: September 11, 2019

Original Target Date: May 2020

Current Target Date: ~~May 2020~~ ~~March 2022~~ ~~August 2022~~ ~~June 2023~~ October 2023

Recommendation 6 (Priority 3)

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 has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, Purchasing & Contracting reported that it experienced delays in getting the final version back to City Attorney's Office. It had been forwarded for review and the department was hopeful to get this completed within the following 60–90 days.

Issue Date: September 11, 2019

Original Target Date: February 2020

Current Target Date: ~~February 2020~~   ~~November 2020~~   ~~Unknown~~ ~~December 2021~~   ~~Unknown~~   ~~October 2022~~   ~~March 2023~~   September 2023

Recommendation 7 (Priority 2)

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 has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, Purchasing & Contracting reported that it experienced delays in getting the final version back to City Attorney's Office. It had been forwarded for review and the department was hopeful to get this completed within the following 60–90 days.

Issue Date: September 11, 2019

Original Target Date: February 2020

Current Target Date: ~~February 2020~~   ~~November 2020~~   ~~Unknown~~ ~~December 2021~~   ~~Unknown~~   ~~October 2022~~   ~~March 2023~~   September 2023

20-010   Hotline Investigation of Gifts Received by a City Employee
(GR)

Recommendation 1   (Priority 2)

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

The department has not provided an update since December 2022. OCA will continue to follow up during the next reporting period.

According to the minutes for the March 9, 2023 Ethics Commission meeting, the Executive Director provided an overview of this recommendation. The Commissioners discussed possible options related to the recommendation, and directed the Executive Director to draft a memo to City management detailing the options for implementing various portions of the recommendation, along with the Commission's projected needs for additional budget and staffing, as well as timeline requirements, to enact each of the options.

Issue Date: April 13, 2020

Original Target Date: December 2020

Current Target Date: ~~December 2020~~ January 2023

21-009   Performance Audit of the City's Climate Action Plan
(DN) (MS)

Recommendation 1   (Priority 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 has not provided an update since April 2023. OCA will continue to follow up during the next reporting period.

This recommendation is in process. The department noted that a draft of the Administrative Regulation (AR) has been prepared and intended for circulation to directors in early May. It also noted that all of the requirements within the AR have been implemented within this last year, including the staff report, budget, and work plans. Lastly, it noted that SuMo has been observing how the actual implementation functions through budget to refine the language before sending out for final execution.

Issue Date: February 18, 2021

Original Target Date: December 2022

Current Target Date: ~~December 2022~~   ~~March 2023~~   Unknown

23-08	Hotline Report of Unsafe Driving by City Employees

(AH) (GR)

Recommendation 1 (Priority 1)

We recommend that the Chief Operating Officer establish procedures to ensure that supervisors routinely review vehicle telematics data in order provide proactive, timely, and efficient training and/or disciplinary action to unsafe City drivers. These review procedures should be documented, coordinated, and monitored for compliance.

In Process

Notwithstanding management's "disagree" response, it appears that they agreed with the intent of our recommendation, which was to ensure that reviews of vehicle telematics data are conducted. The Audit Committee unanimously approved a motion to keep this recommendation open and to have staff provide updates on the progress and steps taken through the regular recommendation follow up report process.

According to the Compliance Department, it requested a Program Coordinator position to do this work in the FY2024 budget and that request was approved. The position has successfully been exempt from the classified service and Compliance expects to advertise for the position in August.

Issue Date: April 17, 2023

Original Target Date: Disagree

Current Target Date: Unknown

Recommendation 4 (Priority 2)

We recommend that the Chief Operating Officer conduct a cost-benefit analysis regarding additional vehicle telematics technology, such as driver identification, automated training assignments, camera systems, and other solutions to proactively and efficiently increase driver safety, and implement the solutions indicated by the analysis. Priority should be placed on addressing City drivers who have demonstrated a pattern of high-risk driving behaviors in the past.

In Process

Notwithstanding management's "disagree" response, they have agreed to conduct a cost-benefit analysis related to potential enhancements to the new telematics technology; this is the essence of what we are recommending. The Audit Committee unanimously approved a motion to keep this recommendation open and to have staff provide updates on the progress and steps taken through the regular recommendation follow up report process.

According to the Compliance Department, Management plans to evaluate this program after it has been in place for a year.

Issue Date: April 17, 2023

Original Target Date: Disagree

Current Target Date: Unknown

Department of Finance[3]

15-016	Performance Audit of Citywide Contract Oversight
(MJ)	

Recommendation 2 (Priority 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.

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

c. Establish responsibility for training contract administrators on procedures that must be accomplished prior to recommending or approving invoices for payment.
d. Establish responsibility for monitoring the contract administrators' responsibilities prior to recommending or approving invoices for payment.
e. An annual review of the City's contract administration invoice approval process to ensure it is working as intended and effective; additionally, the policies and procedures should be updated as necessary resulting from this review.

❓ In Process

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, Purchasing and Contracting (P&C) indicated that the Business Objects reports are being completed by ERP team to assist with contract administration. P&C will finalize the contract administration manual to be reviewed by Office of the City Auditor.

Issue Date: April 25, 2015

Original Target Date: November 2015

Current Target Date: ~~November 2016~~ ~~June 2017~~ ~~December 2020~~ ~~February 2022~~ ~~August 2022~~ ~~March 2023~~ September 2023

Department of Real Estate and Airport Management[4]

13-009	Performance Audit of the Real Estate Assets Department

(CN)

Recommendation 4   (Priority 3)

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

The department has not provided an update in our tracking system since January 2023, but DREAM management has recently had several discussions with OCA staff. OCA will continue to follow up during the next reporting period.

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4   Formerly the Real Estate Assets Department (READ).

As of the prior reporting period, the department reported that as part of the comprehensive update to real estate Council Policies, a revised version of CP 700-12 had been routed by DREAM. Due to the importance of these policies and the need for DREAM to work closely with the CAO and the IBA on the revisions, prior to presenting them to the Audit and LU&H Committees, and ultimately the full City Council for approval, the department requested an extension to the end of the calendar year. This will allow the department to continue its working sessions, prepare the most comprehensive and lasting updates to all three policies, and allow time for the two Committee meetings and the Council hearing.

Issue Date: December 20, 2012

Original Target Date: June 2013

Current Target Date: ~~June 2013~~   ~~March 2017~~   ~~April 2017~~   ~~June 2018~~   ~~December 2018~~   ~~June 2019~~   ~~December 2019~~   ~~March 2020~~   ~~September 2020~~   ~~July 2021~~   ~~July 2022~~   December 2023

19-002	Performance Audit of the Real Estate Assets Department's Portfolio Management Practices

(MJ)

Recommendation 2 (Priority 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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, DREAM reported that it was in the process of procuring a new lease administration software, which will be an opportunity to evaluate this recommendation with client departments. The RFP was targeted to issue 01/17/2023 but will take some time to make a selection and implement, so the department requested an extension to the end of the calendar year in the hopes it will have the software in place by that time.

Issue Date: July 23, 2018

Original Target Date: June 2019

Current Target Date: ~~June 2019~~   ~~December 2019~~   ~~March 2020~~   ~~September 2020~~   ~~December 2021~~   ~~December 2022~~   December 2023

Recommendation 4 (Priority 2)

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 has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, according to the department, in reviewing the comprehensive updates of the OCA and the real estate policies, it had been determined that, in addition to CP 700-10, updates also needed to be made to 700-12 and 700-32 to fully implement the audit recommendations. A first draft of all three policies had been circulated and working sessions had commenced on 700-10. Due to the importance of these policies and the need for DREAM to work closely with the CAO and the IBA on the revisions, prior to presenting them to the Audit and LU&H Committees, and ultimately the full City Council for approval, the department requested an extension from March 30 to the end of this calendar year. This will allow the department to continue its working sessions, prepare the most comprehensive and lasting updates to all three policies, and allow time for the two Committee meetings and the Council hearing.

Issue Date: July 23, 2018

Original Target Date: January 2019

Current Target Date: ~~January 2019~~   ~~June 2019~~   ~~November 2019~~   ~~March 2020~~   ~~September 2020~~   ~~December 2021~~   ~~July 2022~~   ~~March 2023~~   December 2023

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

(CN) (MJ)

Recommendation 1 (Priority 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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, according to DREAM, in reviewing the comprehensive updates of the OCA and the real estate policies, it had been determined that, in addition to CP 700-10, updates also need to be made to 700-12 and 700-32 to fully

implement the audit recommendations. A first draft of all three policies had been circulated and working sessions had commenced on 700-10. Due to the importance of these policies and the need for DREAM to work closely with the CAO and the IBA on the revisions, prior to presenting them to the Audit and LU&H Committees, and ultimately the full City Council for approval, DREAM requested an extension from March 30 to the end of this calendar year. This will allow DREAM to continue its working sessions, prepare the most comprehensive and lasting updates to all three policies, and allow time for the two Committee meetings and the Council hearing.

Issue Date: July 22, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   ~~March 2023~~   December 2023

Recommendation 2 (Priority 1)

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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, according to DREAM, in reviewing the comprehensive updates of the OCA and the real estate policies, it had been determined that, in addition to CP 700-10, updates also need to be made to 700-12 and 700-32 to fully implement the audit recommendations. A first draft of all three policies had been circulated and working sessions had commenced on 700-10. Due to the importance of these policies and the need for DREAM to work closely with the CAO and the IBA on the revisions, prior to presenting them to the Audit and LU&H Committees, and ultimately the full City Council for approval, DREAM requested an extension from March 30 to the end of this calendar year. This will allow DREAM to continue its working sessions, prepare the most comprehensive and lasting updates to all three policies, and allow time for the two Committee meetings and the Council hearing.

Issue Date: July 22, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   ~~March 2023~~   December 2023

Recommendation 3 (Priority 2)

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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, according to DREAM, it retained JLL to assist with this effort in December 2022, following Committee and Council approval in November. The initial study will focus on downtown departments and, once complete and reviewed, could be expanded to all departments to assist with a comprehensive office plan, in conjunction with the Civic Core redevelopment efforts. The initial report has a 12 month timeline; therefore, DREAM requested an extension to December 2023 to align with its schedule.

Issue Date: July 22, 2021

Original Target Date: February 2023

Current Target Date: ~~February 2023~~   December 2023

Recommendation 4   (Priority #)

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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, according to DREAM, this would be reflected in the updates to the Council Policies that were currently routing. A first draft of all three policies had been circulated and working sessions had commenced on 700-10. Due to the importance of these policies and the need for DREAM to work closely with the CAO and the IBA on the revisions, prior to presenting them to the Audit and LU&H Committees, and ultimately the full City Council for approval, DREAM requested an extension from March 30 to the end of this calendar year. This will allow DREAM to continue its working sessions, prepare the most comprehensive and lasting updates to all three policies, and allow time for the two Committee meetings and the Council hearing.

Issue Date: July 22, 2021

Original Target Date: February 2023

Current Target Date: ~~February 2023~~   December 2023

Recommendation 5   (Priority 1)

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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, according to DREAM, in reviewing the comprehensive updates of the OCA and the real estate policies, it had been determined that, in addition to CP 700-10, updates also need to be made to 700-12 and 700-32 to fully implement the audit recommendations. A first draft of all three policies had been circulated and working sessions had commenced on 700-10. Due to the importance of these policies and the need for DREAM to work closely with the CAO and the IBA on the revisions, prior to presenting them to the Audit and LU&H Committees, and ultimately the full City Council for approval, DREAM requested an extension from March 30 to the end of this calendar year. This will allow DREAM to continue its working sessions, prepare the most comprehensive and lasting updates to all three policies, and allow time for the two Committee meetings and the Council hearing.

    Issue Date: July 22, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~March 2023~~ December 2023

Recommendation 6 (Priority 1)

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**

> The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.
>
> As of the prior reporting period, according to DREAM, staff had a draft checklist that would be used as a tool for presenting to Council, in association with the draft Council Policies that were routing for internal review. DREAM had been attaching copies of due diligence reports, such as appraisals and phase 1s in the interim to provide transparency.
>
> > **Issue Date:** July 22, 2021
>
> **Original Target Date:** July 2022
>
> **Current Target Date:** ~~July 2022~~   ~~March 2023~~   December 2023

Recommendation 8   (Priority #)

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 department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.
>
> As of the prior reporting period, according to DREAM, it had kept the IBA apprised as to the status of the draft Council Policies and committed to having them review the final draft prior to presenting to Committee or Council. As such, DREAM requested an extension to allow for this multi-departmental collaborative review effort.
>
> > **Issue Date:** July 22, 2021
>
> **Original Target Date:** July 2022
>
> **Current Target Date:** ~~July 2022~~   ~~March 2023~~   December 2023

Recommendation 10   (Priority #)

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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, according to DREAM, staff takes all items to LU&H prior to Council, other than eminent domain actions; however, DREAM will memorialize this in the updated real estate policies it was currently routing for internal review and collaboration.

Issue Date: July 22, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   ~~March 2023~~   December 2023

22-007	Performance Audit of the City's Lease Management and Renewal Process

(NO) (SM) (NK)

Recommendation 1   (Priority 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

According to DREAM, it is continuing to review leases on holdover. OCA will continue to follow up during the next reporting period.

Issue Date: February 9, 2022

Original Target Date: February 2023

Current Target Date: ~~February 2023~~   December 2023

Recommendation 3 (Priority 1)

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

According to DREAM, this recommendation has been implemented but the supporting documentation will be provided during the next reporting period. DREAM has met with the City Attorney's Office regarding the legality of the financial disincentive clause and the City Attorney's Office agreed that the language can be used when applicable.

Issue Date: February 9, 2022

Original Target Date: Immediately

Current Target Date: ~~February 2022~~   ~~June 2023~~   Unknown

Recommendation 8 (Priority 1)

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 not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up during the next reporting period.

Issue Date: February 9, 2022

Original Target Date: January 2023

Current Target Date: ~~January 2023~~   November 2023

Recommendation 9 (Priority 1)

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

According to the department, new lease administration software is needed to implement this recommendation. The RFP for new lease administration software will soon be awarded. Once the department has new software, it can move forward with implementing this recommendation. In addition, DREAM is working on updated Council Policy 700-10.

Issue Date: February 9, 2022

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   July 2024

Recommendation 10   (Priority 1)

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

As of June 30, 2022, according to the department, in reviewing the comprehensive updates of the OCA and the real estate policies, it had been determined that, in addition to CP 700-10, updates also need to be made to 700-12 and 700-32 to fully implement the audit recommendations. This reporting period, DREAM reported that a draft Council Policy 700-10 has been sent to the City Attorney's Office for review.

Issue Date: February 9, 2022

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   December 2023

Recommendation 14   (Priority 1)

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 reported that it has been focused on the major undertaking of collaborating with the CAO to update three real estate related Council Policies to implement other recommendations. The department expects the policy updates will be completed by the end of the year, at which time it can focus on the creation of templates and a lease clause database.

Issue Date: February 9, 2022

Original Target Date: February 2023

Current Target Date: ~~February 2023~~   ~~April 2023~~   June 2024

Development Services Department

20-008   Performance Audit of DSD Administration of Deposit Accounts for Development Projects

(MJ)

Recommendation 1   (Priority 2)

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) reported that it has awarded a contract for a comprehensive review of all of its fees, which includes the Minimum Required Balances (MRB) rates for Ministerial and Discretionary projects. DSD expects the study to be completed in the Fall and to be presented in the Winter.

Issue Date: February 7, 2020

Original Target Date: May 2020

Current Target Date: ~~May 2020~~   ~~June 2021~~   ~~April 2022~~   March 2024

Recommendation 2   (Priority 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

The Development Services Department (DSD) reported that it has automated the Minimum Required Balance (MRB) calculation within Accela but it is not yet complete. DSD is conducting quality assurance tests to ensure proper functionality and expect it to be completed by the end of the calendar year.

Issue Date: February 7, 2020

Original Target Date: November 2020

Current Target Date: ~~November 2020~~   ~~June 2021~~   ~~December 2021~~   ~~April 2022~~   December 2023

Recommendation 5 (Priority 2)

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

The Development Services Department (DSD) reported that it continues to work with Engineering and Capital Projects (ECP) on this matter and it remains a work in progress. DSD expects it to be completed by the end of the calendar year.

Issue Date: February 7, 2020

Original Target Date: October 2020

Current Target Date: ~~October 2020~~ ~~March 2021~~ ~~December 2021~~ ~~April 2022~~ December 2023

Recommendation 7 (Priority 2)

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

The Development Services Department (DSD) reported that it is currently migrating all PTS projects to Accela and expects this to be completed by the end of the calendar year.

Issue Date: February 7, 2020

Original Target Date: November 2020

Current Target Date: ~~November 2020~~ ~~June 2021~~ ~~Unknown~~ December 2023

Recommendation 10 (Priority 2)

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

The Development Services Department (DSD) reported that it is currently working with its fee consultant regarding its available options for creating billable rates and will evaluate these options once provided. DSD expects this to be completed in the Fall.

Issue Date: February 7, 2020

Original Target Date: September 2020

Current Target Date: ~~September 2020~~   ~~June 2021~~   ~~Unknown~~   December 2023

Economic Development Department

| 18–015 | Performance Audit of the Economic Development Department's Business and Industry Incentives Program |

(AH) (DK)

Recommendation 1   (Priority 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

The department reported that the City's new Economic Development Strategy (EDS) was recently adopted at City Council in May 2023. The Business and Industry Incentives (BII) Program and corresponding council policy are currently being modified to bring the program (including an enhanced outreach plan) into better alignment with the new EDS and City of San Diego Strategic Plan. The EDD anticipates revisions to the BII will be heard at ED&IR and City Council by December 2023.

Issue Date: January 16, 2018

Original Target Date: January 2019

Current Target Date: ~~January 2019~~   ~~December 2020~~   ~~Unknown~~   ~~October 2022~~   ~~Unknown~~   December 2023

Recommendation 2   (Priority 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 department reported that the City's new Economic Development Strategy (EDS) was recently adopted at City Council in May 2023. The Business and Industry Incentives (BII) Program and corresponding council policy are currently being modified to bring the program (including new written internal process) into better alignment with the new EDS and City of San Diego Strategic Plan. The EDD anticipates revisions to the BII will be heard at ED&IR and City Council by December 2023.

Issue Date: January 16, 2018

Original Target Date: January 2019

Current Target Date: ~~January 2019~~ ~~December 2020~~ ~~Unknown~~ ~~October 2022~~ ~~Unknown~~ December 2023

Environmental Services

23-004	Performance Audit of the City's Get It Done Application and Service Requests Management

(NO) (MS) (SM)

Recommendation 5 (Priority 2)

To ensure the accuracy of communication codes entered, relevant departments/divisions for the most common service requests (i.e., Environmental Services Department, San Diego Police Department Neighborhood Policing Division, San Diego Police Department Parking Division, and Transportation Department Street Division) should develop, implement, and document policies and procedures that require supervisors to regularly review service requests and the communication codes used for consistency and accuracy. These policies and procedures should specify how supervisors should select service requests cases for review, require this review to be documented, and identify corrective actions where necessary.

In Process

This recommendation is in process. SDPD Neighborhood Policing is in the process of updating its Operations Manual to include information on supervisors' review of closed Get It Done encampment cases. Additionally, the Transportation Department has identified some action steps and target dates to implement this recommendation. The Environmental Services Department and SDPD - Parking did not provide progress updates. OCA will continue to follow up on the status of this recommendation during the next reporting period.

Issue Date: October 6, 2022

Original Target Date: TBD Pending Resources

Current Target Date: TBD Pending Resources

Homelessness Strategies & Solutions

20–009	Performance Audit of the City's Efforts to Address Homelessness

(DN) (LB)

Recommendation 2	(Priority 1)

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 Homelessness Strategies and Solutions Department (HSSD) reported that this recommendation as In Process. The City, during the FY2024 budget process, developed a funding proposal that continued to utilize 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. It should be noted that an update to the City Community Action on Plan Homelessness (CAPH) will be presented to the Land Use and Housing Committee in the coming months. This update will reflect HSSD's work with the other stakeholders of the CAPH implementation team to reset the CAPH's focus given the plan was established pre-COVID. Planned implementation of this audit recommendation will factor in those updates.

In brief, HSSD activities since the last audit update include:

- Continued work with the Office of the Independent Budget Analyst to jointly understand fiscal constraints;
- Successfully awarded competitive grants from the County and State to offset costs to City funds;
- Received State appropriations and County revenue to reduce City operating costs of family shelter; and
- Provided recurring updates to the DOF and the CFO on 5-year planning for both operating needs and capital needs (e.g., shelter expansion).

HSSD's ongoing General Fund (GF) resources were $8M in FY2022, increased to $11.2M in FY2023, and now $40M ongoing GF in the FY2024 Adopted Budget. These increases have shored up base budget funding to sustain existing services. Additionally, the FY2024 Adopted Budget included allocation of transient occupancy tax (TOT) revenue. Through the annual appropriation process, TOT could continue to be allocated to support homelessness services. Further, the most recently approved State budget includes continued commitment to several key housing and homelessness programs through Round 5 of the Homeless Housing, Assistance, and Prevention (HHAP 5.0). The multi-year expenditure plan for HHAP 4.0 (and prospectively for HHAP 5.0) provides near-term funding as long-term strategies are developed. In Fall 2023, HSSD will provide an update on permanent funding strategies to the City Council Land Use & Housing Committee. In preparation for the update, HSSD has engaged the Office of the Independent Budget Analysts on joint analysis to develop potential strategies, including updated projections on the impact of Measure C.

Issue Date: February 12, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~   Unknown

23-07	Performance Audit of the San Diego Housing Commission's Homelessness Services Contract Management

(JP) (AR)

Recommendation 3.1   (Priority 2)

In order to address existing maintenance issues, the Homelessness Strategies and Solutions Department should coordinate with providers, the San Diego Housing Commission and relevant City departments to perform an inspection of all homelessness services sites for which the City is responsible for maintenance and repairs, and complete any identified repairs and maintenance at those sites.

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.

Issue Date: March 2, 2023

Original Target Date: Unknown

Current Target Date: Unknown

Recommendation 3.2 (Priority 2)

In order to address future maintenance issues at sites where the City is responsible for maintenance and repairs, the Homelessness Strategies and Solutions Department should establish a procedure to track maintenance requests between providers, the San Diego Housing Commission (SDHC), and relevant City departments. This procedure should contain the required information for service requests, correct routing procedure for requests, estimated timelines for repair, and communication of progress and task completion to SDHC and service providers.

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.

Issue Date: March 2, 2023

Original Target Date: Unknown

Current Target Date: Unknown

Human Resources Department

20-011 **Performance Audit of Strategic Human Capital Management** (NO) (GT)

Recommendation 7 (Priority 1)

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

According to the Human Resources Department, it is still on track to share the report out to City Council by October 31, 2023.

Issue Date: April 23, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~September 2022~~ October 2023

Recommendation 9 (Priority 2)

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

According to the Human Resources Department, it is still on track to share the report out to City Council by October 31, 2023.

Issue Date: April 23, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~September 2022~~ October 2023

21-006 **Performance Audit of Strategic Human Capital Management II: Employee Performance Management**
(NO) (GT)

Recommendation 4 (Priority 3)

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 Human Resources Department (HR), the department in on track to have this recommendation implemented by December 2023. In its last update for this recommendation, the department stated that it's currently monitoring Rewards & Recognition (R&R) usage data on a bimonthly basis in accordance with the audit recommendation and had conducted a pulse survey of employees on the use of the rewards and recognition program and had analyzed the results, identifying several improvement areas. Furthermore, the department is working with the Department of Information Technology (IT) to implement SAP solutions to make it easier for supervisors to reward employees. These improvements will also allow for increased ability to monitor R&R usage. Once all improvements are implemented, HR will update AR 95.91 and include the formal documentation of the utilization review process and other updates.

Issue Date: November 25, 2020

Original Target Date: July 2021

Current Target Date: ~~July 2021~~   ~~June 2022~~   ~~December 2022~~   December 2023

Recommendation 5 (Priority 2)

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), HR is continuing to work with the Department of Information Technology on changes to the Employee Rewards & Recognition process and will make updates to training for supervisors as these changes are implemented.

Issue Date: November 25, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~   ~~June 2022~~   ~~December 2022~~
December 2023

Recommendation 6   (Priority 2)

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**

According to the Human Resources Department (HR), the department requested funding in the FY2024 Budget Development process for software to support the tracking of discipline items. This funding request was not approved. The department will continue to look for ways to procure, but will be limited in ability to respond to the audit recommendation due to resource restraints.

OCA will work with HR to determine the best path forward for addressing the risks associated with not monitoring aggregate discipline trends and issues within the City's workforce. This recommendation's implementation date has been extended to the end of the calendar year (12/31/2023).

Issue Date: November 25, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~   ~~September 2022~~   ~~December 2024~~
December 2023

Recommendation 7   (Priority 2)

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**

According to the Human Resources Department (HR), the department requested funding in the FY24 Budget Development process for software to support the tracking of discipline items. This funding request was not approved. The department will continue to look for ways to procure, but will be limited in ability to respond to the audit recommendation due to resource restraints.

OCA will work with HR to determine the best path forward for addressing the risks associated with not monitoring aggregate discipline trends and issues within the City's workforce. This recommendation's implementation date has been extended to the end of the calendar year (12/31/2023).

Issue Date: November 25, 2020

Original Target Date: July 2021

Current Target Date: ~~July 2021~~ ~~September 2022~~ ~~December 2024~~ December 2023

Recommendation 8 (Priority 2)

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

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. Personnel is conducting a pilot of this functionality. This new functionality is scheduled to be rolled out Citywide by October 1, 2023.

Furthermore, according to the Human Resources Department, completion of this recommendation is contingent on the full implementation of electronic Employee Performance Reviews via SuccessFactors by the Personnel Department. Personnel intends to train the Development Services Department on 7/27/2023 and Stormwater

Department on 7/31/2023 and is working on communication email to other departments to provide choices of virtual training dates.

Issue Date: November 25, 2020

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~September 2022~~ ~~December 2022~~ December 2023

Independent Budget Analyst

22–002	Performance Audit of the City's Major Building Acquisition Process

(CN) (MJ)

Recommendation 7   (Priority 1)

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

The IBA reported that one approach suggested by the City Auditor's Office for consideration would be to codify misdemeanor consequences. The IBA has benchmarked several cities and found that generally, consequences of failing to meet disclosure requirements are handled through employee disciplinary practices. As the IBA noted in its initial and follow-up responses, absent participation from the City Attorney's Office, it lacks the ability to implement this recommendation; and the City Attorney has expressed concerns about enacting a Municipal Code enforcement mechanism. In June 2023, the IBA met with the Compliance Department to assess the feasibility of two other options: (1) employee attestations for real estate acquisitions, and (2) strengthening staff training related to providing complete and accurate information. According to the department, the current process for approving staff reports by department head and DCOO/CFO is considered an assurance that the staff's representation of facts to the City Council is accurate. Additionally, training from the City's docket office on the staff report review and approval process is currently available, and City Management does not consider additional staff training to be warranted.

The IBA is currently engaging with the City Attorney's Office to begin conversations around what, if any, additional options exist to address the underlying concerns raised by the City Auditor's recommendation.

The IBA also suggests that this recommendation be discussed at a future Audit Committee meeting to provide additional guidance on what enforcement mechanisms or other changes would sufficiently address these concerns.

Issue Date: June 22, 2021

Original Target Date: IBA Agreed, but City Attorney's Office Disagreed

Current Target Date: Unknown

Office of Boards and Commissions

23-002	Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2021

(RG)

Recommendation 7 (Priority 3)

To ensure Committees are properly staffed in compliance with the City Charter, we recommend: The Office of Boards and Commissions should bring appointment and reappointment resolutions to City Council on a routine basis and in a timely manner to maintain proper active standing of the members on both the Mission Bay Park Committee and the Park and Recreation Board.

In Process

OCA staff met with the department and were provided with a verbal update. The department has a new system in place to track expired and expiring terms, and some progress has been made in appointing and re-appointing Committee members. For the Mission Bay Park Committee, there have been three new appointments and two re-appointment resolutions, and for the Park and Recreation Board, there have been five new appointments and one re-appointment resolution. Despite these efforts, there remains a significant number of members serving with expired terms and one vacancy because there are numerous parties involved in selecting and appointing qualified members. . Additionally, Municipal Code Section 26.30(c) requires that an interval of four years must pass before a person who has served eight consecutive years on the Mission Bay Park Committee can be reappointed, and two members of the Mission Bay Park Committee need to be replaced because they are currently serving beyond eight consecutive years in violation of the Municipal Code. The department is hoping to have appointments submitted and confirmed within the next 60 days.

Issue Date: August 2, 2022

Original Target Date: November 2022

Current Target Date: ~~November 2022~~   November 2023

Parks and Recreation Department

22–005	Performance Audit of Equity in Recreation Programming

(AR) (MS)

Recommendation 1   (Priority 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

This recommendation is in process. According to the department, it has identified action steps and planned dates to implement the recommendation. The department noted that it estimates the cost of the Community Needs Assessment to be $50,000 annually (recurring cost), however, may need additional resources depending on the type of outreach it conducts (more in-person outreach may increase costs to $150,000 annually). Lastly, it noted that while it received an initial funding allocation, more funds will be needed in FY2024.

Issue Date: November 10, 2021

Original Target Date: September 2022

Current Target Date: ~~Septemeber 2022~~   December 2024

Recommendation 2   (Priority 1)

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

This recommendation is in process. According to the department, it has identified action steps and planned to implement the recommendation. The department noted that it has developed a Tactical Equity Plan that includes goals, objectives, and performance metrics, and plans to present the plan to City Council and/or the Community and Neighborhood Services Committee in December 2023. The department also noted that this recommendation will be implemented after it completes the Community Needs Assessment to determine whether the selected performance metrics are appropriate.

Issue Date: November 10, 2021

Original Target Date: September 2022

Current Target Date: ~~September 2022~~   ~~December 2023~~   March 2025

Recommendation 4   (Priority 1)

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

This recommendation is in process. The department has identified action steps and planned dates to implement this recommendation. Additionally, according to the department, this recommendation relies on additional resources, both staffing and consultants. While the department noted that it requested funding, the Fiscal Year 2024 budget does not include an allocation for the remaining five positions and funding to support staffing and consultants. The department also noted that it will endeavor to continue efforts in working toward completing the recommendation with existing resources and will continue to seek additional resources when they are available. Lastly, the department revised the target implementation date for this recommendation to November 2025.

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Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ November 2025

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Recommendation 5 (Priority 2)

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

This recommendation is in process. The department has identified action steps and planned dates to implement this recommendation. Additionally, the department noted that this recommendation relies on additional resources, both staffing and consultants, and while it requested funding, the Fiscal Year 2024 budget does not include an allocation for the remaining five positions and funding to support staffing and consultants. Nevertheless, the department noted that it will endeavor to continue efforts in working toward completing the recommendation with existing resources and will continue to seek additional resources when they are available. Lastly, the department revised the target implementation date for this recommendation to November 2024.

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Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ November 2024

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Recommendation 6 (Priority 1)

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

This recommendation is in process. The department has identified action steps and planned dates to implement this recommendation. The department developed the Opportunity Fund (Council Policy 700-48, which City Council adopted on February 14, 2022) to direct resources for equitable recreational programming to communities of concern. It also noted that is has trained staff on fee calculations and use of the Opportunity Fund. Additionally, the department noted that it plans to present allocations from the fund in July 2023. Lastly, the department noted that it will need to update the annual Equity Report and Tactical Equity Plan to encompass equitable funding allocations and report on the effectiveness of the Opportunity Fund.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~   August 2024

Recommendation 7 (Priority 3)

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

This recommendation is in process. Recommendation 7 relies on additional resources, both staffing and consultants. While the department requested funding, the Fiscal Year 2024 Budget does not include an allocation for the remaining five positions and funding to support staffing and consultants. The department will endeavor to continue efforts in working toward completing the recommendation with existing resources and will continue to seek additional resources when they are available. The updated target date for this recommendation is March 2025.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~   March 2025

Recommendation 8 (Priority 2)

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

This recommendation is in process. Recommendation 8 relies on additional resources, both staffing and consultants. While the department requested funding, the Fiscal Year 2024 Budget does not include an allocation for the remaining five positions and funding to support staffing and consultants. The department will endeavor to continue efforts in working toward completing the recommendation with existing resources and will continue to seek additional resources when they are available. The updated target date for this recommendation is June 2025.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~   June 2025

Recommendation 9 (Priority 3)

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 it is working on allowing approved fee waiver applicants to register online, but that it would require additional resources. The updated target date for this recommendation is March 29, 2024.

Issue Date: November 10, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   ~~June 2023~~   March 2024

Recommendation 10 (Priority 3)

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 has already updated fee waiver forms and expanded access to programs through fee waivers. The timeline for a new fee waiver program will correspond with the implementation of Recommendations 4 and 6 and will be reviewed again with the new cost of service study and fee schedule update mentioned in Recommendation 3. The new target implementation date is November 2025.

Issue Date: November 10, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   ~~November 2023~~   November 2025

Recommendation 11 (Priority 2)

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

This recommendation is in process. The department reported that the effort will begin with the hiring of a recreation specialist and analytical staff, a portion of which were funded in the FY2023 Budget. A department-wide communications plan is slated to be developed in June 2025 concurrently with Recommendations 1, 2, 8, 11 and 13. The new target implementation date for this recommendation is June 2025.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~   June 2025

Recommendation 12 (Priority 2)

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

This recommendation is in process. The department has already acquired translation services through the Communications Department. The effort to identify which languages is in process with the hiring of a portion of requested staff. The language access plan should be done in connection with the requirements of Recommendations 1, 2, 8, 11, and 13. The target implementation date for this recommendation is June 2025.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ June 2025

Recommendation 13 (Priority 2)

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

This recommendation is in process. According to the department, the recommendation is approximately 75 percent complete. A remaining task to implement the recommendation is completion of a Communications Plan which is a part of the Community Needs Assessment scope of work (Recommendation 1). The revised target implementation date for this recommendation is December 2024. Additional discussion on the tasks needed to complete this recommendation are included in a Status Update Memo, dated May 3, 2023 submitted to the City Auditor and attached herein for reference.

Issue Date: November 10, 2021

Original Target Date: October 2022

Current Target Date: ~~October 2022~~   December 2024

Recommendation 15 (Priority 2)

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

This recommendation is in progress. According to the department, although implementation of this recommendation has been delayed, it has identified action steps needed to implement the recommendation. For example, the department noted that it begun to analyze its recreation program management software, however, noted that there is a possibility that the software provider may need to change, which will require the department to update its training materials.

Issue Date: November 10, 2021

Original Target Date: June 2023

Current Target Date: ~~June 2023~~   October 2023

Performance & Analytics Department

20-013	IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption

(TS)

Recommendation 1 (Priority 1)

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

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

In Process

This recommendation is in process. According to the department, the three City data management authorities have completed a Request for Proposal and awarded a contract to a consultant experienced with data governance programs in public agencies. The consultant and three data management authorities are performing an objective assessment of the City's data management practices to reduce any duplication of processes, define roles and responsibilities, and ensure consistency in a Citywide data governance model. The length of the RFP and award process have extended timelines on the work which is anticipated to be completed by April 1, 2024.

Issue Date: May 29, 2020

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~July 2023~~ April 2024

23-004	**Performance Audit of the City's Get It Done Application and Service Requests Management**

(NO) (MS) (SM)

Recommendation 4   (Priority 2)

To ensure that operational staff are adequately trained on communication codes, the Performance and Analytics Department, in consultation with relevant departments/divisions for the most common service requests (i.e., Environmental Services Department, San Diego Police Department Neighborhood Policing Division, San Diego Police Department Parking Division, and Transportation Department Street Division) should provide updated training to staff that includes using the appropriate communication code.

❓ In Process

The department has not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up during the next reporting period.

Issue Date: October 6, 2022

Original Target Date: June 2023

Current Target Date: ~~June 2023~~ July 2025

Recommendation 6 (Priority 1)

To build on past efforts at increasing the City of San Diego's commitment to customer service, the City Administration should establish a centralized 3-1-1 contact option for residents. These efforts should include:

a. Forming a standing City working group among the most affected departments and working groups (e.g., the Performance and Analytics Department, Station 38, Police Dispatch, City Clerk, Public Utilities Department, Department of IT, Environmental Services Department, and others, as necessary);
b. Assessing the feasibility, strategy, and potential timeline for migrating existing customer service functions into the 3-1-1 customer service center; and
c. Developing a timeline for developing a marketing strategy, including branding, media outreach, and social media utilization, for City services included in the 3-1-1 customer service center.

In Process (formerly Will Not Implement)

When the audit report was issued, the administration disagreed with the recommendation. On October 12, 2022, the audit report was presented to the Audit Committee. At that meeting, a motion was made by Chair Whitburn to accept the report and forward it to City Council. The motion also included a request that the Performance and Analytics Department prepare and present to the City Council, during the first half of CY2023, a customer service strategy and roadmap to expand digital services, including the resources necessary, with the intent to create a 3-1-1 call center system. The Audit Committee approved this motion 4-0. Additionally, on January 6, 2023, the Rules Committee discussed its CY2023 Rules Committee Priorities, and members of the committee indicated their support to have OCA's recommendations implemented, including establishing a centralized 3-1-1 contact option.

During the last reporting period, this recommendation was deemed as Will Not Implement. However, OCA requested that the recommendation remain open until the request is completed. The Audit Committee approved this request 5-0.

In June 2023 the department provided a draft of the Digital Customer Experience Report to the Audit Committee which lays the foundation for actions, methods, and plans needed to usher in a future state envisioned by the City's Strategic Plan. Additionally, the department noted that it plans to revise the report based on feedback it plans to obtain in the summer, and plans to share a revised draft with the Audit Committee later in the year. Once the plan is finalized, OCA will recommend a disposition of this item to the Audit Committee.

Issue Date: October 6, 2022

Original Target Date: TBD

Current Target Date: TBD

Personnel Department

20-011   **Performance Audit of Strategic Human Capital Management**
(NO) (GT)

Recommendation 14   (Priority 1)

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

This recommendation is in process. Per a note from Personnel, "The Personnel Department has finalized a new internal NEOGOV report that better identifies recruitment problems to proactively submit SSA recommendations for the Fiscal Year 2025 Salary Review Process." In an additional email exchange, Personnel noted that the recommendation will be presented at the September CSC meeting. Therefore, OCA does not have further updates until that meeting.

Issue Date: April 23, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~   ~~July 2022~~   ~~Unknown~~   September 2023

21-006   **Performance Audit of Strategic Human Capital Management II: Employee Performance Management**
(NO) (GT)

Recommendation 1   (Priority 2)

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 the Personnel Department (Personnel), a Personnel report is being created that will show the completion rates of employees by department to be used for the City's Annual Workforce Report.

Issue Date: November 25, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~December 2022~~ ~~June 2023~~ December 2023

Recommendation 10   (Priority 2)

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.

Priority for registration should be given to supervising employees who have not taken City courses on supervision or discipline.

The Chief Operating Officer should implement a requirement that departmental appointing authoritie s 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

The Personnel Department (Personnel) reported this recommendation as Implemented; however, after OCA reviewed the supporting documentation, it is deemed as In Process. Personnel provided documentation that supervisors can sign up for Employee Performance Review Program (EPRP) and Appointing Authority Interview Training (AAIT) classes through SuccessFactors. These classes are now offered online on a bi-monthly basis, supervisors who have not taken these courses have multiple opportunities to do so.

Additionally, Personnel created a new bi-weekly report that identifies new and current supervisors in SAP. This bi-weekly report is 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. These reports address the recommendation requirement for developing a mechanism to monitor and report the number of new supervisors who have completed these trainings.

Finally, new Supervisors automatically receive an email informing them to enroll in the City's AAIT and EPRP training classes. This helps to ensure that all new supervisors are notified of and can easily enroll in these trainings.

While management has provided multiple ways for supervisors to take the training and encouraged supervisors to do so, it has not implemented a requirement for supervisors to complete these courses. Once such a requirement has been adopted, and/or management can demonstrate that the current system of encouragement has been effective in ensuring supervisors take the courses, the recommendation will be considered implemented.

Public Utilities Department

19-003	Performance Audit of the Public Utilities Department's Water Billing Operation

(JP)

Recommendation 2 (Priority 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

This recommendation is in process. According to the Public Utilities Department (PUD), implausibles reports are generated on a weekly basis to show the daily number resolved by day as well as a running total of unresolved. These weekly reports are then summarized on a monthly basis to show the average resolved implausibles. According to PUD, these reports are analyzed to implement process improvements, such as needed SAP enhancements or changing the criteria for triggering an implausible. PUD provided a copy of the January to June 2023 analysis with a written explanation for each implausible type.

However, PUD reported that it is not currently analyzing re-billings or complaints on at least a 6-month basis, as recommended. For re-billings, PUD is currently working with the ERP team to modify the rebill reason code list in SAP and make the selection

of a rebill reason code mandatory for team members to provide more reliable data. This will be followed by team member training on the modified rebill reason code process. For customer complaints, PUD currently does not have a method of tracking all complaints. PUD reported that it continues to agree with performing such analysis, and it will work to implement this part of the recommendation. Additionally, PUD reported that it has not yet identified a KPI to include to address implausibles, rebillings, and complaints, but expects to have one for the FY25 budget. Therefore, this recommendation remains in process.

Issue Date: July 26, 2018

Original Target Date: April 2019

Current Target Date: ~~April 2019~~ ~~June 2019~~ ~~April 2020~~ ~~July 2020~~ ~~January 2023~~ ~~June 2023~~ January 2024

Recommendation 10   (Priority 2)

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

This recommendation is in process. According to PUD, ERP is currently testing an SAP enhancement to send notifications to customers—either by email or USPS, depending on customer preference—when a bill is not issued. The notification will be sent 7 days after the missed billing, provide a reason for the missed billing, inform the customer that after an investigation, the bill will be issued and the customer will remain responsible for the bill, and provide customer service contact information. PUD reported that this enhancement is scheduled to go into production once the ERP team finishes its testing. According to PUD, no ETA was provided. Once the notification process is in place and functioning, OCA will review evidence to confirm that the recommendation is implemented.

Issue Date: July 26, 2018

Original Target Date: September 2018

Current Target Date: ~~September 2018~~ ~~June 2019~~ ~~January 2020~~ ~~July 2020~~ ~~June 2021~~ ~~July 2021~~ ~~January 2023~~ ~~July 2023~~ November 2023

19-019 **Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)** (MJ)

Recommendation 1 (Priority 2)

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

According to the Public Utilities Department (PUD), the Amazon Connect system is expected to launch this fall, likely late September. PUD is currently wrapping up development testing and then will begin training for all team members who will use the new platform.

Issue Date: June 4, 2019

Original Target Date: January 2020

Current Target Date: ~~January 2020~~ ~~June 2020~~ ~~June 2021~~ ~~August 2021~~ ~~January 2023~~ ~~June 2023~~ December 2023

Recommendation 2 (Priority 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

The department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, the Public Utilities Department indicated that Amazon Connect (new contact center software "solution") was still not in place. Department of IT's latest estimate was May.

Issue Date: June 4, 2019

Original Target Date: January 2020

Current Target Date: ~~January 2020~~ ~~January 2021~~ ~~July 2021~~ ~~January 2023~~ ~~June 2023~~ December 2023

Recommendation 3   (Priority 2)

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

According to the Public Utilities Department (PUD), the Amazon Connect system is expected to launch this fall, likely late September. PUD is currently wrapping up development testing and then will begin training for all team members who will use the new platform.

Issue Date: June 4, 2019

Original Target Date: December 2019

Current Target Date: ~~December 2019~~   ~~July 2020~~   ~~January 2021~~   ~~Unknown~~   ~~January 2023~~   ~~June 2023~~   December 2023

21-001	Follow-Up Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program

(SM)

Recommendation 4   (Priority 1)

Upon completion of the fee study, the Public Utilities Department should work with the Office of the City Attorney and the Participating Agencies to review and revise, as appropriate, Interjurisdictional Agreements to include fees for service that achieve appropriate cost recovery under the guidelines of Council Policy 100-05 and Administrative Regulation 95.25, as well as Proposition 218. The revised agreements should include mechanisms to adjust fees in response to changes in the cost of service.

In Process

PUD indicated that this recommendation remains in process. No substantial update this reporting period. PUD's last update stated it is still waiting for Participating Agencies to review and revise.

Issue Date: July 15, 2020

Original Target Date: November 2020

Current Target Date: ~~November 2020~~   ~~July 2021~~   ~~August 2022~~   ~~July 2023~~ July 2024

Recommendation 6 (Priority 1)

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 period. PUD's last update indicated that once current negotiations are completed with PA's, PUD will start negotiations on moving IWCP budget from Muni to Sewer Fund.

Issue Date: July 15, 2020

Original Target Date: July 2022

Current Target Date: ~~July 2022~~ ~~July 2023~~ ~~July 2024~~ July 2025

Recommendation 9 (Priority 1)

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

In Process

PUD reported that PIMS was on track to go live by the end of July 2023. Once it is live, PUD will be able to provide the proper documentation for implementation.

Issue Date: July 15, 2020

Original Target Date: June 2021

Current Target Date: ~~June 2021~~ ~~June 2022~~ ~~January 2023~~ July 2023

21-010	Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program – Part II

(SM)

Recommendation 5 (Priority 2)

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

According to the department, SOP's have been reviewed by HR and their CAO liaison. SOPs are being reviewed by PUD's CAO liaison. Once review is complete, the SOPs will go to MEA to review/respond.

Issue Date: March 11, 2021

Original Target Date: July 2022

Current Target Date: ~~July 2022~~   July 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)

Recommendation 2   (Priority 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

This recommendation is in process. The Purchasing & Contracting Department (P&C) previously reported that the ERP Team had developed a BO report that will assist with identifying all POs associated with a vendor, whether tied to a contract or not. Completion of this report occurred the first week of January 2023 and P&C reported that it would develop written policies for staff on how to evaluate the report. However, no documentation of such policies was provided by the department. In addition, P&C met with OCA to review the reports in progress. OCA recommended that more automation is needed to meet the volume of City business. Therefore, OCA will continue to follow up on this recommendation.

Issue Date: January 16, 2015

Original Target Date: N/A

Current Target Date: ~~January 2017~~ ~~June 2017~~ ~~June 2022~~ ~~April 2019~~ ~~December 2020~~ ~~December 2021~~ ~~March 2022~~ ~~May 2022~~ ~~August 2022~~ ~~March 2023~~ August 2023

15-016   Performance Audit of Citywide Contract Oversight
(MJ)

Recommendation 1   (Priority 2)

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.
   f. 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 department has not provided an update since January 2023 and has not yet arranged a meeting with OCA to determine a path forward.

As of the prior reporting period, the Purchasing & Contracting Department (P&C) reported that it would like to revisit this recommendation with the Auditor's Office, since not all contracts utilize Outline Agreements (OAs). P&C stated that it would arrange a meeting to determine a path forward.

Issue Date: April 25, 2015

Original Target Date: ~~TBD~~ January 2017

Current Target Date: ~~January 2017~~ ~~June 2017~~ ~~June 2022~~ ~~December 2020~~ ~~Unknown~~ ~~December 2021~~ ~~February 2022~~ ~~August 2022~~ ~~March 2023~~ September 2023

Recommendation 3 (Priority 2)

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 department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, the Purchasing & Contracting Department (P&C) reported that the ERP team completed the Business Objects reports in early January 2023 which will assist with contract administration. P&C will finalize the contract administration manual and provide a copy to the Office of the City Auditor for review. P&C plans to have quarterly training dates available for contract administrators, however, ad-hoc training can be requested at any time.

Issue Date: April 25, 2015

Original Target Date: November 2015

Current Target Date: ~~November 2016~~ ~~June 2017~~ ~~December 2020~~ ~~Unknown~~ ~~December 2021~~ ~~February 2022~~ ~~August 2022~~ ~~March 2023~~ September 2023

Recommendation 7 (Priority 2)

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.

g. 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 department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, the Purchasing & Contracting Department (P&C) reported that it has been working on standard vendor evaluation reports and process. Once a written process has been established, quarterly training will be made available for city departments. Training will occur quarterly for those in need.

Issue Date: April 25, 2015

Original Target Date: ~~N/A~~   November 2016

Current Target Date: ~~November 2016~~   ~~June 2017~~   ~~January 2019~~ ~~December 2020~~   ~~Unknown~~   ~~December 2021~~   ~~February 2022~~   ~~August 2022~~ ~~March 2023~~   September 2023

Recommendation 8 (Priority 2)

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 department has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, the Purchasing & Contracting Department (P&C) reported that it stopped working on this task to focus on the development of the Procurement Academy as a strong need to ensure departments understand the procurement process and their role, presented itself. Now that the academy makeup

and first iteration has been completed, P&C will resume working on this item. P&C expected to have progress by the end of March 2023.

Issue Date: April 25, 2015

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

Current Target Date: ~~January 2017~~ ~~June 2017~~ ~~April 2018~~ ~~May 2018~~ ~~April 2019~~ ~~January 2020~~ ~~February 2020~~ ~~November 2020~~ ~~December 2021~~ ~~February 2022~~ ~~September 2022~~ ~~March 2023~~ September 2023

16–016   Performance Audit of Selected Contracts
(DK)

Recommendation 1   (Priority 3)

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

This recommendation is in process. Purchasing & Contracting confirmed that its Contract Administration Manual will be finalized in the near future and it will send the finalized manual to the OCA for review. Purchasing & Contracting also confirmed it will send documentation of training materials provided internally and to client departments.

Issue Date: April 21, 2016

Original Target Date: November 2016

Current Target Date: ~~November 2016~~ ~~January 2017~~ ~~June 2017~~ ~~September 2020~~ ~~December 2021~~ ~~March 2022~~ ~~September 2022~~ ~~March 2023~~ September 2023

Recommendation 2   (Priority 3)

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

This recommendation is in process. Purchasing & Contracting confirmed that its Contract Administration Manual will be finalized in the near future and it will send the finalized manual to the OCA for review. Purchasing & Contracting also confirmed it will send documentation of training materials provided internally and to client departments.

Issue Date: April 21, 2016

Original Target Date: November 2016

Current Target Date: ~~November 2016~~   ~~January 2017~~   ~~June 2017~~   ~~June 2022~~ ~~December 2020~~   ~~Unknown~~   ~~December 2021~~   ~~February 2022~~   ~~November 2022~~ ~~March 2023~~   ~~September 2023~~   Month XXXX

21-002	Agreed-Upon Procedures Related to the Central Stores Physical Inventory - Fiscal Year 2020

(DN)

Recommendation 1	(Priority 2)

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 has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, the department reported that Central Stores was testing handheld scanners in its warehouse. During discussions with DoIT, it was identified that software for scanners and integration into the City's ERP system cannot occur through existing contracts. P&C will work to develop an RFP to find a solution that will be able to quickly an seamlessly integrate as required. The purchase of the final scanners will take longer than anticipated.

Issue Date: September 14, 2020

Original Target Date: April 2021

Current Target Date: ~~April 2021~~   ~~March 2022~~   ~~September 2022~~   ~~June 2023~~ September 2023

Recommendation 2 (Priority 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 has not provided an update since January 2023. OCA will continue to follow up during the next reporting period.

As of the prior reporting period, the department reported that additional time was required to complete the revised policies and procedures based on the adoption of Warehouse Management.

Issue Date: September 14, 2020

Original Target Date: June 2021

Current Target Date: ~~June 2021~~ ~~December 2021~~ ~~Unknown~~ ~~December 2022~~ ~~June 2023~~ December 2023

21-005 **Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program**
(CN)

Recommendation 3 (Priority 2)

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 staff needs additional time to determine how to utilize the report to address the recommendation.

Issue Date: November 24, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~ ~~June 2022~~ ~~June 2023~~ June 2024

Recommendation 4 (Priority 2)

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 staff needs additional time to determine how to utilize the report to address the recommendation .

Issue Date: November 24, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~   ~~June 2022~~   ~~December 2022~~   ~~June 2023~~ June 2024

Recommendation 5 (Priority 2)

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;

        • 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 staff needs additional time to determine how to utilize the report to address the recommendation.

Issue Date: November 24, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~   ~~June 2022~~   ~~June 2023~~   June 2024

Recommendation 7 (Priority 2)

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 determine how to utilize the report to address the recommendation.

Issue Date: November 24, 2020

Original Target Date: January 2022

Current Target Date: ~~January 2022~~   ~~December 2022~~   ~~June 2023~~   June 2024

Recommendation 9 (Priority 2)

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 determine   how to utilize the report to address the recommendation.

Issue Date: November 24, 2020

Original Target Date: January 2022

Current Target Date: ~~January 2022~~   ~~June 2023~~   June 2024

Recommendation 12   (Priority 2)

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

The department reported that staff needs   additional time to determine how to utilize the report to address the recommendation.

Issue Date: November 24, 2020

Original Target Date: December 2021

Current Target Date: ~~December 2021~~   ~~June 2022~~   ~~June 2023~~   June 2024

22–001   Performance Audit of the City's Use of CARES Act Funds
(JP) (DK)

Recommendation 3   (Priority 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

According to the department, the contract for food services was taken to Council on January 10, 2023. Purchasing & Contracting (P&C) will work with City Attorney's Office on best course of action for the shower contract.

Issue Date: July 21, 2021

Original Target Date: October 2021

Current Target Date: ~~October 2021~~   ~~March 2022~~   ~~August 2022~~   ~~March 2023~~
September 2023

Risk Management

20–015   Performance Audit of the City's Public Liability Management (GT)

Recommendation 1   (Priority 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

According to the City's Compliance Department, the Charter document codifying the authority and objectives of the Safety and Risk Oversight Committee (SROC) will likely be finalized by September 30, 2023. Additionally, according to the Risk Management

Department (RM), the department created a new Loss Control Division in FY2023 that will assist departments in reviewing and analyzing claims data to help determine what actions can be taken to mitigate their loss experience. According to RM, the team is currently becoming familiar with the public liability claims database and is starting to analyze claims data. Furthermore, RM stated that the FY2022 Risk Management Annual Report has been delayed due to the employee who prepares the report being out for a prolonged period of time due to a personal injury. Once it became apparent that the employee would not be returning any time soon, the department assigned other staff to prepare the report, which involves training staff on how to put together the report. Therefore, the FY2022 Annual Report has not yet be released.

Based on the updates from the Compliance Department and the Risk Management Department, the implementation date for this recommendation is being postponed to September 30, 2023 to allow additional time for the formalization of SRCO's Charter document, the release of Risk Management's FY2022 Annual Report, and an update on the progress that Risk Management's new Loss Control Division has made in helping departments with their risk mitigation measures.

Issue Date: June 11, 2020

Original Target Date: December 2020

Current Target Date: ~~December 2020~~   ~~December 2021~~   ~~November 2022~~   ~~March 2023~~   September 2023

22-008	Performance Audit of Workplace Safety and Workers' Compensation

(JP)

Recommendation 10	(Priority 2)

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 recommendation is in-process. Workers' Compensation has made progress towards implementation, including implementing new fraud investigation procedures and capabilities in its claims management system, iVos. These improvements allow claims representatives to document key information in reportable fields that allow

supervisors and managers to run reports on investigation progress. It will also allow analysis of fraud red flags and tips, but Workers' Compensation has not conducted this analysis or presented it to the Safety and Risk Oversight Committee, because the system does not yet have enough data to produce useful analysis. According to Workers' Compensation, the system should have enough data by the end of the year to analyze and present to the Safety and Risk Oversight Committee by June 30, 2024.

Issue Date: May 9, 2022

Original Target Date: December 2022

Current Target Date: ~~December 2022~~ ~~May 2023~~ June 2024

San Diego Police Department

21-004	Performance Audit of San Diego Police Department's Data Analysis

(JP)

Recommendation 2 (Priority 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 data directly to the FBI since 2021, and has since been certified in mid-2022 to report the California state specific CIBRS data to Cal DOJ. Errors and warnings from Cal DOJ data is continuously QA/QC'd by both Crime Analysis and the Records Division in SDPD. Department Procedure 6.04 is still undergoing the review process and will be implemented as soon as review is complete.

Issue Date: September 28, 2020

Original Target Date: June 2022

Current Target Date: ~~June 2022~~ ~~December 2022~~ December 2023

Recommendation 4 (Priority 2)

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, this recommendation is in process. SDPD has developed dashboards to provide analyses to commanders and officers. SDPD has issued a training bulletin to provide guidance on use of the dashboards for planning and evaluating operations. SDPD issued a department order requiring command staff members use the data dashboards monthly to deploy resources more effectively and develop strategies to enhance investigative abilities. Additionally, SDPD has not yet made a publicly available version of the dashboard to meet the recommendation's intention of providing analyses to the public. According to SDPD, the public dashboard project requires City IT governance approval and support from outside vendors and other IT resources, so implementation will take time and effort.

Issue Date: September 28, 2020

Original Target Date: June 2022

Current Target Date: ~~June 2022~~ ~~August 2022~~ August 2023

23-005 Performance Audit of the City's Towing Program
(NO) (MJ) (NK)

Recommendation 3 (Priority 2)

As the primary department administering the City's towing program, the San Diego Police Department (SDPD) should solicit, compile, and report information to City Council on potential policy options for the towing program. SDPD should solicit, compile, and report information from stakeholder departments, which may include, for example, information on:

a. Alternative fee models, fee forgiveness options, and/or income-based payment plan options (City Treasurer's Office);
b. Policy options to mitigate potential impacts on residents or segments of resident populations (Homelessness Strategies and Solutions; Office of Race and Equity);
c. Legal considerations associated with policy options (Office of the City Attorney);
d. Potential changes to towing and impound provider contracts (Purchasing and Contracting); and
e. Enforcement considerations associated with policy options including options for

increasing enforcement based on complaint trends, safety considerations, or other factors, as well as enforcement alternatives to towing (SDPD).

SDPD should incorporate the input from stakeholder departments in future towing program updates to City Council, consistent with the reporting frequency set forth in Recommendation 1.

In Process

At the time of the report issuance, SDPD indicated that it recognized the City's concerns about balancing its interest of enforcement with mitigating disproportionate impacts of towing on low income individuals, and would work with City leadership in an effort to identify problems and assist in the City's policy decisions for the Tow Administration Program. Under the guidance of the City Council, SDPD will explore any adjustments to the program, consistent with State Law, and maximize the effectiveness of the Tow Administration Program.

In addition, Councilmember Whitburn has decided to hold off on proposed towing policy changes until the outcome of the State's bill on unpaid parking citations.

Issue Date: November 14, 2022

Original Target Date: Disagree

Current Target Date: Unknown

Recommendation 4 (Priority 2)

The San Diego Police Department should continue to conduct quarterly performance evaluations for its licensed towing and impound contractors and submit these forms to the Purchasing and Contracting Department for monitoring.

In Process

This recommendation is in process. According to SDPD, in regards to reporting to the San Diego City Council on an annual basis, its practice of reporting was actually quarterly. This has been SDPD's practice since the onset of the audit and SDPD has to date submitted 13 inspections. The report is sent to the Purchasing and Contracts Department (P&C) to allow them to ensure compliance through established contracts. Although not yet in written form, but will be part of the new contracts starting August 1, 2023 (the Tow Admin Sgt and P&C are working on language), the LIPs (License Impound Providers) and the LTPs (License Tow Providers) will be spot checked annually, unless there is an issue and then the respective LIP/LTP will be inspected quarterly until it is ensured in compliance.

Issue Date: November 14, 2022

Original Target Date: Implemented

Current Target Date: Unknown

Stormwater Department

18–023	Performance Audit of the Storm Water Division
(MJ)	

Recommendation 9 (Priority 2)

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**

This recommendation is in process. Over the past five years, the Stormwater Department has made several requests to receive funding for its reinspection program, which is one of its full-cost recovery strategies identified in its funding strategy. Each time, this request has been prioritized against other City budgetary needs and was not selected for funding. At this time, the Stormwater Department is unable to move forward with implementing this recommendation without approval of the budget request. With the department's efforts to maximize existing funding options with a focus on cost recovery, the Stormwater Department will continue to make this request until it is approved. According to the department, it has included this additional resource in the Fiscal Year 2025-2029 Five-Year Financial Outlook and will include it in the FY2025 budget request.

Issue Date: June 14, 2018

Original Target Date: January 2020

Current Target Date: ~~January 2020~~   ~~July 2021~~   ~~July 2022~~   July 2023

Attachment D

Recommendations Deemed as In Process and Original Target Dates are Not Due

This attachment includes all recommendations with original target dates that are not due as of June 30, 2023 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.

Chief Compliance Officer

22–008	Performance Audit of Workplace Safety and Workers' Compensation

(JP)

Recommendation 1 (Priority 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

Compliance reported that it is working on a draft Process Narrative for the IIPP process and anticipates that this may be completed by October 31, 2023.

Issue Date: May 9, 2022

Original Target Date: December 2023

Current Target Date: ~~December 2023~~ October 2023

Recommendation 8 (Priority 1)

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

According to the department, Compliance's Safety and Training Manager position was filled briefly before the employee left for a promotion in another City Department. Compliance anticipates filling the position by September 2023. New Safety and Training Manager can pick up the work and Compliance anticipates having the program completed by January 1, 2024.

Issue Date: May 9, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~   January 2024

Chief Operating Officer

23-08   **Hotline Report of Unsafe Driving by City Employees**
(AH) (GR)

Recommendation 2   (Priority 3)

We recommend that the Chief Operating Officer review the circumstances surrounding the 39 instances of vehicle and industrial incident review, reporting, and disciplinary process failures over the past five fiscal years to determine the root causes of the problems and ensure that the necessary corrective actions are taken, to include additional training, policy changes, or other necessary actions.

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.

Issue Date: April 17, 2023

Original Target Date: December 2023

Current Target Date: December 2023

Recommendation 3   (Priority 3)

We recommend that the Chief Operating Officer consider including a reference to Administrative Regulation 75.05, regarding unsafe backing, and any other relevant City policies, to the new City employee policy orientation curriculum.

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.

According to the Compliance Department, staff is on track to complete this recommendation by August 2023.

Issue Date: April 17, 2023

Original Target Date: August 2023

Current Target Date: August 2023

City Clerk

20-013	IT Performance Audit of Citywide Data Classification and Sensitive Data Encryption

(TS)

Recommendation 5	(Priority 1)

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

In Process

This recommendation is in process. The three city data management authorities are developing an Administrative Regulation defining the City Data Governance Model and the roles and responsibilities of each of the City data management entities. The Administrative Regulation is aligned with the work being completed on the data governance model and is anticipated to be completed on July 1, 2024.

Issue Date: May 29, 2020

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ July 2024

Department of Real Estate and Airport Management

22-007	Performance Audit of the City's Lease Management and Renewal Process

(NO) (SM) (NK)

Recommendation 4	(Priority 2)

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 has not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up during the next reporting period.

> **Issue Date:** February 9, 2022

> **Original Target Date:** February 2024

> **Current Target Date:** ~~February 2024~~ April 2024

Recommendation 6 (Priority 1)

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 not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up during the next reporting period.

> **Issue Date:** February 9, 2022

> **Original Target Date:** February 2024

> **Current Target Date:** ~~February 2024~~ March 2024

Recommendation 12 (Priority 2)

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

According to the department, the RFP for new lease administration software will soon be awarded. Once the department has new software, it can move forward with implementing this recommendation.

Issue Date: February 9, 2022

Original Target Date: February 2024

Current Target Date: ~~February 2024~~   October 2023

Recommendation 13 (Priority 2)

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

According to the department, the RFP for new lease administration software will soon be awarded. Once the department has new software, it can move forward with implementing this recommendation.

Issue Date: February 9, 2022

Original Target Date: February 2024

Current Target Date: ~~February 2024~~   April 2024

23-002   Performance Audit of Mission Bay and San Diego Regional Parks Improvement Funds, Fiscal Year 2021
(RG)

Recommendation 3 (Priority 2)

To improve oversight and accountability in lease management practices, we recommend: The Department of Real Estate and Airport Management should conduct and document routine site visits of leased properties on Mission Bay Lands at a minimum frequency of once every 3 years to ensure properties are being well maintained and are being operated in accordance with the lease terms. The documentation should include, but not be limited to:

   • Verification that insurance certificates are current;
   • Verification that rent adjustments are current;
   • Verification that sublease operations are properly approved;
   • Condition of the leasehold, based on a visual inspection; and
   • Potential safety violations or hazard identified based on a visual inspection.

Should staff identify any violations to lease terms, staff should notify lessees in writing and request they cure the issue.

In Process

The department provided OCA with copies of Property Inspection Reports completed during the past year. The reports provided do not include all of the elements described in the recommendation, so this recommendation is still in process.

Issue Date: August 2, 2022

Original Target Date: July 2025

Current Target Date: July 2025

Recommendation 4 (Priority 2)

The Department of Real Estate and Airport Management should require lessees to submit annual rent rolls to the City to allow City staff to reconcile subleases annually and timely identify expiring subleases or non-approved subleases.

In Process

The department has not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up during the next reporting cycle.

Issue Date: August 2, 2022

Original Target Date: July 2024

Current Target Date: July 2024

Recommendation 5 (Priority 2)

The Department of Real Estate and Airport Management should include a Facility Condition Inspection clause in future leases involving in-water improvements to ensure that docks, piers, or marinas are being properly maintained.

In Process

The department has not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up during the next reporting cycle.

Issue Date: August 2, 2022

Original Target Date: July 2024

Current Target Date: July 2024

Development Services

22-009	**Performance Audit of the Development Services Department's Code Enforcement Division**

(GT) (AR)

Recommendation 1 (Priority 2)

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

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 2 (Priority 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**

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 3 (Priority 2)

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**

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 4 (Priority 2)

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**

> The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

> **Issue Date:** June 9, 2022

> **Original Target Date:** July 2023

> **Current Target Date:** July 2023

Recommendation 5 (Priority 2)

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**

> The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

> **Issue Date:** June 9, 2022

> **Original Target Date:** July 2023

> **Current Target Date:** July 2023

Recommendation 6 (Priority 2)

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**

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 7 (Priority 1)

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**

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 8 (Priority 2)

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

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 9 (Priority 2)

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

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 10 (Priority 2)

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

The department indicated it would implement the recommendation dependent on additional resources. The implementation date is in the next reporting period. OCA will continue to follow up during the next reporting cycle.

Issue Date: June 9, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Engineering & Capital Projects

23–09	Performance Audit of the City's Capital Improvement Project Approval Process

(GT) (DK)

Recommendation 1.1	(Priority 2)

The Engineering & Capital Projects Department (E&CP) and the Department of Finance (DoF), as co-chairs of CIPRAC, should formalize the Preliminary Engineering (P) project phase to provide sufficient time and funding to scope a newly approved CIP project and create an accurate cost estimate and achievable funding strategy. The two departments should lead the effort to either revise an existing and relevant Council Policy, such as Council Policy 000-02, or draft and seek approval of a new Council Policy to require all new projects to start as P-projects unless E&CP and DoF can verify that the new project is "project ready" (i.e., has addressed the elements listed in A. i, ii, iii, and iv below.). The two departments should also ensure supporting process narratives, such as PN-0213, are updated to conform with the new or revised Council Policy.

a. The new P-project policy should establish stage gates within the P-project phase that will not allow a project to progress past the P-project phase without certain key elements that, based on E&CP and DoF's assessment, would ensure a project is "project ready." E&CP and DoF, as applicable, should define and require the following elements:
   i. A well-defined project scope;
   ii. Reasonably accurate total project cost estimates;
   iii. A realistic funding plan/strategy; and
   iv. Sufficient preparation for land acquisition and permitting, if applicable.

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.

Issue Date: June 1, 2023

Original Target Date: June 2024

Current Target Date: June 2024

Recommendation 1.2 (Priority 2)

The Engineering & Capital Projects Department (E&CP) and the Department of Finance (DoF), as co-chairs of CIPRAC, should work to establish standardized project delivery timelines for projects that have completed the P-project phase and reassess these timelines on a regular 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.

Issue Date: June 1, 2023

Original Target Date: June 2024

Current Target Date: June 2024

Recommendation 1.3 (Priority 2)

CIPRAC should review all S-projects approved prior to the rollout of the P-project initiative in 2018, with a special focus on inactive projects, to assess whether projects are still feasible and whether they still align with the City's goals, needs, expectations, funding plan/strategy, and the requirements of the newly adopted Council Policy 800-14. Once CIPRAC has identified S-projects that do not meet these elements, the committee should develop and present a proposal to the City Council for E&CP to either recategorize such projects as P-projects or request cancellation of such projects.

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.

Issue Date: June 1, 2023

Original Target Date: June 2024

Current Target Date: June 2024

Parks & Recreation

22-005	Performance Audit of Equity in Recreation Programming

(AR) (MS)

Recommendation 3 (Priority 1)

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

This recommendation is in process. According to the department, it has identified action steps and timelines to implement the recommendation. It also noted that the last Cost of Service Study was conducted in 2019 to support the last update to the department's fee schedule in July 2023, and that the next required update is in 2028. The department also noted that in order to address this recommendation, staff will consider when to conduct the necessary steps for a new cost of service study and fee update.

Issue Date: November 10, 2021

Original Target Date: June 2025

Current Target Date: June 2025

Performance & Analytics

23-004	Performance Audit of the City's Get It Done Application and Service Requests Management

(NO) (MS) (SM)

Recommendation 1 (Priority 2)

To improve transparency and accountability, the Performance and Analytics Department should follow through with including estimated completion times and the target completion times in the Get It Done report submission screen.

In Process

This recommendation is in process. The Performance and Analytics Department (PandA) has identified action steps and target completion times to implement the recommendation. Additionally, PandA indicated that it is working on completing the Get It Done live insights dashboard.

Issue Date: October 6, 2022

Original Target Date: December 2023

Current Target Date: June 2024

Recommendation 2 (Priority 3)

To improve the Get It Done customer experience, the Performance and Analytics Department should review, identify, prioritize, and document which services could feasibly include progress updates to customers (i.e., "interim" steps). As part of this effort, PandA should also articulate a plan and timeline for developing progress updates to customers for these service request types.

In Process

This recommendation is in process. The Performance and Analytics Department (PandA) has identified action steps and target completion times to implement the recommendation. Additionally, In June 2023, PandA released the draft Digital Customer Experience Strategy, which identifies performance coach needs to improve customer communications.

Issue Date: October 6, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ July 2025

Risk Management

22–008	Performance Audit of Workplace Safety and Workers' Compensation
(JP)	

Recommendation 6 (Priority 2)

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

The department has not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up with the department for the next reporting period.

Issue Date: May 9, 2022

Original Target Date: December 2023

Current Target Date: December 2023

San Diego Housing Commission

23-07	Performance Audit of the San Diego Housing Commission's Homelessness Services Contract Management
	(JP) (AR)

Recommendation 1.2 (Priority 2)

When the San Diego Housing Commission next updates its Statement of Procurement Policy, it should require Statements for Public Disclosure for sole source contracts in accordance with its Conflict of Interest Policy.

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.

Issue Date: March 2, 2023

Original Target Date: February 2024

Current Target Date: February 2024

San Diego Police Department

21–011	Hotline Investigation of Board-Up Services

(GR)

Recommendation 3 (Priority 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 the department, the recommendation implementation is now pending a training bulletin from the Research, Analysis, and Planning Unit.

Issue Date: June 24, 2021

Original Target Date: October 2023

Current Target Date: ~~October 2023~~ December 2023

23–001	Performance Audit of SDPD's Use and Management of Body Cameras

(CN) (DK)

Recommendation 1 (Priority 2)

The San Diego Police Department (SDPD) should amend its body camera procedure to require officers to turn on event mode to record body camera videos for all dispatched events and calls for service, including all incidents directed or self-initiated. SDPD should train all body camera users and supervisors on the new requirement. This recommendation would not impact SDPD's current procedure that requires officers to begin recording while driving to a call and prior to actual contact with a member of the public. Additionally, this recommendation should only impact calls for service and dispatched calls. Therefore, SDPD could keep its current procedure that allows officers to not record suspect interviews if the suspect declines to make a statement due to the body camera being activated and the SDPD procedure that prohibits recordings during contact with confidential informants.

In Process

SDPD has shown OCA the proposed updated language for Department Procedure 1.49, which is congruent with this recommendation. This updated language is pending as it is subject to the meet and confer process with the San Diego Police Officer's Association before implementation. Once the updated language has been approved by POA, Procedure 1.49 has formally been updated, and training has been rolled out to staff, this recommendation will be considered implemented.

> **Issue Date:** July 20, 2022
>
> **Original Target Date:** July 2023
>
> **Current Target Date:** ~~July 2023~~   December 2023

Recommendation 2 (Priority 2)

The San Diego Police Department (SDPD) should update the section in Procedure 1.49 related to supervisor reviews of officer videos to ensure supervisors confirm there is a body camera video for all dispatched events for each officer for days selected in the monthly review. SDPD should train all supervisors on the new requirement. This recommendation would not require supervisors to watch additional videos.

In Process

SDPD has shown OCA the proposed updated language for Department Procedure 1.49, which is congruent with this recommendation. This updated language is pending as it is subject to the meet and confer process with the San Diego Police Officer's Association before implementation. Once the updated language has been approved by POA, Procedure 1.49 has formally been updated, and training has been rolled out to supervisors, this recommendation will be considered implemented.

> **Issue Date:** July 20, 2022
>
> **Original Target Date:** July 2023
>
> **Current Target Date:** ~~July 2023~~   December 2023

Recommendation 3 (Priority 2)

The San Diego Police Department (SDPD) should clarify in Procedure 1.49 specifically when officers can stop recording an incident with their body camera. The procedure should clarify the definition of the conclusion of an incident and include examples. SDPD should communicate this procedural update in a department-wide training.

In Process

SDPD has shown OCA the proposed updated language for Department Procedure 1.49, which is congruent with this recommendation. This updated language is pending as it is subject to the meet and confer process with the San Diego Police Officer's Association before implementation. Once the updated language has been approved by POA, Procedure 1.49 has formally been updated, and training has been rolled out to staff, this recommendation will be considered implemented.

> **Issue Date:** July 20, 2022
>
> **Original Target Date:** July 2023
>
> **Current Target Date:** ~~July 2023~~   December 2023

Recommendation 4 (Priority 2)

The San Diego Police Department (SDPD) should add to the sergeant reviews section of Procedure 1.49 to require that supervisor reviews include reviewing the end of body camera videos to confirm compliance with procedure. This recommendation would not require supervisors to review additional videos beyond the monthly review process already in place. SDPD should communicate this procedural update in a department-wide training.

In Process

SDPD has shown OCA the proposed updated language for Department Procedure 1.49, which is congruent with this recommendation. This updated language is pending as it is subject to the meet and confer process with the San Diego Police Officer's Association before implementation. Once the updated language has been approved by POA, Procedure 1.49 has formally been updated, and training has been rolled out to staff, this recommendation will be considered implemented.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ December 2023

Recommendation 5 (Priority 2)

The San Diego Police Department (SDPD) should require in Procedure 1.49 that supervisor reviews of body camera videos include watching all videos categorized as BWC Training/Accidental to help ensure they are categorized and retained correctly. SDPD should include this procedural update in a department-wide training.

In Process

SDPD has shown OCA the proposed updated language for Department Procedure 1.49, which is congruent with this recommendation. This updated language is pending as it is subject to the meet and confer process with the San Diego Police Officer's Association before implementation. Once the updated language has been approved by POA, Procedure 1.49 has formally been updated, and training has been rolled out to staff, this recommendation will be considered implemented.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: ~~July 2023~~ December 2023

Recommendation 7 (Priority 3)

The San Diego Police Department (SDPD) should write and implement a policy or procedure detailing what body camera videos it releases and when, including critical incident videos.

- a. The policy should, at minimum, ensure compliance with state law and be easily understood by the public. The policy should list the types of incidents it is required to release body camera video for and list the reasons there may be exceptions to releasing a video. Exhibit 5 in the Background section of this report provides an example. To clarify that this policy is meant to mirror state law and not contradict state law, SDPD could state that this list is a summary of state law and that state law and subsequent court proceedings supersede the City policy.
- b. The policy should include SDPD's goal of releasing critical incident videos within 10 days of an officer involved shooting.
- c. The policy should require SDPD to disclose when it is only providing the requester a selection of body camera videos related to the incident that it has determined are most relevant, if the requester has asked for all videos related to the incident.
- d. The policy should detail the factors that go into weighing the interest in delaying disclosure against the public interest in disclosure of body camera videos required to be released under California Penal Code Section 832.
- e. SDPD should present the policy to the relevant City Council committee to educate the public on what body camera videos are available for public inspection, what body camera videos are left to the discretion of the Chief of Police, reasons for delay of disclosure of body camera videos, and the process for requesting body camera videos. The presentation should also explain the timeline for critical incident videos compared to the release of all body camera videos and records requested under California Penal Code Section 832.
- f. SDPD should post the policy on its public website.

In Process

SDPD has shown OCA the proposed updated language for Department Procedure 1.49, which is congruent with this recommendation. This updated language is pending as it is subject to the meet and confer process with the San Diego Police Officer's Association before implementation. Once the updated language has been approved by POA, Procedure 1.49 has formally been updated, the updated procedure has been presented to the relevant City Council committee, and the procedure has been posted on SDPD's public website, this recommendation will be considered implemented.

Issue Date: July 20, 2022

Original Target Date: July 2023

Current Target Date: July 2023

23–005   **Performance Audit of the City's Towing Program**

(NO) (MJ (NK)

Recommendation 1   (Priority 2)

The San Diego Police Department (SDPD) should present a report to the Public Safety and Livable Neighborhoods Committee and/or City Council periodically on the towing program's operations. The frequency of the report should be prior to each of the City's comprehensive user fee studies (currently conducted every 3 years), as well as prior to issuing or renewing a request for proposal for relevant towing and/or impound contracts. Based on City leadership's input and City Council's approval of the revised Council Policy in Recommendation 2, SDPD's periodic report should include all the following reporting elements and any others that SDPD deems as essential:

    a. Program overview to include Tow Administration Unit activities, such as training, inspections conducted, and operational changes or upgrades.

    b. Reporting of key program status and statistics:

        i. Total number of tows and vehicles sold via lien sales, broken out by tow reason;

        ii. Response times for licensed tow providers;

        iii. Number of vehicles towed/impounded by location per year;

        iv. Number of Get It Done requests for 72-hour parking violations;

        v. Time between vehicle impound and disposition; vi. Number of waivers given, including reasons; and

        vi. Number of post-storage hearing reversals (i.e., bad tows).

    c. Financial overview and impact to the City and residents:

        i. Total line-item costs for City labor, towing costs (fees paid to towing providers), dispatch costs, and any other pertinent costs;

        ii. Total line-item revenues of the program; if revenues are less than costs, include the reason(s) why—e.g., low fees and lien sale losses;

        iii. Cost recovery percentage and General Fund subsidy due to unrecovered fees and waivers;

        iv. Average fees accrued;

        v. Average lien sale price; and

        vi. Benchmarked user fees and tow rates.

The San Diego Police Department should also present the results of this audit report to the Public Safety and Livable Neighborhoods Committee prior to FY2024 RFP issuance.

❓ In Process

The department has not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up with the department for the next reporting period.

Issue Date: November 14, 2022

Original Target Date: July 2023

Current Target Date: July 2023

Recommendation 2 (Priority 2)

Prior to presentation of the next towing program update, the San Diego Police Department (SDPD) should work with City leadership to present a new or updated Council Policy 500-03 for City Council's approval. The revised Council Policy should codify the frequency of presenting the report, and provide specific guidance regarding information that should be contained in the report. The Council Policy should require that all of the information listed in Recommendation 1 be included in the periodic report, in addition to any other information that SDPD believes is essential. If SDPD determines any of the information listed in Recommendation 1 should not be required by the Council Policy, the staff report and presentation for the proposed Council Policy should include an explanation of why SDPD has determined the information is unnecessary or infeasible to provide.

? In Process

The department has not provided an update on the implementation status of this recommendation since it was issued. OCA will continue to follow up with the department for the next reporting period.

Issue Date: November 14, 2022

Original Target Date: July 2023

Current Target Date: July 2023