



THE CITY OF SAN DIEGO

DATE: April 12, 2021
TO: Executive Team and Department Directors
FROM: Andy Hanau, City Auditor
SUBJECT: Recommendation Implementation Work Plan Process

OVERVIEW

The attached Recommendation Implementation Work Plan (RIWP) template has been developed in consultation with City Management based on direction from the Audit Committee. Departments are requested to complete an RIWP for each audit or investigative recommendation management has agreed to implement. The objective is to provide departments with a helpful tool to document the critical steps, timeframes, and process owners necessary for timely and successful implementation of recommendations. In addition, the document will provide greater transparency to the Audit Committee and other stakeholders regarding the recommendation implementation process.

RIWPs will be requested for all new recommendations that management has agreed to implement. In addition, the Office of the City Auditor (OCA) or the Audit Committee may request RIWPs for selected past recommendations that are high priority and/or where implementation progress is behind schedule.

We look forward to working with you and your team as we implement the RIWP process. Please contact my office if you have questions or would like to discuss the required elements of the RIWP.

THE RECOMMENDATION IMPLEMENTATION PROCESS WILL BENEFIT FROM ADDITIONAL GUIDANCE AND CLARITY

Over time, City Management has made significant efforts and has implemented over 1,000 audit and investigative recommendations, which have improved the efficiency, effectiveness, and accountability of City operations. However, the number of recommendations that remain outstanding has grown. Currently, we are tracking approximately 202 recommendations that City Management has agreed to implement that are not implemented or are partially implemented—of which 103 are past the original

OFFICE OF THE CITY AUDITOR
600 B STREET, SUITE 1350 • SAN DIEGO, CA 92101
PHONE 619 533-3165 • FAX 619 533-3036

TO REPORT FRAUD, WASTE, OR ABUSE, CALL OUR FRAUD HOTLINE: (866) 809-3500



target implementation date.¹ When agreeing to implement recommendations, departments may not have considered or documented the critical path needed to achieve full implementation. In addition, departmental or OCA staff turnover has at times resulted in a lack of clarity over what evidence departments need to provide to demonstrate recommendation implementation. Departmental staff turnover has also resulted in a loss of institutional knowledge regarding recommendations, their current status, and the remaining steps needed to achieve implementation.

The RIWPs will assist departments in ensuring timely implementation in periods of staff turnover, as they will provide a record of steps taken to date and ensure a consistent, agreed-upon approach to resolving outstanding recommendations. Additionally, each RIWP shows the final deliverable including the evidence and supporting documentation OCA will require to demonstrate that a recommendation has been fully implemented. Discussing, establishing, and documenting these expectations at the outset of the implementation process will provide a more consistent approach to the recommendation follow-up and implementation process for both City Management and OCA.

RECOMMENDATION IMPLEMENTATION WORK PLAN PROCEDURE

The following procedure outlines the steps for OCA and departmental staff to follow in completing the Recommendation Implementation Work Plans (RIWPs). Please see the attached document for an example of a completed RIWP.

1. Within 7 calendar days after the issuance of the audit report or hotline report, OCA will provide the auditee an RIWP template for each recommendation the auditee agreed to implement. OCA will populate the following sections of the template prior to providing it to the auditee:
 - a. Recommendation (from the report)
 - b. Management Response (as indicated in the Management Response Letter)
 - c. Final Step Needed for OCA to Validate Implementation (indicates the documentation OCA requires as evidence that the recommendation has been fully implemented)
2. Using the provided RIWP template, departmental staff will develop a work plan for implementation of the recommendation listed, and populate the following sections:
 - a. Recommendation Owner

¹ For listings of each outstanding recommendation along with the implementation status as of December 31, 2020, see the City Auditor's biannual Recommendation Follow-Up Report at: [April 2021 - Audit Recommendation Follow-Up Report](#)

- b. Action Steps, Responsibilities, and Planned Completion Dates
3. Departmental staff should also review the Final Step Needed for OCA to Validate Implementation to ensure that the stated deliverables are clear. OCA will be available to discuss any requested revisions with departmental staff to ensure that deliverables are reasonable and understood. As the recommendation is being implemented, management can request updates to required deliverables if alternative means are identified to demonstrate that the intent of the recommendation has been met.
 4. Departmental staff will provide the completed RIWP to OCA within 30 calendar days of receiving the RIWP template. OCA will post the RIWP on a secure site that can be accessed by OCA and departmental staff for tracking and updating purposes.
 5. Departmental staff will review the RIWP and enter updates regularly to achieve implementation by the Planned Completion Date.
 6. Departmental staff will update the MK Insight system prior to June 30 and December 31 of each Fiscal Year for any/all Action Steps completed (for OCA's biannual Recommendation Follow-Up Report).
 7. When the recommendation has been implemented, departmental staff will upload evidence of implementation into the MK Insight system and change the status of the recommendation to "Implemented" in the MK Insight system. OCA staff will review the evidence to validate if the recommendation has been implemented to address the issues identified in the report.

cc: Honorable Mayor Todd Gloria
Honorable Members of the City Council
Honorable Members of the Audit Committee
Matthew Helm, Chief Compliance Officer
Andrea Tevlin, Independent Budget Analyst
Lisa Byrne, Fiscal and Policy Analyst, Office of the Independent Budget Analyst
Kevin Smith, Audit Committee Consultant

Performance Audit of _____
Work Plan for Recommendation #__ (Work Plan Template)

Purpose: An aid for operational departments to create a work plan with action steps, responsibilities, planned and actual completion dates necessary to implement this recommendation. A notes column is available for the staff implementing the recommendation to add comments as needed.

Directions:

1. Within 7 days after the issuance of the audit report or hotline report, OCA will provide the auditee an RIWP template for each recommendation the auditee agreed to implement. OCA will populate the following sections of the template prior to providing it to the auditee:
 - a. Recommendation (from the report)
 - b. Management Response (as indicated in the Management Response Letter)
 - c. Final Step Needed for OCA to Validate Implementation (indicates the documentation OCA requires as evidence that the recommendation has been fully implemented)
2. Using the provided RIWP template, departmental staff will develop a work plan for implementation of the recommendation listed, and populate the following sections:
 - a. Recommendation Owner
 - b. Action Steps, Responsibilities, and Planned Completion Dates
3. Departmental staff should also review the Final Step Needed for OCA to Validate Implementation to ensure that the stated deliverables are clear. OCA will be available to discuss any requested revisions with departmental staff to ensure that deliverables are reasonable and understood. As the recommendation is being implemented, management can request updates to required deliverables if alternative means are identified to demonstrate that the intent of the recommendation has been met.
4. Departmental staff will provide the completed RIWP to OCA within 30 days of receiving the RIWP template. OCA will post the RIWP on a secure site that can be accessed by OCA and departmental staff for tracking and updating purposes.
5. Departmental staff will review the workplan and enter updates regularly to achieve implementation by the Planned Completion Date.
6. Departmental staff will update the MK Insight system prior to June 30 and December 31 of each Fiscal Year for any/all Action Steps completed (for OCA's biannual Recommendation Follow-Up Report).
7. When the recommendation has been implemented, departmental staff will upload evidence of implementation into the MK Insight system and change the status of the recommendation to "Implemented" in the MK Insight system. OCA staff will review the evidence to validate if the recommendation has been implemented to address the issues identified in the report.

Recommendation [Insert #]:

Management Response:

(Note: OCA staff will provide the department with a Work Plan Template for each recommendation after an audit report has been issued. The Template will include the "Recommendation" and "Management Response" information above. OCA staff will also fill in the blue box below with proposed evidence that departmental staff will need to submit once the recommendation has been implemented so that OCA staff can validate implementation.)

Recommendation Work Plan:

(Note: The steps in green are to be completed by department staff and approved by management. Department staff should also review the proposed evidence in the blue box and contact Audit staff if there is disagreement.)

Action Steps <i>What Will Be Done?</i>	Responsibilities <i>Who Will Do It?</i>	Completion Date <i>By when? (month and year)</i>		Notes
		Planned	Actual	
<i>Step 1:</i>				
<i>Step 2:</i>				
<i>Step 3:</i>				
<i>Step 4:</i>				
<i>Step 5:</i>				
Final Step Needed for OCA To Validate Implementation:				

Attachment B - RIWP Template (Completed Example)

Performance Audit of the Purchasing and Contracting Department's Small Local Business Enterprise Program, Work Plan for Recommendation #1 (Work Plan Template)

Purpose: An aid for operational departments to create a work plan with action steps, responsibilities, planned and actual completion dates necessary to implement this recommendation. A notes column is available for the staff implementing the recommendation to add comments as needed.

Directions:

1. Within 7 days after the issuance of the audit report or hotline report, OCA will provide the auditee an RIWP template for each recommendation the auditee agreed to implement. OCA will populate the following sections of the template prior to providing it to the auditee:
 - a. Recommendation (from the report)
 - b. Management Response (as indicated in the Management Response Letter)
 - c. Final Step Needed for OCA to Validate Implementation (indicates the documentation OCA requires as evidence that the recommendation has been fully implemented)
2. Using the provided RIWP template, departmental staff will develop a work plan for implementation of the Recommendation listed, and populate the following sections:
 - a. Recommendation Owner
 - b. Action Steps, Responsibilities, and Planned Completion Dates
3. Departmental staff should also review the Final Step Needed for OCA to Validate Implementation to ensure that the stated deliverables are clear. OCA will be available to discuss any requested revisions with departmental staff to ensure that deliverables are reasonable and understood. As the recommendation is being implemented, management can request updates to required deliverables if alternative means are identified to demonstrate that the intent of the recommendation has been met.
4. Departmental staff will provide the completed RIWP to OCA within 30 days after receiving the RIWP template. OCA will post the RIWP on a secure site that can be accessed by OCA and departmental staff for tracking and updating purposes.
5. Departmental staff will review the workplan and enter updates regularly to achieve implementation by the Planned Completion Date.
6. Departmental staff will update the MK Insight system prior to June 30 and December 31 of each Fiscal Year for any/all Action Steps completed (for OCA's biannual Recommendation Follow-Up Report).
7. When the recommendation has been implemented, department staff will upload evidence of implementation into the MK Insight system and change the status of the recommendation to "Implemented" in the MK Insight system. OCA staff will review the evidence to validate if the recommendation has been implemented to address the issues identified in the report.

Recommendation 1: To increase transparency into the distribution of funds among SLBEs, we recommend Equal Opportunity Contracting list each Small Local Business Enterprise (SLBE) program-certified contractor by the number of prime contracts the City awarded the SLBE, the number of subcontracts the City awarded the SLBE, and the total dollar amount the City awarded the SLBE across those contracts in that year. The list should be included as an addendum to the annual report and made publicly available on the program's website. This recommendation would allow the City and SLBE participants to monitor where the economic benefits of the program are centered and if the funds could be distributed among a broader array of SLBEs. (Priority 2)

Management Response: Agree. P&C's Equal Opportunity Contracting Program (EOCP) staff will include the data elements noted in the recommendation in the forthcoming Fiscal Year 2020 Annual Report and post the data to the EOCP website. Additionally, EOCP will assess the feasibility of automating the collection and reporting of SLBE contract, subcontract, and award information for all formal solicitations, and making the data available on an ongoing basis.

(Note: OCA staff will provide the department with a Work Plan Template for each recommendation after an audit report has been issued. The Template will include the “Recommendation” and “Management Response” information above. OCA staff will also fill in the blue box below with proposed evidence that departmental staff will need to submit once the recommendation has been implemented so that OCA staff can validate implementation.)

Recommendation Work Plan:

(Note: The steps in green are to be completed by department staff and approved by management. Department staff should also review the proposed evidence in the blue box and contact Audit staff if there is disagreement.)

Action Steps <i>What Will Be Done?</i>	Responsibilities <i>Who Will Do It?</i>	Completion Date <i>By when? (month and year)</i>		Notes
		Planned	Actual	
<i>Step 1: Compile FY2020 contract awards by category (construction, AE, Goods and Services).</i>	<i>Purchasing and Contracting, Silva</i>	<i>January 2021</i>		
<i>Step 2: Identify SLBE only awards for construction, AE, Goods and Services.</i>	<i>Purchasing and Contracting, Silva</i>	<i>January 2021</i>		
<i>Step 3: Prepare list of SLBE prime and subcontractor award amounts.</i>	<i>Purchasing and Contracting, Silva</i>	<i>January 2021</i>		
<i>Step 4: Develop Addendum for annual report.</i>	<i>Purchasing and Contracting, Silva</i>	<i>February 2021</i>		
<i>Step 5: Include SLBE Contractor list in FY2020 Annual Report with Addendum attached.</i>	<i>Purchasing and Contracting, Silva</i>	<i>March 2021</i>		
Final Step Needed for OCA To Validate Implementation: Upload into the MK Insight system the FY2020 Annual Report with Addendum attached that includes SLBE Contractor List, and change the status of the recommendation to “Implemented” in the MK Insight system.		<i>March 2021</i>		