33

Office of the City Manager

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: David White, Deputy City Manager

Subject: Examination of Department Directors Transition Procedures Follow-Up Audit - Status Report

INTRODUCTION

On July 19, 2016, the City Auditor submitted an Examination of Department Directors Transition Procedures Follow-Up Audit[1] to the City Council with recommendations to address transition procedures for department directors when entering and leaving employment with the City. This information item updates City Council on the status of implementation of the audit report's recommendations. This is the first status report regarding this audit.

CURRENT SITUATION AND ITS EFFECTS

As of September 10, 2019, the City Manager's Office has taken action to either implement the open recommendations or provide information on the obstacles the department must first overcome to fully address the recommendations. All three of the open recommendations are partially implemented.

Please see Attachment 1 detailing the status of the open recommendations, the progress the City Manager's Office has made, and the obstacles keeping the department from fully implementing the City Auditor's recommendations.

BACKGROUND

The City of Berkeley is responsible for ensuring appropriate documentation and standard procedures to safeguard access to assets and software, as well as knowledge transfer when staff enter or exit employ.

---

[1] Audit: Examination of Department Directors Transition Procedures Follow-Up Audit (7/19/16):
https://www.cityofberkeley.info/uploadedFiles/Auditor/Level_3_-_General/A.2_RPT_Follow%20Up%20Audits%20Fiscal%20Year%202016.pdf

Department Directors Transition Procedures   INFORMATION CALENDAR
Follow-Up Audit Status Report   December 10, 2019

ENVIRONMENTAL SUSTAINABILITY
There are no identifiable environmental effects associated with the subject of this report.

POSSIBLE FUTURE ACTION
The City Manager's Office will continue to review and improve its processes and documentation.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION
None at this time.

CONTACT PERSON
David White, Deputy City Manager, 510-981-7012

Attachments:
1: Auditee Response Form: Audit Recommendations and Corrective Actions Detail

City of Berkeley City Auditor's Office
Audit Findings and Recommendations Response Form

Management summary of accomplishments, challenges, and other pertinent information relative to the audit finding and recommendations (optional; limit 1,500 characters):

Audit Title: Examination of Department Directors Transition Procedures Follow Up Audit

Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
Finding: Of our original recommendations, Recommendations #1 and #3 are currently partially implemented, and Recommendation #2 is unimplemented				
New Recommendations:				
1.1 Develop and implement clear procedural guidelines for the department director transition process that ensure: ▪ Finance is notified of changes in signature authority when the transition takes place ▪ Information Technology is notified of changes in access authority when the transition takes place ▪ The incoming director is briefed on knowledge transfer ▪ Uniform formal exit briefings between the City Manager and exiting directors take place that include a transfer of knowledge discussion and confirmation that all assets have been returned ▪ Assignment of responsibilities to staff who will assist the City Manager in completing and updating the City's property checklist for department directors, both incoming and exiting ▪ Assigned staff (a) maintain original checklists for current directors; (b) forward final property checklists for exiting directors to Human Resources; and (c) obtain confirmation from Human Resources of receipt of checklists for exiting directors.	City Manager	Agree	July 1, 2016	In progress **9/10/19 Status - Implemented**: The Human Resources (HR) Director has an entry/exit checklist, which includes issued property. At the July Senior Executive Team meeting, the Deputy City Manager and HR Director announced the policy that the HR Director is responsible for entry/exit checklists for department directors. The HR Director then handed out the checklist to every department director to complete and return and noted that the Finance and Information Technology Departments would be notified by HR when department directors enter and exit employ. The HR Director will incorporate the completed checklist into each director's personnel file and notify the Auditor once all directors' checklists have been filed. Going forward, the HR Director will ensure completion of the checklist upon entry to and update upon exit from employment. The checklist is part of Administrative Regulation (AR) 2.6 and used in

Audit Findings and Recommendations Response Form

Audit Title: Examination of Department Directors Transition Procedures Follow Up Audit				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
				conjunction with AR 2.15, which also notes that Information Technology will be notified of transitions involving communication equipment. The Human Resources Director will ensure appropriate procedures for department director separations, in line with standard exit protocols established for all staff.
1.2 Complete City property checklists for all current department directors.	City Manager	Agree	June 10, 2016	Due to Deputy City Manager by June 10, 2016 to copy to Human Resources **9/10/19 Status - Implemented:** The City obtained checklists for all current department directors.

Audit Findings and Recommendations Response Form

Audit Title: Examination of Department Directors Transition Procedures Follow Up Audit				
Findings and Recommendations	Lead Dept.	Agree, Partially Agree, or Do Not Agree and Corrective Action Plan	Expected or Actual Implementation Date	Status of Outstanding Audit Recommendations and Implementation Progress Summary
1.3 Update and revise Administrative Regulation 2.15, *City Issued Communication Equipment* to reflect that the department is responsible for the regulation, describe current practices, and include procedures for recording retrieval of the equipment.	Information Technology	Agree. IT updated AR 2.15 to reflect that the department is responsible for the regulation and further define procedures. The City Manager published the revised AR to iCoBWEB on December 10, 2015. IT is now working on an additional update to define protocols for returning equipment and updating equipment inventory records.	January 17, 2017	**9/10/19 Status - Implemented:** The Information Technology (IT) Director updated the Administrative Regulation (AR) 2.15 City Issued Communication Equipment Policy to clarify the responsibility for administering the AR (i.e., IT). The City is planning to use a new software product to aid in onboarding staff upon entry to employment. The IT Director will update the AR again in the near term, once this software is implemented, to reflect any changes. In the meantime, to request electronic equipment, staff must submit a request ticket via Service Now, the City's Help Desk system. Once approved by the appropriate authority, the device is procured. Staff sign a paper form detailing receipt of communications equipment at the time of issuance from IT. This signed form is scanned and attached to the electronic ticket in Service Now.