BERKELEY CITY AUDITOR

To: Honorable Mayor and Members of the City Council

From: Jenny Wong, City Auditor

Subject: Recommendation Follow Up Report, December 2019

CURRENT SITUATION AND ITS EFFECTS

Since our last report in February 2019, City management has fully addressed 53 of over 100 outstanding audit recommendations. In addition, seven audits are now closed and seven were reported to City Council during this time. Action taken includes Finance implementing collections activities based on our audit of business license taxes yielding $1.3 million from delinquent accounts. While significant progress has been made on those recommendations, there has been no progress made on two audits. The Leases Audit is over 10 years old and the Grants Management Audit has not been reported to City Council since its release in July 2009.

The intent of this report is to keep City Council informed about the implementation status of recommendations made by the City Auditor. We welcome suggestions or recommendations for improving this report to enhance your ability to monitor the effective implementation of City Auditor recommendations.

BACKGROUND

Audit follow-up activities are conducted for every audit to assess whether City management implemented the agreed-upon audit recommendations. The Auditor's Office issues follow-up audit reports to City Council on the status of our recommendations. Our office measures the audit recommendation implementation rate as an indicator of the degree to which the City is using information provided by our audit reports to mitigate identified risks and to enhance efficiency and effectiveness of operations.

City Municipal Code allows the City Auditor to request periodic status reports from auditees regarding actions taken to address reported deficiencies and audit recommendations every six months. These status reports establish the Auditor's ability to determine the adequacy, effectiveness, and timeliness of management's actions to correct reported issues and recommendations.

FISCAL IMPACTS

Our audits identify a variety of risks, including financial loss to the city. Addressing our recommendations can result in financial revenues, as in the case of establishing a process of collections for business license taxes, which yielded $1.3 million. We identified financial loss as one of the top risks associated with our outstanding audit recommendations.

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911 Dispatchers: Understaffing Leads to Excessive Overtime and Low Morale   CONSENT CALENDAR   **Error! No**

ENVIRONMENTAL SUSTAINABILITY
There are no identifiable environmental effects or opportunities associated with this report.

CONTACT PERSON
Jenny Wong, City Auditor, City Auditor's Office, 510-981-6750

Attachments:
1: Recommendation Follow Up Report, December 2019

Recommendation Follow Up Report

December 2019

BERKELEY CITY AUDITOR

Promoting transparency and accountability in Berkeley government

Recommendations Follow Up Report Highlights   December 2019

✓ Accomplishments

Taking action on our audit recommendations leads to increased revenues and operational improvements. Several departments took action to close out all our open audit recommendations or made headway by implementing some of them. The **Finance Department** took action to increase collections by designing processes based on our audit recommendations. The Finance Revenue Collection team actively reviews delinquent accounts and successfully recouped $1.3 million in delinquent Business License Tax accounts as of Oct0ber 2019. The **City Manager's Office** implemented an ethics hotline that allows employees to bring forward their concerns.

Statistics

This report reflects the status of all the Berkeley City Auditor open audit recommendations. During this reporting cycle, we verified that departments and related entities fully addressed 53 recommendations of the 108 (49 percent) based on our reporting in February 2019.

Figure 1: City Management Fully Addressed 53 Audit Recommendations Since December 2018

Number of Recommendations	Status of Recommendations
53	Implemented/Closed
22	Partially Implemented
33	Not Implemented
108	**Total**

Note: The City has implemented or partially implemented 38 of the 71 "Not Implemented" recommendations reported in February 2019.

Source: Auditor's analysis

We added 25 new recommendations from our 911 Dispatcher and Fire Inspection Prevention audits that were published in the Spring.

Major Risks

We assigned each of the open audit recommendations to one of five risk categories—financial loss, safety/health, reputational, compliance, and misinformation. The majority of the open recommendations fall under the financial loss and safety/health risk categories.

Our Leases Audit was released in June 2009 with recommendations aimed at improving the City's facility lease oversight. Seven recommendations remain not implemented after 10 years and the financial loss risk associated with them has not been addressed.

Our Grants Management Audit was released in July 2016 with 15 recommendations aimed at improving the City's grant management process to prevent the loss of grant revenue and provide management and staff with accurate and timely information. In the three years since the audit release, City management has never reported to Council on the status of these recommendations.

BERKELEY CITY AUDITOR

Open Audits as of December 10, 2019

Report Title	Date Issued	Department	# of Rec's made	Not Implemented/ Open	Partially Implemented	Implemented/ Closed
Leases Audit: Conflicting Directives Hinder Contract Oversight	6/2/2009	City Manager	24*	7	-	16
Underfunded Mandate: Resources, Strategic Plan, and Communication Needed to Continue Progress Toward the Year 2020 Zero Waste Goal	7/1/2014	Public Works	15*	6	5	3
Most Contracts Executed Timely But Contract Project Managers Could Use Better Tools and Guidance	10/6/2015	Finance	5	1	-	4
Citywide Grants Management (formerly Public Works Grant Follow Up)	7/19/2016	City Manager	15	14	-	1
Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity	9/20/2016	Public Works	12	1	5	6
City at Crossroads as Long-Standing Need for Structured Approach to Line of Business Experts Function Intersects with ERP Implementation	1/24/2017	City Manager & Information Technology	5	-	3	2
Berkeley's Ethical Climate Rate Strong Overall and Management Working to Make it Better	3/14/2017	City Manager & Human Resources	6	2	3	1
Code Enforcement Resources Significantly Constrained and Improvements Needed in Case Management and Oversight	6/26/2018	City Manager & City Council	12	1	6	5
Credit Card Use: Clearer Guidance Needed	6/26/2018	Finance	3	1	-	2
911 Dispatchers: Understaffing Leads to Excessive Overtime and Low Morale	4/25/2019	Police	14	14	-	-
Fire Prevention Inspections: Insufficient Resources Strain Code Compliance	5/9/2019	Fire	11	11	-	-
Total			**122**	**58**	**22**	**40**

* The auditee decided they would not implement one of our recommendations. They accepted the risk to the city that the recommendation was meant to address and is unable or unwilling to implement the recommendation.

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Summary of Results

The Berkeley City Auditor's Office conducts audits and makes recommendations to strengthen accountability and improve the efficiency and effectiveness of City programs. The Office monitors progress toward implementing recommendations and periodically reports on the status of all open audit recommendations.

This report reflects the status of all the Berkeley City Auditor open audit recommendations. We contacted departments directly to gather recommendation status information, reviewed all outstanding recommendations, and placed the recommendations into the following status categories:

Implemented/Closed	Auditee has completely implemented or closed the recommendation
Partially Implemented	Auditee has implemented 50 percent or more of the recommendation
Not Implemented	Auditee has not yet taken action to implement the recommendation
Will Not Implement	The auditee has accepted the risk to the City that the recommendation is meant to address and is unable or unwilling to implement the recommendation

City management has continued to make significant progress toward implementing open audit recommendations. As of our last recommendation follow up report for the period ending December 2018, there were 107 open recommendations. One recommendation moved from implemented to partially implemented, bringing the total to 108. Since then, we have issued two performance audits that added 25 new recommendations.

During this reporting cycle, we verified that departments and related entities had fully addressed 53 recommendations out of the 108 (49 percent) since our last report. The results of our review for this reporting cycle are as follows:

Figure 2: City Management Fully Addressed 53 Audit Recommendations Since December 2018

Number of Recommendations	Status of Recommendations
53	Implemented/Closed
22	Partially Implemented
33	Not Implemented
108	**Total**

Note: The City has implemented or partially implemented 38 of the 71 "Not Implemented" recommendations reported in February 2019.

Source: Auditor's analysis

Accomplishments

Taking action on our audit recommendations leads to increased revenues and operational improvements. Several departments took action to close out all our open audit recommendations or made headway by implementing some of them. The following outlines accomplishments made as a direct result of our audits:

Business License Taxes: Providing Better Guidance and Customer Service Will Increase Revenues

The **Finance Department** took action to increase collections by designing processes based on our audit recommendations. The Finance Revenue Collection team actively reviews delinquent accounts and successfully recouped $1.3 million in delinquent Business License Tax accounts as of Oct0ber 2019.

Construction Permits: Monitor Performance and Fee Assessments to Ensure Excellent and Equitable Customer Service

The **Planning and Development Department** is set to install a new state-of-the-art queueing solution for the Permit Service Center and to procure a new digital permitting system. This will improve the customer service experience by reducing customer wait times and monitoring activity for process improvement needs.

Berkeley Fire Department Ambulance Billing Follow Up Audit

The **Berkeley Fire Department** selected a new billing service provider who will actively reach out to individuals who are delinquent on paying for their ambulance service, including identifying insurance companies who could pay. Our office was instrumental in compelling the Department to fully implement this recommendation after hesitation from management. The vendor will work with individuals who are having difficulty making payments and offer payment extensions or payment plans, including a no payment option. This is expected to increase revenue needed for emergency response services.

City at Crossroads as Long-Standing Need for Structured Approach to Line of Business Experts Function Intersects with ERP Implementation

The **Information Technology Department** defined the roles and responsibilities of those who support information systems and clarified their charges to other departments to accurately reflect the cost of service Information Technology provides to each department. This included creating service level agreements that serve as excellent models for all city departments to use in defining how they provide for and charge for services to other city departments. The agreements improve city operations through continued, consistent, and adequate support from Information Technology.

Berkeley's Ethical Climate Rated Strong Overall and Management Working to Make it Better

The **City Manager's Office** implemented an ethics hotline that allows employees to bring forward their concerns. The City Manager's Office also created an ethics committee comprised of management personnel that serves as the lead body in supporting the citywide implementation of initiatives to build a transparent, equitable, and ethical workplace. These actions will help build a positive and supportive workplace that, in turn, will result in better public service.

Parks, Recreation, and Waterfront On-Call Program: Ensure Equity by Developing Procedures for Charging for Services, and Improve Monitoring Practices and Communication

The **Parks, Recreation, and Waterfront Department** improved their cost-accounting practices by establishing a new system for allocating on-call charges. This action provides transparency in costs and links services to the appropriate fund. The department has also improved operations through monitoring activities and establishing guidelines for triaging after-hours calls so that staff respond to only urgent needs.

Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons

The **Health, Housing, and Community Services Department (HHCS)** incorporated the remaining open audit recommendations into the City's contract granting Easy Does It (EDI) city funding for their services. Doing so provides a mechanism by which to hold EDI accountable for addressing the risks associated with our findings and recommendations. Our office worked closely with HHCS during this audit and will continue to offer our support as they follow up on these recommendations through the contract monitoring process.

$52,000 Theft: More Can Be Expected Without Citywide Changes in Culture and Procedures

The **Finance Department** included a new cashiering system in the contract for enterprise resource planning software and implementation. Finance has also been doing more surprise cash counts as a deterrent to fraud and misuse, and to check on compliance with city procedures.

Examination of Department Directors Transition Procedures Follow Up Audit

The **City Manager's Office** successfully completed property checklists for all department directors as a means for ensuring property is retrieved during director transitions, and the **Information Technology Department** clarified its guidance for issuing and retrieving communications equipment.

Credit Card Use: Clearer Guidance Needed

The **Finance Department** improved guidance by issuing a new administrative regulation clarifying when food and beverage purchases are allowable. The policy clarifies that food purchases are limited to situations that benefit the city and requires employees to submit itemized receipts to support their purchases. Finance also issued a memo to credit-card holders that clarifies how they are to use their cards consistent with the city's various purchasing policies.

Five Areas of Risk to the City

We have assigned each of the open audit recommendations to the five risk categories below:

Financial loss: fraud/misuse; reduced revenues; and similar

Safety/health: both to City staff and the public

**Reputational:** lack of public faith in city operations

Compliance: failure to comply with legal requirements

Misinformation: management using poor/inaccurate information for budget and operational decisions

Each recommendation was categorized under one of the risk categories as shown in Figure 3. We recognize some recommendations can fall under more than one category. These additional risks can be found on the audit specific pages of this report. The chart below shows the breakdown of risks in recommendations that the City has not yet fully implemented.

Figure 3: The Majority of Recommendations Fall Under the Financial Loss and Safety/Health Risk Categories
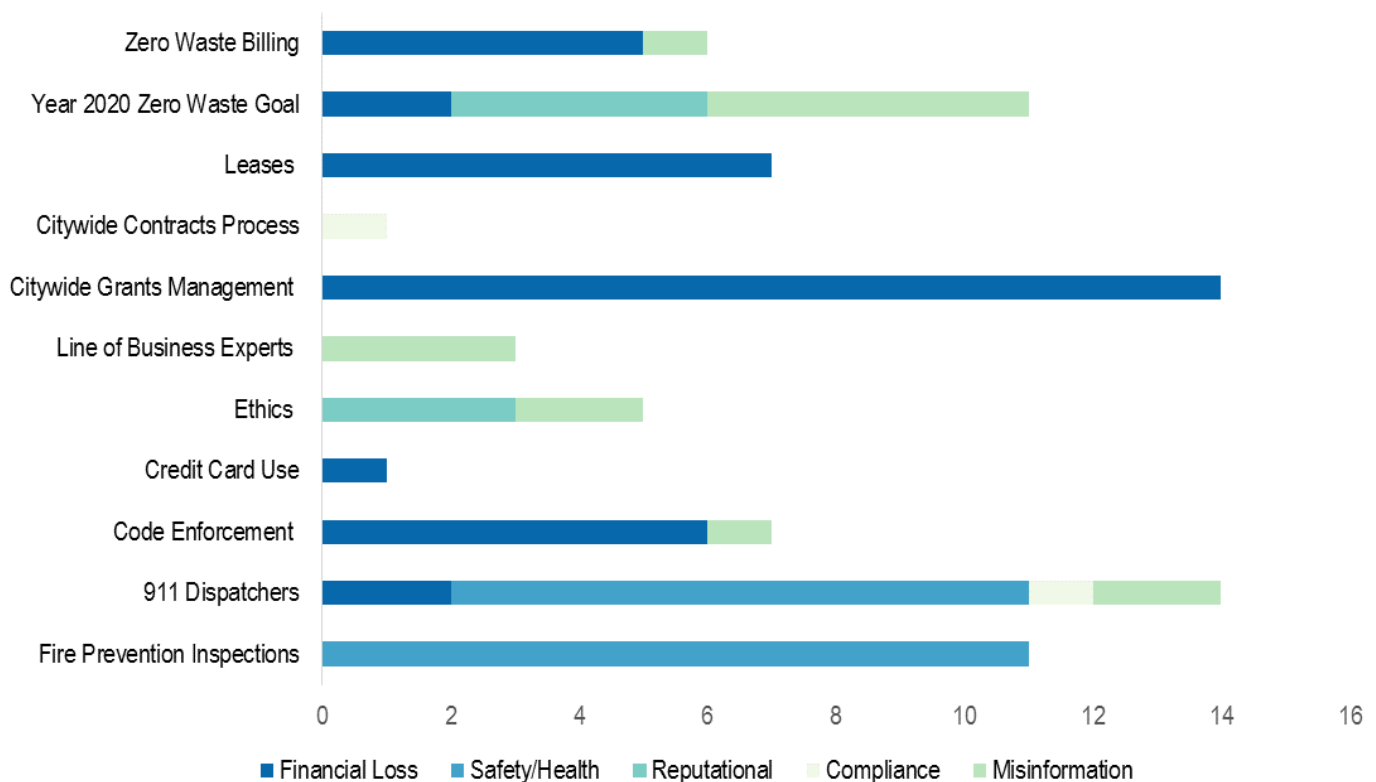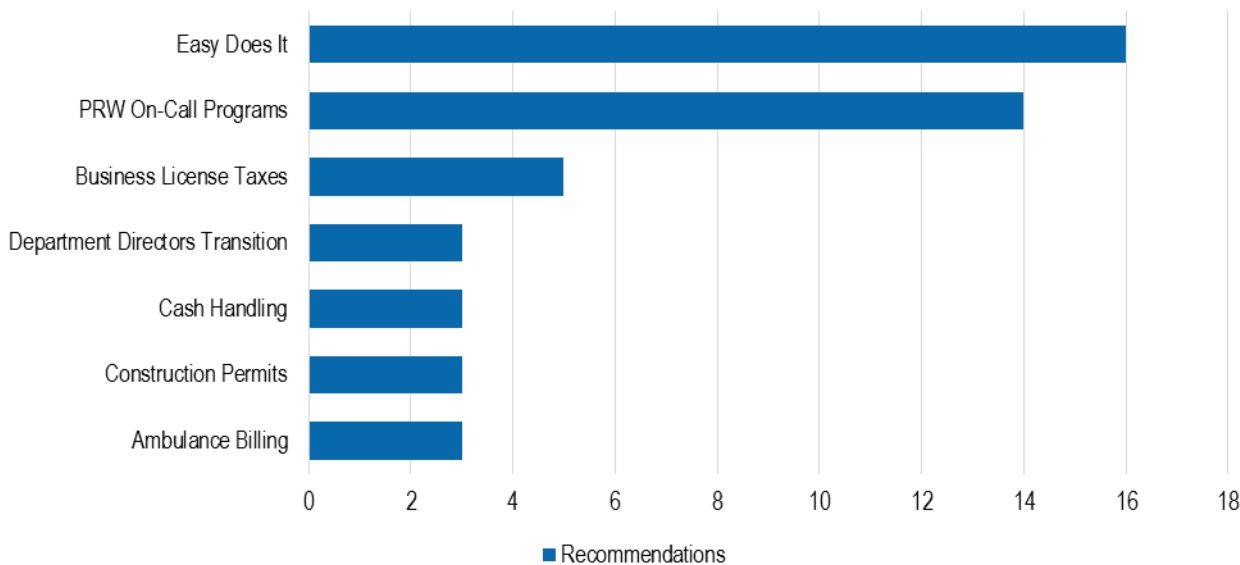

Source: Auditor's analysis

Audits Closed Since Last Report

As of our last recommendation follow-up report for the period ending December 31, 2018, there were 16 open audit reports. An open audit report is any report that has one or more recommendations that have not been fully addressed. Since that time, seven audits have been closed. Below are the audits that were determined closed during the reporting period:

1. Stronger Oversight Necessary to Ensure Continued Assistance for Severely Physically Disabled Persons (Easy Does It) - *Health, Housing, & Community Services*

2. PRW On-Call Program: Ensure Equity by Developing Procedures for Charging for Services, and Improve Monitoring Practices and Communication - *Parks, Recreation, & Waterfront*

3. Business License Taxes: Providing Better Guidance and Customer Service Will Increase Revenues - *Finance*

4. Construction Permits: Monitor Performance and Fee Assessments to Ensure Excellent and Equitable Customer Service - *Planning*

5. Berkeley Fire Department Ambulance Billing Follow Up Audit - *Fire*

6. Examination of Department Directors Transition Procedures Follow Up Audit - *City Manager*

7. $52,000 Theft: More Can Be Expected Without Citywide Changes in Culture and Procedures - *Finance*

Figure 4: Seven Audits Related to 47 Recommendations Closed During Reporting Period
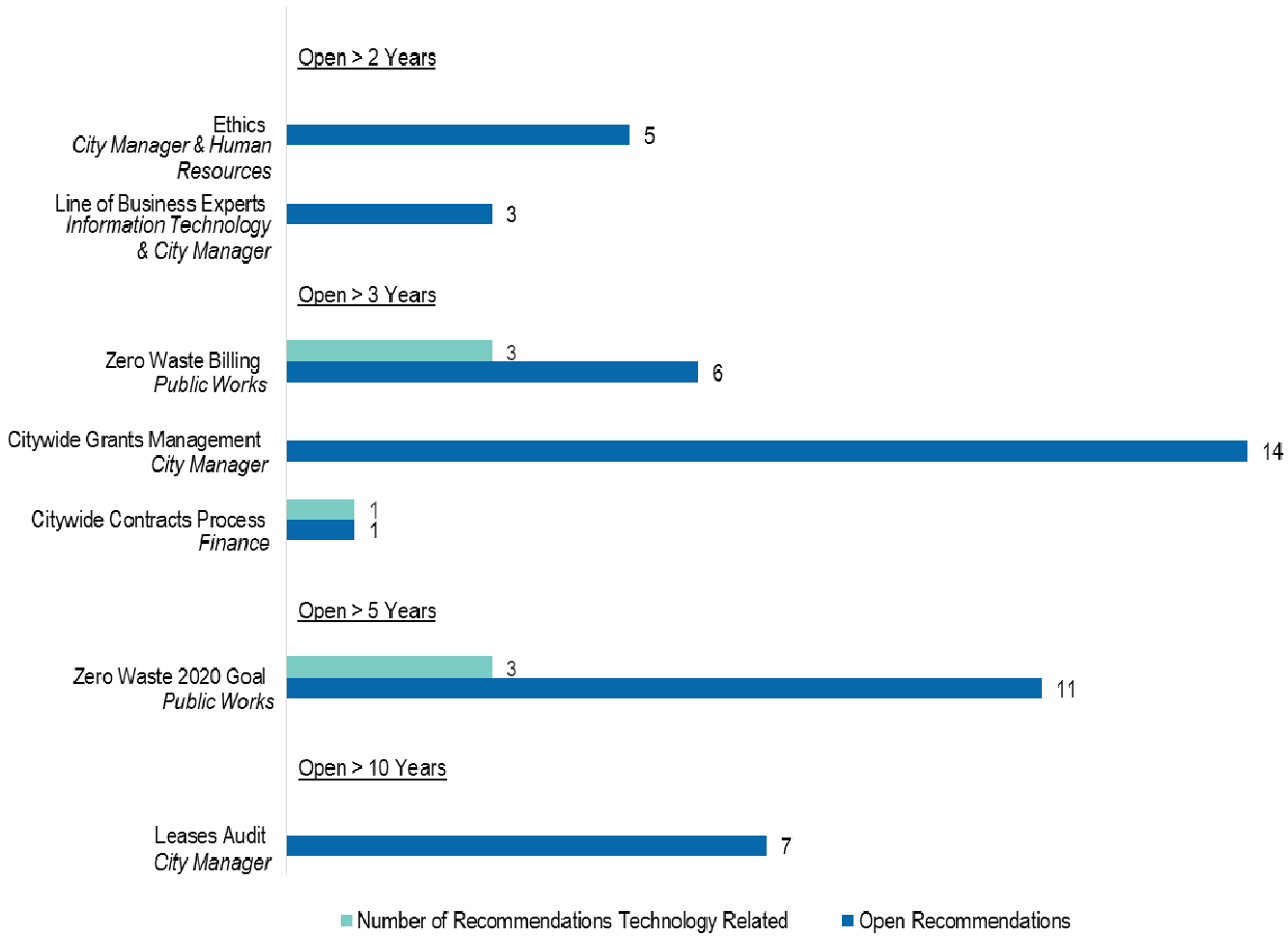

Source: Auditors Analysis

In addition to the audits closed, management reported on the progress of the seven following audits and associated recommendations:

1. Underfunded Mandate: Resources, Strategic Plan, and Communication Needed to Continue Progress Toward the Year 2020 Zero Waste Goal - *Public Works*

2. Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity - *Public Works*

3. City at Crossroads as Long-Standing Need for Structured Approach to Ling of Business Experts Function Intersects with ERP Implementation - *City Manager and Information Technology*

4. Berkeley's Ethical Climate Rate Strong Overall and Management Working to Make it Better - *City Manager and Human Resources*

5. Code Enforcement Resources Significantly Constrained and Improvements Needed in Case Management and Oversight - *City Manager*

6. Most Contracts Executed Timely but Contract Project Managers Could Use Better Tools and Guidance - *Finance*

7. Credit Card Use: Clearer Guidance Needed - *Finance*

Recommendations Open More Than Two Years

The chart below shows 47 recommendations that have been open for more than two years. Of these recommendations, seven are related to technology improvements. A typical standard among performance auditors is that recommendations will be fully implemented within two years of a report issuance. We expect that technology improvements may take longer than two years to implement, but all recommendations should be implemented within a five year period.

Figure 5: 47 Recommendations Open More Than Two Years, Only Seven Related to Technology Improvements
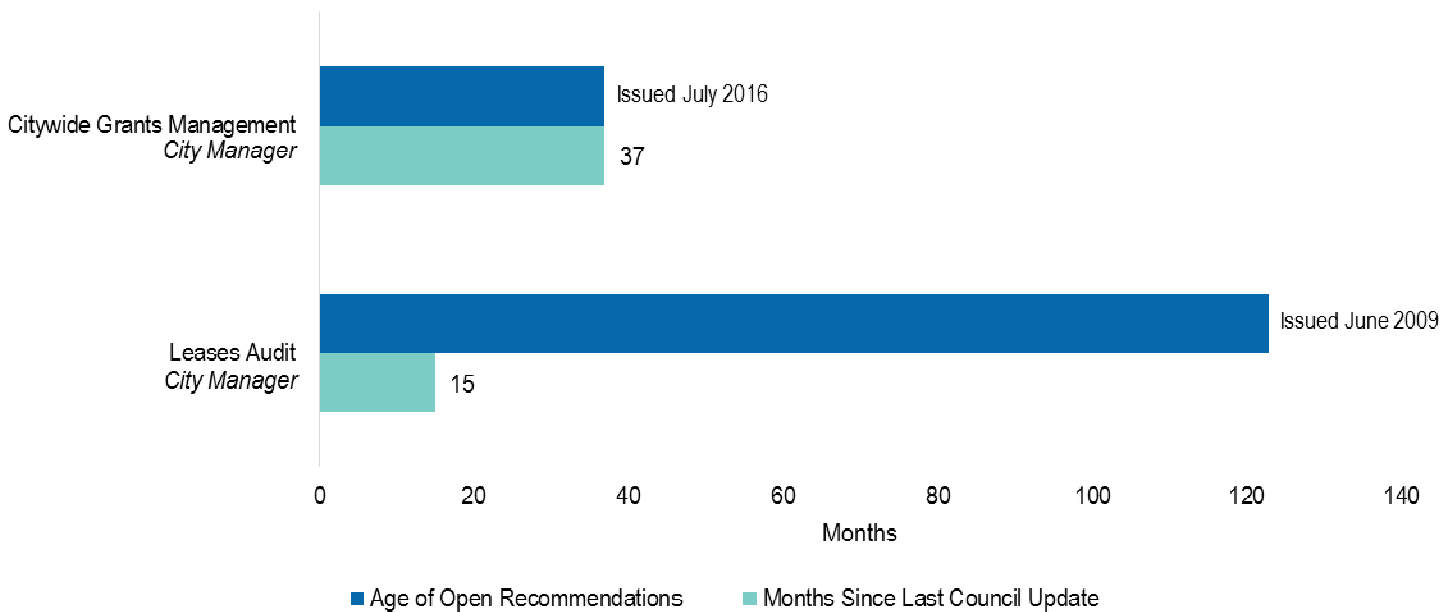

Source: Auditor's analysis

Audits Not Reported to Council

In the last year, management reported to Council on the status of seven audit reports, however, they failed to report on the status of two audit reports with 21 open recommendations (26 percent of remaining open recommendations). Berkeley City Municipal Code allows the City Auditor to request periodic status reports from auditees regarding actions taken to address reported deficiencies and audit recommendations every six months. These status reports establish the Auditor's ability to determine the adequacy, effectiveness, and timeliness of management's actions to correct reported issues. Below is a chart that shows the audits that are past due for a status report to Council, including how many months since the last time reported to Council and the age of the open recommendations.

Figure 6: Two Audits Past Due for Updates to Council

Source: Auditor's analysis

Implementation Status of Open Recommendations

The next section of this report is broken down by open audits. Each audit page details the recommendations that are still open and what the City has done so far to implement the recommendations.

Leases Audit: Conflicting Directives Hinder Contract Oversight

The Leases Audit contains nine findings and 24 recommendations aimed at improving the City's facility lease oversight. Finance decided they will not implement our recommendation to establish lease performance expectations for the departments and provide a written report to the Director of Public Works on a quarterly basis. The audit was released in June 2009.

Since the audit's release, the department has implemented 16 recommendations. Public Works created a central repository file with entries for relevant lease information. The department has also updated the lease contract review form and Administrative Regulation 6.6. Due to the length of time since we issued this report, staff turnover, and what we have learned recently about lease oversight, we do not know for certain if the previously implemented recommendations are still relevant. We only looked into open recommendations as part of this follow up report. Management has made progress towards implementing seven other recommendations. The progress for these recommendations is detailed below.

Figure 7: Seven Recommendations Need to Be Implemented to Close the Audit
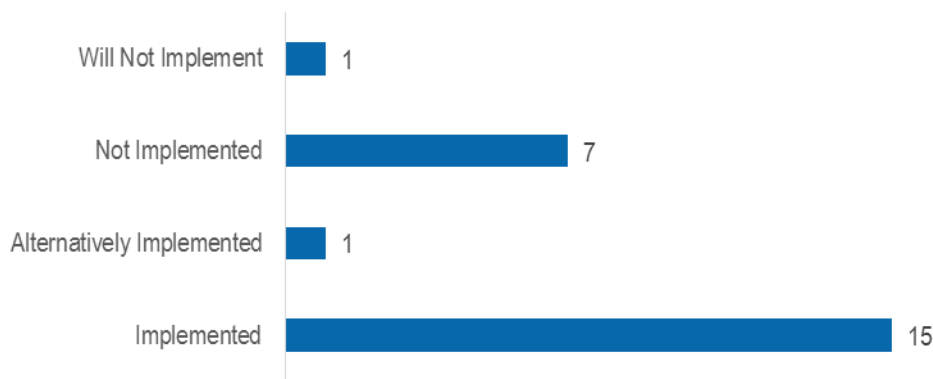
Source: Auditor's review of audit progress

Summary of Audit

The objective for this audit was to determine the effectiveness of the City's facility lease oversight. Deficiencies were identified in lease oversight in particular and contracts in general. Oversight of the City's leases has not been effective. Clear, formalized expectations regarding lease management are lacking. There is a striking disconnect between the City Manager's Office lease management policies and procedures and actual staff practice citywide. There are weak controls and missing information, as well as apparent inefficiencies.

Finding 1: The City's 2002 plan to centralize property and facility lease management has not been implemented.

1.1 The City Manager should formalize and approve the division of responsibilities between the Public Works department and other departments regarding lease management.

> Not Implemented. The City Manager's Office is in the process of identifying an alternative citywide approach to lease management.
>
> Risk Category: Financial

1.2 The Public Works department should determine and formally define the role of the real property administration staff given available resources.

> Not Implemented. The City Manager's Office is in the process of identifying an alternative citywide approach to lease management.
>
> Risk Category: Financial

1.3 Develop and finalize a property management plan that documents the specific responsibilities of Public Works and of other departments for lease management.

> Not Implemented. The City Manager's Office is in the process of identifying an alternative citywide approach to lease management.
>
> Risk Category: Financial

1.4 The property management plan should be coordinated with affected City departments, including the Contract Administrator in Finance/Purchasing, before finalizing.

> Not Implemented. The City Manager's Office is in the process of identifying an alternative citywide approach to lease management.
>
> Risk Category: Financial

1.5 Formally communicate the plan with all affected City departments.

> Not Implemented. The City Manager's Office is in the process of identifying an alternative citywide approach to lease management.
>
> Risk Category: Financial

Finding 2: City Staff did not comply with City rules and regulations because the City lacks clear guidelines and simple tools for effective lease negotiations, review, approval, and oversight.

2.1 Administrative Regulation 6.6 and Contracts Online should be updated to give clear direction to City staff regarding administration and execution of lease agreements.

> Not Implemented. The City Manager's Office is in the process of identifying an alternative citywide approach to lease management.

> Risk Category: Financial

Finding 3: There are no performance measures to document expectations of and performance by the Real Property Administrators or departmental lease managers.

3.3 Public Works should update the City's real property administration policies and procedures to align with management's expectations.

> Not Implemented. The City Manager's Office is in the process of identifying an alternative citywide approach to lease management.

> Risk Category: Financial

Underfunded Mandate: Resources, Strategic Plan, and Communication Needed to Continue Progress Toward the Year 2020 Zero Waste Goal

The 2020 Zero Waste Goal Audit contains two findings and 15 recommendations aimed at improving Public Work's ability to achieve zero waste by 2020. The Department is not on track to meet the City's goal. Public Works decided they will not implement our recommendation to obtain permission to collect garbage biweekly instead of weekly. The audit was released in July 2014.

Since the audit's release, the Public Works department has implemented three recommendations. The department has improved their public education by updating the city website and distributing press releases to educate the public about the Zero Waste Program. The Zero Waste Division also meets monthly with other departments in order to address operational and reporting needs, and has automated their Customer Relation Management system to ensure all cases undergo appropriate reviews before a case can be closed. Public Works has made progress towards implementing five other recommendation and has not implemented six. The progress for these recommendations is detailed below.

Figure 8: 11 Recommendations Need to Be Implemented to Close the Audit
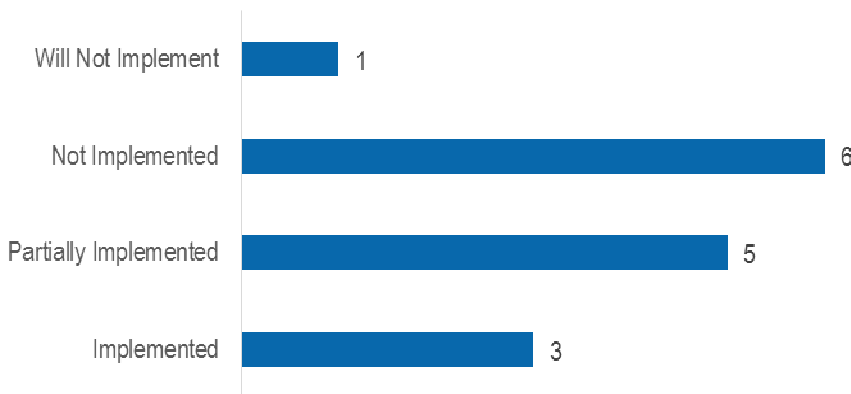
Source: Auditor's review of audit progress

Finding 1: Insufficient data and resources (for planning, strategy, or execution) dedicated to Berkeley's zero waste by 2020 resolution

1.1 Request the City Council to redefine and then reaffirm its commitment to zero waste (i.e., the percentage that the Council considers to be success), and to ensure sufficient resources to fund appropriate staffing and the

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Summary of Audit

The objective of this audit was to assess the progress made toward achieving the City's goal of zero waste by 2020 and to identify ways that data can inform management decisions. The City is at risk of not meeting Council's goal to achieve zero waste by 2020. The City defines zero waste as reducing solid waste by reusing, recycling, and composting as well as avoiding waste as much as possible. Council has not allocated sufficient funding for reaching its zero waste goal. Public Works needs more resources to develop a comprehensive, written strategic plan that clearly defines the roles and responsibilities for those managing the zero waste program, and that assigns sufficient resources for public education and outreach. Without a clear plan, Public Works cannot properly ensure the City's compliance with state, county, and city regulations related to zero waste objectives.

necessary infrastructure to achieve stated goals by 2020.

> Partially Implemented. The Zero Waste Division (ZWD) has developed an RFP to: 1) develop a Zero Waste Strategic Plan to delineate terminology, 2) define and clarify what the City's Zero Waste Goal will be, and 3) develop a plan for the division to implement to attain that goal. The RFP is in administrative review.

> 👍 Risk Category: Reputational

1.2 Draft and obtain Council approval of a written strategic plan to achieve zero waste by 2020, including annual or biennial interim waste diversion goals. Topics that the strategic plan should discuss include:

- Objectives and long-term and interim goals
- Actions to be taken
- Responsible parties
- Expected cost and impact of implementation
- Performance measures
- External factors affecting performance and progress

> Partially Implemented. ZWD has developed an RFP to: 1) develop a Zero Waste Strategic Plan to delineate terminology, 2) define and clarify what the City's Zero Waste Goal will be, and 3) develop plan for the division to implement to attain that goal. The RFP is in administrative review.

> 👍 Risk Category: Reputational

1.3 Prepare detailed annual work plans that contain:
- Objectives
- Annual/biennial (short-term) goals
- Actions to be taken
- Budget allocated for the actions
- Timeline for completion
- Lead staff responsible for task completion
- Full-time equivalent employees assigned to the tasks
- Performance measures

> Partially Implemented. Public Works is drafting an RFP for a Zero Waste Strategic plan to guide the City's policy and decision making and paths of implementation to the goal of Zero Waste. IT and the

ZWD are in the process of selecting a vendor to implement an entirely new Zero Waste software solution that includes routing, billing, and work orders. Once the new software system is in place and the Strategic Plan has been completed, a more accurate work plan could be created that would include performance measures.

👍 Risk Category: Reputational

1.4 Regularly communicate zero-waste goals and achievements to City staff and the Council, and offer training to staff on how they can help Berkeley achieve zero waste. This includes sharing strategic and annual work plan goals and regular updates regarding progress and completion.

Partially Implemented. City staff have been encouraged to participate in the visioning sessions for the Transfer Station redesign in January 2019. Also, the Zero Waste Division has developed an RFP to develop a Zero Waste Strategic Plan. Once the strategic plan is completed, it will be shared with City staff.

👍 Risk Category: Reputational

1.5 Determine if additional funds are needed for the education, outreach, compliance, and enforcement necessary to reach zero-waste goals. If sufficient funds are not available, propose to Council a separate fee to cover those costs for the City's zero-waste program, such as a regulatory fee as allowed under Proposition 218.

Partially Implemented. Public Works has determined through the internal budget process that Zero Waste needs two additional full time staff members to oversee the education, outreach, compliance, and enforcement necessary to reach zero-waste goals. The Zero Waste Division will be determining additional funding beyond staffing needed to increase education, outreach, compliance, and enforcement during the strategic planning process.

💰 Risk Category: Financial

Finding 2: Limited use of available technologies affects operational efficiencies

2.1 Work with the Department of Information Technology to configure the CRM system with a required field that auto populates valid route information based on address and service delivery type so that

route-specific data can be collected on a going-forward basis.

> Not Implemented. IT released an RFP on behalf of Public Works for Zero Waste Management software in October 2018. The new system will require route optimization and will have an onboard system for drivers containing route information based on address and service delivery type so that route-specific data can be collected on a going-forward basis. The details of this system will be evaluated and developed as part of implementation.
>
> Risk Category: Misinformation

2.2 Work with the Department of Information Technology to create a link between RouteSmart and the CRM system (or the software implementation of Recommendation 2.5 below).

> Not Implemented. Working with RouteSmart for further integration was deemed not worthwhile as that system does not integrate with ArcGIS, which is the City's primary system for spatial data. IT released an RFP on behalf of Public Works for Zero Waste Management software in October 2018.
>
> Risk Category: Misinformation

2.4 Designate a business-line expert within the Zero Waste Division and require that expert to develop internal capacity to configure optimal collection routes and produce standardized reports for route-specific reporting using existing software (or the software implementation of Recommendation 2.5 below). The reports developed should allow measurement of the performance metrics developed in Recommendation 1.2 and 1.3 above.

> Not Implemented. Additional staffing positions have been proposed as part of the budget process with both the Senior Solid Waste Supervisor and an Associate Management Analyst being tasked with route optimization once new software has been identified and implemented. An RFP process for this software is currently underway.
>
> Risk Category: Misinformation

2.5 Assess the benefits of using mobile technologies that would allow drivers to enter information directly into the CRM system while on their routes, take pictures of why pickups were skipped, and implement electronic route books and other mobile field reporting. Include in the assessment changes to job responsibilities that might require a meet and confer with union representatives. Purchase the software and hardware if cost beneficial.

> Not Implemented. The new software system will utilize onboard mobile hardware. In addition, this system will integrate with the new GPS solution which will integrate with the Zero Waste solution to allow for real time decision making and route information.
>
> Risk Category: Misinformation

2.7 Use the reports developed from implementing recommendation 2.4 to monitor customer complaints and determine what impact the annual bid process has on customer service. If the information demonstrates the annual bid process significantly affects customer service, meet and confer with union representatives to discuss the elimination the annual route bidding process to help reduce customer complaints and improve service delivery. Implement change if agreement is reached.

> Not Implemented. The Zero Waste Division is now in a position to numerically determine if the annual bid system is affecting customer service. When this information for the bid process is analyzed, Zero Waste will have the information to meet and confer with the Union.
>
> Risk Category: Misinformation

2.8 Create a method for community members to track the status of their cases online, which will reduce the call volume to the 311 Call Center.

> Not Implemented. The City is in the process to replacing Zero Waste and Customer Service software. One of the objectives of these new systems is to provide customers the ability to track their requests.
>
> Risk Category: Financial

Most Contracts Executed Timely but Contract Project Managers Could Use Better Tools and Guidance

The Contracts Audit contains one finding and five recommendations aimed at improving the City's contracting process and ensure that contracts are fully executed before work is performed. The audit was released in October 2015.

Since the audit's release, the department has implemented four recommendations. Finance has improved contract planning resources by providing training and contract preparation timelines for project managers. The City has also included contract management needs as part of the City's Enterprise Resource Planning. Finance has not implemented one recommendation. The progress for the recommendation is detailed below.

Figure 9: One Recommendation Needs to Be Implemented to Close the Audit
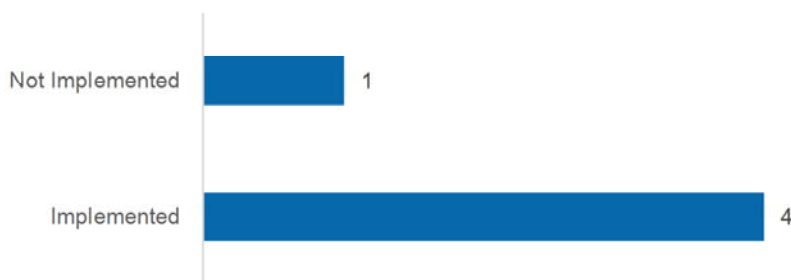
Source: Auditor's review of audit progress

Finding 1: The City vastly improved its performance in securing fully executed agreements before contract work commences, but barriers to full compliance must be addressed

1.5 Require departments to document their specific procedures for contract preparation, oversight, and management. Procedures should include:

- planning for department specific actions, e.g., obtaining management's approval

- tracking contract status and funding needs

- attending City training courses when offered, e.g., contract preparation and FUND$ 101

- describing shared contract management responsibilities between project managers and support staff

- requiring project managers to coordinate with and respond to support staff's needs for contract administration

- requesting contract extensions

- aligning contract needs with department work plans

- using Finance's contract process timelines and On Demand report of expiring contracts for contract planning (also see recommendations 1.1 and 1.2)

- minimum level of documentation needed to effectively manage contracts

Not Implemented. Finance is planning to alternatively implement this recommendation. The department is going to revamp Contracts Online and will include a section that identifies departments responsibilities based on the recommendation.

☑ Risk Category: Compliance

Citywide Grants Management (formerly titled Public Works Grants Follow-up Audit FY16)

The Citywide Grants Audit contains one finding and 15 recommendations aimed at improving the City's grant management process to prevent the loss of grant revenue and provide management and staff with accurate and timely information. The audit was released in July 2016. Our office changed that audit title to clarify that the changes are needed on a citywide level and not just in the Public Works Department (PW).

Since the audit's release, the department has implemented one recommendation. The City Manager's Office updated the Administrative Regulations related to grants and Finance added language to contracts online clarifying that all grants must be packaged in accordance with Contracts Online procedures. Management has not made progress towards implementing the 14 remaining recommendations. Details regarding these recommendations are below.

Figure 10: 14 Recommendations Need to Be Implemented to Close the Audit

Source: Auditor's review of audit progress

Finding 1: Of our six original recommendations, only one is currently implemented, two are partially implemented, and three are unimplemented

1.1 Issue an internal policy assigning the division responsible for overall grants accounting (e.g., billing and monitoring receivables) and reporting. Make it clear to project managers that they are responsible for providing information on the grants they manage to the appointed division to assist with grants accounting.

> Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs

an update on actual actions management took to address our recommendation.

🪙 Risk Category: Financial

1.2 Create a work team of Public Works staff who administer and manage grants. Team members should include the position responsible for overall grants accounting and reporting, and staff from the divisions that manage grants (e.g., Engineering and Transportation). The team should work collectively to evaluate their respective functions and their interrelated roles and responsibilities for grants management, billing, and accounting; and work towards developing an effective workflow that provides for accurate and timely grants accounting and reporting.

> Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.

🪙 Risk Category: Financial

1.3 Require the grants team to work collectively to develop a written procedures manual that clearly explains roles, responsibilities, and workflows. The manual should:

- provide guidance on the overall grant application, approval, and monitoring process within the department

- refer to other applicable policies and procedures such as City Administrative Regulation 1.17 and Contracts Online

- describe the specific tasks performed within divisions and/or by job classification

- identify the forms and data sheets that staff are to use for recording, tracking, and monitoring grants (also see Recommendations 5.1 and 6.2)

- describe coordinating efforts needed between divisions and with the grant coordinator in Finance

- identify timelines and requirements for reporting, performing

reconciliations, and providing information to the Finance grant coordinator (also see Recommendation 2.2)

- provide enough detail to more easily train new hires or staff with new responsibilities

Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.

Risk Category: Financial

1.4 Require the grants work team to have regular meetings to share information and discuss workflows between their divisions. These meetings may need to be more frequent at first, e.g., quarterly, and less frequent over time, e.g., annually. The team should invite the Finance grant coordinator to their meetings to ensure the coordinator is receiving the necessary information for recording grants to the central repository and issuing grants receivables reports.

Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.

Risk Category: Financial

2.1 Provide the Finance grant coordinator with a list of personnel who are responsible for grants management, accounting, and reporting so that they can be notified when the grant coordinator posts the grants reports to the City's shared drive.

Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.

Risk Category: Financial

2.2 Require the division responsible for grants accounting and reporting to use Finance's grant reports to:

- reconcile Public Works' grant financial records with FUND$ to ensure that the department is recording expenditures and payments to the correct accounts

- work with Finance to make any necessary corrections to FUND$ financial data when they identify discrepancies and errors

Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.

Risk Category: Financial

3.1 Take ownership of City Administrative Regulation 1.16 and:

- review and update the regulation so that it is consistent with City practices and procedures, and cross reference the regulation to other guidance and policies, e.g., Contracts Online and City Administrative Regulation 1.17

- reissue the updated guidance to all City staff with emphasis on ensuring that project managers and those responsible for identifying and applying for grant funding are notified of the update

Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.

Risk Category: Financial

4.1 Request that all department directors notify their grant management and accounting staff of City Administrative Regulation 1.17, and their expectations that staff adhere to the guidance.

> Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.
>
> Risk Category: Financial

5.1 Require those responsible for grant accounting use the summary of charges sheet and work with project managers and the Finance grant coordinator to obtain the data they need to populate the sheet (also see Recommendations 1.3 and 1.4).

> Not Implemented. PW gave no information on its plan to implement at the time of issue, however, the City Manager's Office is looking into how to address the issue because it is citywide. The City Manager's Office has not yet identified an action plan. Council needs update on actual actions management took to address our recommendation.
>
> Risk Category: Financial

6.1 Require that all department directors ensure that their staff with grants management and fiscal responsibilities receive the following training:

- City Administrative Regulation 1.17: Pre-Award Authorization and Post-Award Grant Requirements

- Contracts Online, in particular, the revenue contract requirements

> Not Implemented. City Manager said office will coordinate training sessions. Council needs update on actual actions management took to address our recommendation.
>
> Risk Category: Financial

6.2 Require all departments that receive financial assistance from a third-party to ensure that their written procedures clarify that all such awards are consider grants and must be packaged in accordance with

Contracts Online, and to follow City Administrative Regulation 1.17 to ensure that the grant coordinator receives the grant accounting data sheet (also see Recommendation 1.3).

> Not Implemented. City Manager said office will coordinate training sessions. Council needs update on actual actions management took to address our recommendation.
>
> 🪙 Risk Category: Financial

6.3 Notify department directors when the grant coordinator finds that project managers and administrative staff are not providing grant information in accordance with City policy. Request that the department directors refer their staff to City Administrative Regulation 1.17, Contracts Online, and departmental procedures for guidance on ensuring they adhere to required grant policies and procedures.

> Not Implemented. Finance said they will draft correspondence. Council needs update on actual actions management took to address our recommendation.
>
> 🪙 Risk Category: Financial

6.5 Survey project managers and administrative staff who are responsible for grants management, reporting, and accounting to identify ways to improve the current grant database and reporting so that data are current and accurate, and reports are more user‑friendly.

> Not Implemented. Finance said they will survey project managers. Council needs update on actual actions management took to address our recommendation.
>
> 🪙 Risk Category: Financial

6.6 Use the information learned from surveying project managers and administrative staff (Recommendation 6.5) to identify critical business needs for the purchase of a comprehensive grants management system. Provide this information to the Department of Information Technology to use as part of Enterprise Resource Planning.

> Not Implemented. Finance said they will survey project managers. Council needs update on actual actions management took to address our recommendation.
>
> 🪙 Risk Category: Financial

Unified Vision of Zero Waste Activities Will Help Align Service Levels with Billing and Ensure Customer Equity

The Zero Waste Billing Audit contains one finding and made 12 recommendations aimed at improving the City's Zero Waste activities to minimize billing errors, improve customer account management, and provide management with data to analyze its zero waste strategies. The audit was released in September 2016.

Since the audit's release, Public Works has implemented six recommendations. The department has implemented a cross-departmental Zero Waste Team that meets monthly to discuss operational issues and has hired a Zero Waste Division Operational Manager with cross-functional responsibilities with other departments associated with Zero Waste. The department has made progress toward implementing five our of twelve recommendations. During this reporting period, one recommendation moved from implemented to partially implemented.

Figure 11: Six Recommendations Need to Be Implemented to Close the Audit
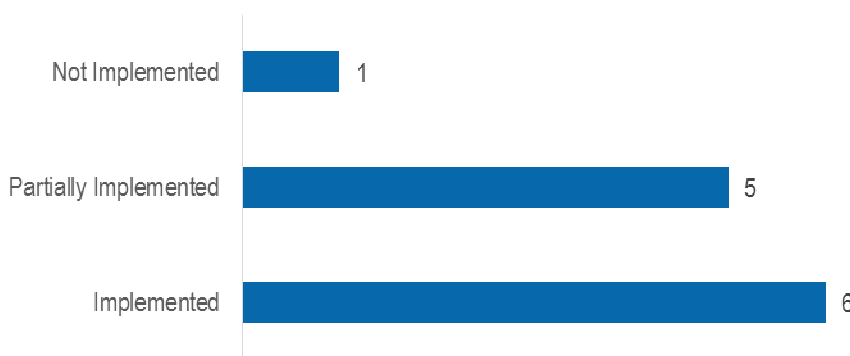
Source: Auditor's review of audit progress

Finding 1: Integrated thinking about zero waste operations will help ensure accurate billings and customer equity

1.3 Require the zero waste team formed in response to recommendation 1.2 to develop written procedures that clearly support cross-departmental strategies and help staff perform their work, as well as understand how their work contributes to success. Include information that helps promote the unified view of zero waste operations, while also explaining the individual tasks that take place within the departments and how those connect. Examples include, but are not limited to, describing the process for routing

Summary of Audit

The objectives of this audit were to assess whether the City is correctly billing customers based on their actual refuse collection service levels; whether all Berkeley residents are signed up to receive refuse services as required by the BMC; and whether there are opportunities for improving both refuse and service delivery operations. Berkeley's overall information systems architecture for zero waste activities results in inefficient use of staff time, billing and service delivery errors, and barriers to effective account management. Currently, staff are burdened by manual workflows. This is arduous work that takes staff away from other service delivery and revenue collection needs and led to rate adjustment, billing, and service level errors:

- 347 customer accounts were not accurately updated with the new 2015 zero waste rates, leading to approximately $38,000 in underbillings and $29,000 in overbillings for the City's first billing cycle of the new fiscal year.
- Four percent of customer service-level changes did not result in the necessary updates in the zero waste billing system.
- 21 percent of customer service-level changes did not make it into RouteSmart.

customer cases from 311 calls, and detailing in layman's terms the monthly updates that take place to align the CX and RouteSmart systems. Also see recommendation 1.2.

> Partially Implemented. IT released an RFP on behalf of Public Works for Zero Waste Management software in October 2018. The RFP was for a Zero Waste Management System and Professional Services consisting of a Waste Billing System, a Waste Computerized Maintenance Management System and a Route Optimization System.
>
> Risk Category: Financial

1.5 In collaboration with Information Technology and as part of Enterprise Resource Planning, budget for, select, and install an account management system designed for zero waste activities. Use information from the zero waste team evaluation (recommendation 1.2) and zero waste strategy analysis (recommendation 1.8) to identify the critical business needs that should be included in the purchase of new zero waste account management system, or that should be considered when determining whether sufficient middleware options exist to fully integrate existing systems with the new account management software. Also see recommendations 1.2 and 1.8.

> Partially Implemented. IT released an RFP on behalf of Public Works for Zero Waste Management software in October 2018.
>
> Risk Category: Financial

1.8 Request that Information Technology use the CX module data extracts, such as the one used for this audit, to provide Public Works staff with the data they need to analyze zero waste strategies. Use the data extracts to further identify the critical business needs for new zero waste account management software. Also see recommendation 1.5.

> Partially Implemented. IT released an RFP on behalf of Public Works for Zero Waste Management software in October 2018.
>
> Risk Category: Misinformation

1.9 Perform, or contract for, a fully comprehensive route audit to align service delivery with billing rates. Use the route audit to:

- Make CX module and/or RouteSmart system updates to ensure

customers are billed correctly for their City provided services.

- Ensure that all residential accounts are receiving required services.

- Ensure that the commercial accounts that the City is responsible for receive and pay for the zero waste services required by City policy.

- Verify that roll-off bin customers serviced by the Zero Waste Division are accurately billed.

Partially Implemented. IT released an RFP on behalf of Public Works for Zero Waste Management software in October 2018.

Risk Category: Financial

1.11 When drafting the new franchise hauler agreements:

- Clearly define the fee calculation requirements.

- Clearly define the type of financial data and reports that the haulers must submit to support their fee calculations.

- Create and enforce the use of standardized forms for the franchise haulers to use when remitting their fees to facilitate Public Works staff's review.

Not Implemented. Zero Waste does not anticipate issuing new Franchise Agreements but will work with the three existing Franchisees during the next Franchise Agreement renewal process in 2020 to enhance reporting requirements.

Risk Category: Financial

1.12 Continue to investigate whether the franchise hauler erroneously removed recyclables from its fee calculations and, if so, back bill as allowable, per state law and city code.

Partially Implemented. Beginning in March 2018, the Zero Waste Division began collecting commercial waste in house, except for roll-off and compactor services. Written procedures that describe the correct calculations are in progress in concurrence with the implementation the City's new financial system.

Risk Category: Financial

City at Crossroads as Long-Standing Need for Structured Approach to Line of Business Experts Function Intersects with ERP Implementation

The Line of Business Experts Audit contains one finding and five recommendations aimed at preparing for the City's Enterprise Resource Planning implementation. The audit was released in January 2017.

Since the audit's release, the Department of Information Technology (IT) has implemented two recommendations. IT developed Service Level Agreements that include the description of services, and presented cost allocations to all appropriate departments. IT has made progress towards implementing the remaining three recommendations. Details regarding these recommendations are below.

Figure 12: Three Recommendations Need to Be Implemented to Close the Audit

Source: Auditor's review of audit progress

Finding 1: Underdeveloped line of business experts function poses risks for City's ERP implementation

1.1 Clearly define the purpose, responsibilities, minimum qualifications, and training requirements for the line of business experts function.

> **Partially Implemented.** The Department of IT is working to define templates for roles and responsibilities for the projects as the new systems are implemented.
>
> Risk Category: Misinformation

1.2 Work with Information Technology to establish written policies and procedures for the line of business experts function at the appropriate organizational level based on the guiding principles established in Recommendation 1.1.

Partially Implemented. With ERMA implementation, new information is being collected that would identify roles and responsibilities of the line of business experts.

ⓘ Risk Category: Misinformation

1.5 Work with Human Resources to revise the job classification used for the portfolio coordinator position. Minimum qualification factors might include, but are not limited to:

- IT Governance/Portfolio Management experience;

- Project Management Professional certification;

- Project coordination experience; and

- Excellent verbal and written communication skills.

Partially Implemented. IT is working with Human Resources Department to release an RFP to complete classification studies.

ⓘ Risk Category: Misinformation

Berkeley's Ethical Climate Rated Strong Overall and Management Working to Make it Better

The Ethics Audit contains one finding and six recommendations aimed at strengthening the City's ethical climate. The audit was released in March 2017.

Since the audit's release, Human Resources (HR) has implemented one recommendation. The City Manager's Office issued a new code of ethics, created a formal ethics committee, and implemented an ethics hotline. HR has made progress towards implementing three other recommendations and has not implemented two recommendations. Details regarding these recommendations is below.

Figure 13: Five Recommendations Need to Be Implemented to Close the Audit
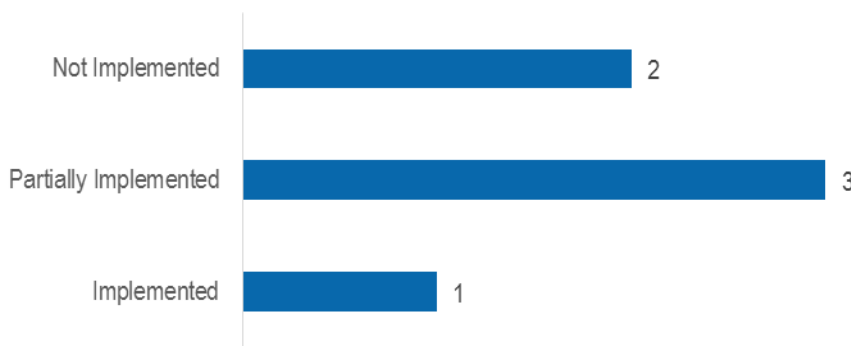
Source: Auditor's review of audit progress

Finding 1: The City can improve service delivery, employee morale, and public trust by further strengthening its ethical climate

1.2 Promote ethical standards to employees and the public by:

1) Including the City's ethics statement in the new employee packet and discussing the City's commitment to ethical standards in new employee orientation

2) Providing all employees with training covering the City's ethics related policies and incorporating key aspects of the Fair Political Practices Commission ethics training

3) Providing a variety of ways to access ethics information and resources for employees, including those with no regular computer access at work, such as:

Summary of Audit

The objective of this audit was to determine whether Berkeley's workplace ethical climate promotes trust, positive leadership, and doing the right thing, and, if not, identify the problem areas and what can be done to address them. We surveyed Berkeley employees to learn whether they believe their workplace promotes honesty, fairness, respect, trust, and good stewardship of public resources. Overall, employees rated Berkeley as having a strong ethical climate. Support staff gave the City's ethical climate lower ratings than management when asked about rewarding employees based on performance; being encouraged to speak up about ethically questionable situations; and understanding where to turn for ethics advice.

• Posters and wallet cards

• Centralized, intranet based ethics resource center

• Periodic inclusion of ethics statement in Berkeley Matters

4) Emphasizing the City's commitment to workplace ethics during formal meetings, informal staff discussions, and regular communications with outside parties

5) Making the code of ethics available to the public, such as including the ethics code and related material in a centralized location on the City's public internet

Partially Implemented. New code of ethics is discussed as part of new employee orientation; city is incorporating ethics in different training modules, including supervisors and managers training; and new ethics committee is identifying new channels to promote code of ethics.

👍 Risk Category: Reputational

1.3 Provide supervisors and midlevel management with written guidance and training on how to:

- Initiate and encourage discussions of ethical issues to help dispel misconceptions and alert management to actual problems

- Report concerns or complaints to management or an external resource, and conduct investigations of ethics related complaints according to the City's procedures

Partially Implemented. The Human Resources department provides a New Supervisor training to all new supervisors/managers and supervisors/managers who are new-to-the-city. This training includes guidance on the ethical expectations for public employees and city policies relating to ethics.

👍 Risk Category: Reputational

1.4 Develop a system for tracking, analyzing, and reporting on suspected misconduct, including written guidance and forms (or similar) to assist employees in making reports.

Not Implemented. Currently, the City relies on Microsoft Excel to track reports of suspected misconduct. The Human Resources

department is working with the IT department to identify and procure a modern case management system.

Risk Category: Misinformation

1.5 Provide employees and the City Council with summary reports about investigation and resolution of employee ethics complaints, such as the reports already provided about EEO complaints, taking care to protect confidential and identifying information.

Not Implemented. No Progress.

Risk Category: Reputational

1.6 Monitor and regularly evaluate the effectiveness of the ethics program and make improvements based on results.

Partially Implemented. The HR department is working with IT to identify and procure a modern case management system which will aide in analysis and evaluation efforts.

Risk Category: Misinformation
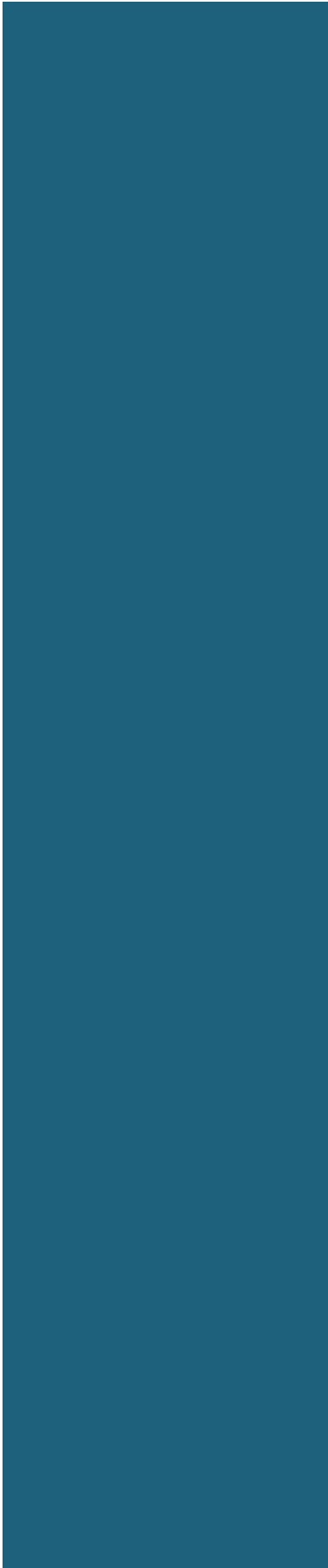
Code Enforcement Resources Significantly Constrained and Improvements Needed in Case Management and Oversight

The Code Enforcement Audit contains two findings and 12 recommendations aimed at improving the City's processes for effective code enforcement. The audit was released in June 2018.

Since the audit's release, the Code Enforcement Unit has implemented five recommendations. Code Enforcement has created a new procedure manual and implemented a complaint matrix that identifies the process workflow and enforcement authority of common complaints. City Council passed Resolution No. 68726-N.S. creating a new Policy Committee structure. The Department has made progress towards implementing five other recommendations and one recommendation remains not implemented. Details regarding these recommendations is below.

Figure 14: Seven Recommendations Need to Be Implemented to Close the Audit
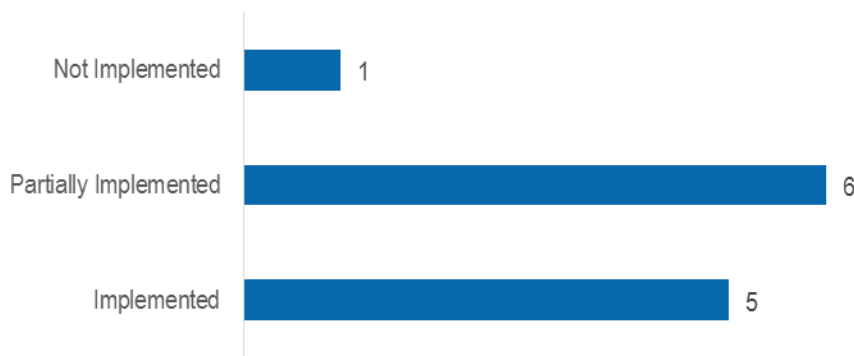
Source: Auditor's review of audit progress

Finding 1: Code Enforcement Unit resources are insufficient to meet demand.

1.1 Implement a resource analysis process by which proposed legislation is discussed with City management to evaluate the impact on current City resources and determine the feasibility of making the intended impact. The analysis should take place before the policy is presented to Council for adoption and include considerations of:

- Staff time and other City resource needs, including the fiscal impact of those resource needs

- Opportunity cost, i.e., consideration of other activities that will be deprioritized in order to meet new demands

Summary of Audit

The objective of this audit was to determine whether the Code Enforcement Unit has the resources it needs to enforce City codes and whether it has reliable processes for effective enforcement. We found that the Code Enforcement Unit lacks sufficient resources. The unit has been dealing with years of unstable staffing and lacks modern technological solutions to perform its work, yet has experienced an overall workload increase. Code violations captured via Berkeley's community call center are on the rise and workload expectations continue to expand as the City Council passes more ordinances requiring code enforcement activities. Despite these increases, the CEU has remained budgeted at four full-time equivalents with insufficient attention given to improving processes for more effective use of limited resources. We determined that Council passes some ordinances without fully analyzing the resources needed for enforcement and without understanding current staffing capacity.

- Feasibility impact to determine how best to rollout out new legislation

Partially Implemented. City Council adopted Resolution No. 68726-N.S., which included the framework and procedures for standing Policy Committees as part of the City's legislative process. During the Policy Committee review of resolutions, ordinances, and referrals, staff will undertake a high-level, preliminary analysis of potential costs, timelines and staffing demands associated with the item. Reports leaving a Policy Committee must adequately identify budget implications, administrative feasibility, basic legal concerns, and staff resource demands in order to allow for informed consideration by the full Council.

Risk Category: Financial and Safety/Health

1.3 Conduct a staffing analysis to determine the appropriate staffing level needed for the Code Enforcement Unit to effectively enforce City codes. In conducting the analysis, include an assessment of the workload impact created by the codes for which the CEU is solely responsible as well as those created by the codes for which CEU shares responsibility with other enforcement units.

Partially Implemented. Staff released an RFP for a staffing analysis. The RFP did not generate any proposals and will be reposted.

Risk Category: Financial and Safety/Health

1.4 Use the staffing analysis performed in response to Recommendation 1.3 to:

- Quantify the full burden cost of additional staff

- Determine if sufficient budgetary funding is available for additional staff

- Request additional staffing from Council during the annual appropriations process

Not Implemented. No progress.

Risk Category: Financial and Safety/Health

1.5 If budgetary constraints prevent additional staffing or if Council does not approve the budget needed to fund additional staffing, report to Council the restrictions placed on the Code Enforcement Unit's ability to effectively enforce City codes. Include information explaining the hindrance this will cause for any new ordinances the City Council may want to pass in the future. Provide this information regularly, for example, annually as part of the budget process, to keep Council informed of the CEU's capacity restrictions. See also Recommendation 1.7.

> Partially Implemented. CEU and the Planning Department negotiated the relocation of the Assistant Planner position, which was vacant, to the Planning Department's Land Use Planning Division. All enforcement associated with the position, which includes use permit, short term rental, and zoning code enforcement will transition with the position.

> Risk Category: Financial and Safety/Health

1.7 Implement code enforcement software that:

- Identifies case assignment to CEU officers and other work units

- Prioritizes cases, in particular high-risk cases posing health and safety risks

- Captures pertinent case dates, e.g., opened, notice of violation, citation issuance, and closed

- Tracks enforcement actions taken within the CEU and other work units

- Quantifies citations issued and collected

- Allows for readily identifying repeat offenders

- Includes performance measurement tools, e.g., turnaround times within defined specifications (see Recommendation 2.2)

- Allows for uploading information from mobile technologies (see Recommendation 1.8)

- Includes reporting tool to showcase workload trends and capacity restrictions (i.e., backlogs)

Partially Implemented. CEU staff continues to work with IT and have researched Red Alert, currently used by the Fire Department, and AMANDA, the software being considered by Environmental Health to replace Envision Connect.

Risk Category: Financial and Safety/Health

1.8 Implement mobile computers and printers to allow Code Enforcement Officers to complete more work in the field, thus improving their time spent in the community and reducing time in the office. Mobile computers should have the capacity to interface with the code enforcement case management software implemented in response to Recommendation 1.7.

Partially Implemented. At this time, CEU's software does not support printing documentation in the field. Manual notices will continue to serve this function until such time as the enforcement software described in Recommendation 1.7 is implemented, and can support printing documents in the field.

Risk Category: Financial

2.2 Implement performance metrics and goals to:

- Assess the effectiveness of code enforcement operations and goal achievement

- Identify constraints preventing goal attainability.

- Submit regular reports, e.g., biannually, to City management on performance.

Include a metric to provide at least some proactive code enforcement activities. Develop this metric after implementing the process and system improvement recommendations made in this report.

Partially Implemented. CEU provides a monthly report to City management on the unit's performance, which notes constraints to goal attainability and includes a breakdown of proactive code enforcement activities conducted in the preceding month.

Risk Category: Misinformation

Credit Card Use: Clearer Guidance Needed

The Credit Card Audit contains one finding and three recommendations aimed at improving the City's internal controls related to credit card use. The audit was released in June 2018.

Since the audit's release, Finance has implemented two of the recommendations and has not addressed one. Details regarding open recommendations are below.

Figure 15: One Recommendation Needs to Be Implemented to Close the Audit
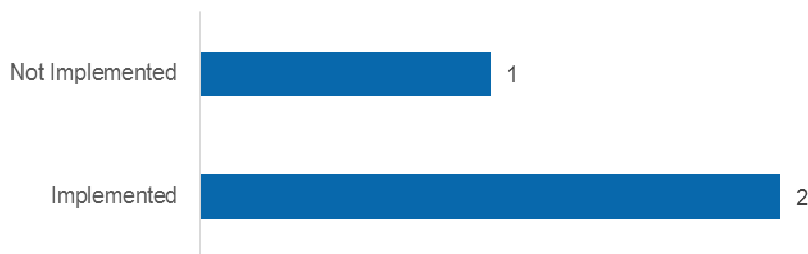
Source: Auditor's review of audit progress

Finding 1: Credit Card use practices out of alignment with City purchasing policies

1.3 Align City policies and procedures reflecting purchasing requirements and restrictions: purchasing; travel and attendance; petty cash; credit card use; food purchases; and any others that, if not updated, would create disconnect regarding the City's expectations and create confusion for City staff expected to adhere to City policy.

> Not Implemented. Finance will align all related administrative regulations to reflect purchasing requirements and restrictions once the department finalizes it new processes resulting from implementation of the city's new financial system.
>
> Risk Category: Financial

Summary of Audit

The objectives of this audit were to determine whether staff used their city-issued credit cards in accordance with City policies and whether the City would benefit from adopting industry best practices to manage its credit card program. Necessitated by a business need to pay vendors who do not accept purchase orders, the use of credit cards has expanded faster than the City's response to create and update policies and procedures regarding their use. Though clear and consistent written guidance was lacking, staff generally limited their use of credit cards to legitimate business purchases. We examined 232 credit card transactions with an emphasis on those with the highest related fraud and misuse risk. None indicated a pattern of fraud and misuse. We found that there are additional best practices that would further strengthen internal controls and prepare the City for rolling out its planned purchasing card program, which will likely increase the volume of transactions and involve more employees in the process.

911 Dispatchers: Understaffing Leads to Excessive Overtime and Low Morale

The 911 Dispatch Audit contains three findings and 14 recommendations aimed at improving the Communications Center's staffing levels and morale among dispatchers. The audit was released in April 2019.

Since the audit's release, the Police Department has begun working towards implementing the recommendations. All 14 recommendations remain not implemented at this point. An update from the Police Department was due to Council this fall. Details regarding the open recommendations are below.

Finding 1: It is taking longer to answer 911 calls and there are not enough call takers.

1.1 Conduct an annual staffing analysis of required minimum staffing levels and budgeted dispatchers to ensure budget staffing requests and scheduling efforts meet demand and limit the use of overtime where possible (see also Finding 2). Use the staffing analysis to communicate to Council and the public during the annual appropriations process:

- Service level demands

- The full-burdened cost of budgeting for additional staff

- Whether there is sufficient funding available to budget for the additional staff or a shortfall (quantified in dollars)

- Additional staffing requests, if needed

Not Implemented. The Department has already begun to consider several automated scheduling programs to replace the current manual method.

Risk Category: Safety/Health

1.2 Use the staffing analysis performed in response to recommendation 1.1, to determine future resource needs of the Communications Center, including staffing, equipment, and physical space. Take into account planned changes to services and factors that may influence call volume.

Not Implemented. The Department has already begun discussion on the Communications Center's spatial needs.

Risk Category: Safety/Health

Finding 2: The Communications Center relies on significant overtime leading to inadequate training and an unhealthy work environment.

2.1 Open all dispatcher positions to continuous recruitment.

> Not Implemented. Human Resources has already agreed to open and continuous hiring for lateral Public Safety Dispatcher II classification and Management has requested the same for both the non-lateral and Public Safety Dispatcher I classifications.
>
> Risk Category: Safety/Health

2.2 Work with Communications Center staff to create a specific recruitment plan for dispatcher positions including recruitment events and marketing material. Use recruitment best practices to reach potential applicants and increase the number of applicants.

> Not Implemented. The Department created a Recruitment and Retention Team in 2018 in order to address the departmental recruitment needs. This was the first step in setting out a concrete plan.
>
> Risk Category: Safety/Health

2.3 Identify and implement feasible option to improve turnaround time on background checks for dispatcher positions. This can include outsourcing background investigations or working with Human Resources to ensure that the Department is able to complete all background investigations in a timely manner.

> Not Implemented. In April 2019, the Department contracted with a background investigation firm.
>
> Risk Category: Safety/Health

2.4 Design a way to retain staff that are unable to pass the Police Desk training, for example, keep staff as PSD I and have them work as a call taker or create a new job classification for a call taking position.

> Not Implemented. The Police Department is creating a proposal for adding a call taker position.
>
> Risk Category: Safety/Health

2.5 Evaluate the results from dispatcher recruitment routinely (e.g., annually or at the end of a recruitment cycle) to determine areas for improvement. Update recruitment plans.

> Not Implemented. The Department plans to improve tracking and review of the number of applicants, how successful applicants are through the process, and where they most often are "lost" in the process. The Department also plans to review these results in line with testing processes in order to adjust as necessary.
>
> Risk Category: Financial

2.6 Implement an automated scheduling software that has built-in decision-making capabilities to automatically fill shifts based on specified qualifications and staff availability.

> Not Implemented. The Police Department has begun to review potential software vendors.
>
> Risk Category: Financial

2.7 Decrease the concentration of overtime among dispatchers.

> Not Implemented. The Department is working to hire more dispatchers in order to reduce overtime levels.
>
> Risk Category: Safety/Health

2.8 Develop and implement a Communications Center training plan to ensure compliance with POST training requirements. Evaluate training processes and update training plans routinely.

> Not Implemented. The Communications Center leadership team plans to track POST training requirements along with yearly Performance Appraisal Reviews.
>
> Risk Category: Compliance

Finding 3: Working conditions adversely affect dispatcher morale.

3.1 Create a comprehensive stress management program specifically for the Communications Center that includes the following:

- Stress management training for all staff, 8 hours minimum during career

- Access to on-site educational resources to help with stress and related risks, e.g., directory of local therapists specializing in treatment of stress and traumatic stress disorders and City programs that provide information on how and where to access help

- Procedures assuring participation of staff in critical incidence stress management activities (e.g., debriefing sessions when involved in traumatic call events)

- A Peer Support Program

- Comprehensive, ongoing training on structured call-taking processes

Not Implemented. Communications Center leadership team plans to work with Personnel and Training to expand current stress management toolset to include a mandatory 8 hour stress management course for all Communications Center staff.

Risk Category: Safety/Health

3.2 Develop and implement plans to address workplace cleanliness and equipment and furniture maintenance and replacement.

Not Implemented. Police management plans to improve the cleanliness of the Communications Center through quarterly deep cleanings and the purchase of HEPA filters.

Risk Category: Safety/Health

3.3 Conduct regular supervisor level meetings to share information about operations and staffing. Use these meetings to improve understanding of the supervisor role, identify problems, discuss changes that may affect operations, and establish communications plans for distributing information to all staff.

Not Implemented. The Communications manager is in the process of creating a web based information portal which includes sections for polices, Supervisory blog, Communications Center blog, resources, health and wellness, new dispatcher training, and links to web based training opportunities for tenured staff.

Risk Category: Safety/Health

3.4 Routinely have Police and Fire staff meet with all Center Supervisors to solicit feedback on Center operations and to address any issues. Use these meetings to improve understanding of the dispatcher role and current policies of public safety, identify problems that should be evaluated for further discussion, and discuss known and expected changes that may affect the Communications Center.

> Not Implemented. The Department plans to invite Police and Fire staff to attend the weekly supervisor meetings whenever problems are identified or whenever known or anticipated changed may affect the Communications Center.
>
> Risk Category: Safety/Health

Fire Prevention Inspections: Insufficient Resources Strain Code Compliance

The Fire Inspections Audit contains three findings and 11 recommendations aimed at improving the Fire Department's ability to meet fire inspections mandates. The audit was released in May 2019.

Since the audit's release, the Fire Department has begun working towards implementing the recommendations. All 11 recommendations remain not implemented at this point. An update from the Fire Department was due to Council this fall. Details regarding the open recommendations are below.

Finding 1: Fire Not Meeting Inspection Mandates; Extensive Code Requirements and Population Growth Impact Staffing Workload

1.1 Analyze the short- and long-term impact of putting forth a change to the Berkeley Municipal Code to reduce the types or frequency of fire prevention inspections.

> Not Implemented. Fire plans to research the history and rationale for the local adoption of an annual commercial inspection program. Based on the research results, Fire will evaluate the risk versus benefits of the type and frequency of fire prevention inspection that are not mandated by the state laws.
>
> Risk Category: Safety/Health

1.2 Perform a workload analysis to quantify the staff needed now and in the future to comply with the local fire prevention inspection requirements.

> Not Implemented. No progress.
>
> Risk Category: Safety/Health

Finding 2: Fire Relies on Incomplete Data to Manage Inspections

2.1 Develop a process, in consultation with the Information Technology Department, for sharing information on property changes and additions between Fire and other City database platforms.

> Not Implemented. With support from IT, Fire is currently seeking a software that can communicate with the software used by the Planning and Finance Department.
>
> Risk Category: Safety/Health

Summary of Audit

The objectives of this audit were to determine whether the Fire Department met the mandated inspection requirements, how they manage inspections, and what challenges remain in fire inspections. The Fire Department is not meeting inspection mandates. In fiscal year 2018, the Department's unresolved violations increased to nearly 2,500 and it did not inspect over 500 properties. Without increased staffing, the Department is strained by both City inspection requirements that go beyond California's requirements and the impacts of population growth. The Fire Department's database does not contain a complete inventory of properties requiring inspections and lacks controls to ensure complete data. The Fire Department staff need more support to be able to complete mandated inspections. Fire does not perform complete risk assessments or sufficiently communicate within the Department and with the community.

2.2 Work with both the database's software vendor and the Information Technology Department to strengthen controls over the database, including:

- Assessing the needs for required fields for processing an inspection, such as unit, shift, inspector name, address, violation details, and violation location.

- Formatting drop‑down menus for inspection status, inspection type, and violation status. Formatting the options available for the violation code numbers and violation description fields.

Not Implemented. Fire Prevention will reach out to Red Alert to determine their ability to customize fields within the software. Additionally, Fire and IT are actively reviewing available software that can meet the needs of Fire and is compatible with software used by the other city departments.

Risk Category: Safety/Health

Finding 3: Fire Staff Do Not Have Enough Support to Get Inspections Done

3.1 Coordinate work plans with Suppression for all mandated fire prevention inspections. These should take into consideration the volume and nature of the other work Suppression performs.

Not Implemented. Fire plans to update General Order to give clear expectations of inspection policy and procedure.

Risk Category: Safety/Health

3.2 Create a risk-assessment plan to identify those properties that are most at risk of a fire.

Not Implemented. The Fire Chief is researching the resources needed to conduct such assessments using other cities' programs as models.

Risk Category: Safety/Health

3.3 Issue a General Order to the Department on the importance and necessity of performing fire prevention inspections.

> Not Implemented. The Fire Chief will revise the General Order to stress the importance and the expectations of Fire Prevention Inspections to the Suppression personnel.

> Risk Category: Safety/Health

3.4 The Fire Marshal and Suppression Management jointly develop a communication plan between Fire Prevention and Suppression.

> Not Implemented. In the long term, with the revised General Order, the designated Shift Fire Inspector will take on a more active role as a resource to guide the suppression staff on conducting annual inspections.

> Risk Category: Safety/Health

3.5 Revise the fire prevention inspection training to provide hands-on training, using experienced Suppression staff, on how to conduct inspections and interact with residents and community members during inspections.

> Not Implemented. The Fire Chief plans to revise the General Order to clearly spell out training requirements and expectations. The Department also plans to allocate more time for staff for be trained and require the Shift Fire Inspector to provide hands-on training as needed.

> Risk Category: Safety/Health

3.6 Develop and distribute educational information to property owners prior to the beginning of the inspection cycle to provide information on the fire prevention inspection program, common violations, and any upcoming inspections for that area of the City.

> Not Implemented. The Fire Department is planning to create new public education materials for the city website and will be preparing a comprehensive Wildfire Safety packed for all property owners.

> Risk Category: Safety/Health

3.7 Create a process for issuing, tracking, and following up on administrative citations for properties with repeat or high-risk violations, including revenue collections and tracking. That process should collaborate with other City work units that perform enforcement activities to provide consistency.

> Not Implemented. The Fire Department plans to review internals policies and procedures and update the Fire Prevention General Order.
>
> Risk Category: Safety/Health and Financial

Mission Statement
Promoting transparency and accountability in Berkeley government.

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