Status Report on Implementation of Office of City Auditor Recommendations as of December 2014

David G. Jones, City Auditor

REPORT SUMMARY

We tracked 414 recommendations contained in 44 audit reports issued from January 2007 through December 2014. As of December 31, 2014, 72 percent (297 out of 414) were implemented, 15 percent (61.5 out of 414) were pending, and 13 percent (55.5 out of 414) were categorized as no further follow-up planned.

Status Report on Implementation of
Office of City Auditor Recommendations as of December 2014

Status Report of Audit Recommendations

The Office of City Auditor follows up on the implementation status of its audit recommendations annually and reports its results to the City Council. This process provides an opportunity for our office, the City Council, and audited City departments to review the results of our audit work. We appreciate the cooperation of the many City departments involved in this effort.

Scope

Since 2010, we have tracked 414 recommendations contained in 44 audit reports issued from January 2007 through December 2014[1].

This report describes the status of 147 recommendations as follows:
- 82 recommendations reported as "pending" from our previous follow-up report[2],
- 1 recommendation re-categorized as "pending" for this report but was reported as "implemented" from our previous follow-up report[3], and
- 64 new recommendations contained in our 2014 audit reports[4].

We did not report on the implementation status of 267 of the 414 recommendations we tracked because as of our previous follow-up report, their status was categorized as either "implemented" or "no further follow-up planned". For details on the 267 recommendations not included in this report, please see these reports[5].

Methodology

After we complete an audit, we add any recommendations made in it to our tracking database. The next step in our process is to have an auditor identify and verify the status of recommendations by following up with the appropriate City departments and/or responsible individuals and obtaining testimonial or documentary evidence.

In some cases, we go beyond our standard process and perform a more in-depth verification of the extent to which certain audit recommendations have been implemented, and issue a separate report on this work.

---

[1] See Appendix A.

[2] Status Report on Implementation of Office of City Auditor Recommendations as of December 2013, published April 30, 2014

[3] Recommendation item #324 of this report.

[4] Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014); City of Seattle RFP Process for Vehicle Impound Management Services (May 20, 2014); Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014); Seattle's Paid Sick and Safe Time Ordinance Enforcement Audit (October 17, 2014); Supporting a Future Evaluation of the Seattle Youth Violence Prevention Initiative (SYVPI) (October 24, 2014); and Seattle Department of Transportation Bonds Management Audit (December 22, 2014).

[5] Status Report on Implementation of Office of City Auditor Recommendations as of October 2012, published February 7, 2013 and Status Report on Implementation of Office of City Auditor Recommendations as of December 2013, published April 30, 2014

Summary and Results

We tracked 414 recommendations contained in 44 audit reports issued from January 2007 through December 2014. As shown in the chart below, as of December 31, 2014, 72 percent (297 out of 414) were implemented, 15 percent (61.5 out of 414) were pending, and 13 percent (55.5 out of 414) were categorized as no further follow-up planned.

2007-2014 Recommendations Status Summary

- 72% Implemented
- 15% Pending
- 13% No Further Follow-up
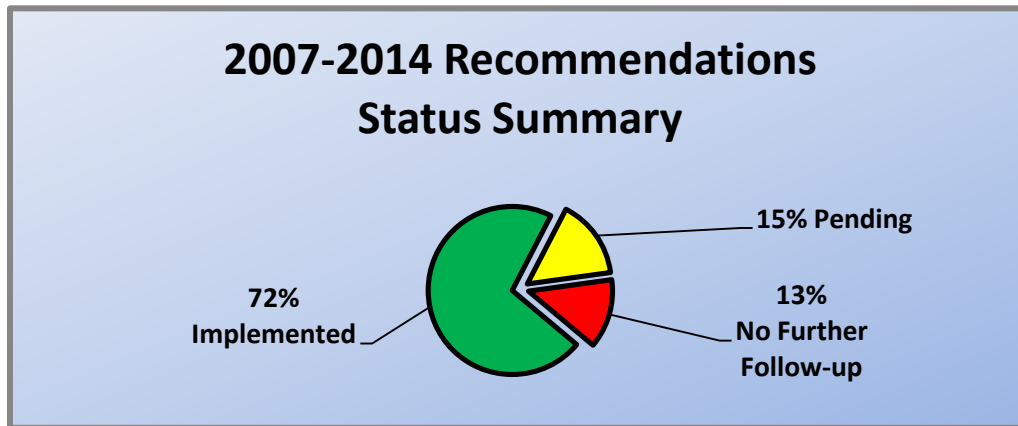
Categories of Recommendation Status

For reporting purposes, we assigned recommendations into one of the following categories:

Implemented
We reviewed the status information provided by the audited entity and either:
1) agreed that the recommendation or the intent of the recommendation has been met (i.e., with an alternative approach), or 2) concluded that it is in the process of being implemented and we see no barrier to its full implementation.

Pending
We categorized a recommendation as pending when its implementation is in process or is uncertain, and additional monitoring is warranted. In some cases, implementation requires City Council/Mayoral decision(s).[6]

No Further Follow-up Planned
We categorized a recommendation for "no further follow-up planned" when it met one of the following conditions:
1. The recommendation is no longer relevant.
2. The recommendation's implementation is not feasible due to factors such as budget and/or staffing limitations, contractual issues, etc.
3. The audited entity's management does not agree with the recommendation and is not planning to implement the recommendation.
4. The recommendation was considered by the City Council but not adopted.

Please see Appendix B for a list of the recommendations in the four categories for "No Further Follow-up Planned".

---

[6] Please note that in our previous recommendation follow-up reports, we had a designation of "Follow-up Not Yet Due" within the category of pending. This was intended to allow at least six months to a year to elapse before we followed up on a recommendation to give an auditee adequate time to implement the recommendation. As of our last report, Status Report on Implementation of Office of City Auditor Recommendations as of December 2013, published April 30, 2014, we eliminated this designation because we no longer wait six months to a year to follow-up. Instead, we follow up on all recommendations for audit reports issued through the end of the calendar year (i.e., December 2014 for this report).

Status of Audit Recommendations as of December 31, 2014

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Municipal Court (SMC) Accounts Receivable and Revenue Recovery, Internal Controls Review (January 4, 2007)	6	Time-payment research functions are inefficient and not properly supported by the Court's information system (MCIS).	**Implemented March 2015**	The Seattle Municipal Court developed a new web interface that allows for the improved ability to set up and research time payment plans. This interface has been implemented and staff have been trained on how to use it as of March 2015.
Seattle Public Utilities (SPU) Billing and Accounts Receivable (AR) – Drainage Fees, Internal Controls Review (February 8, 2007)	13	Drainage fee updates/adjustments to customer accounts are made only once a year by King County, and not when property changes actually occur.	**No Further Follow-Up Planned** **(type 2)**	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method, and King County currently makes updates/adjustments to customer accounts only once a year. SPU reported that manual updates to the King County system once a year is currently the most cost effective solution and the recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.
	14	Property tax statements (which include drainage fees) marked "return to sender" are not researched and resolved by King County.	**No Further Follow-Up Planned** **(type 2)**	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method. King County does not currently research these property tax statements. SPU has discussed this policy with King County and reported that it has limited capacity to force a change in King County procedure. The recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.
	16	Delinquent drainage accounts aren't tracked, researched, or pursued by SPU or King County until they are three years past due.	**No Further Follow-Up Planned** **(type 2)**	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method. SPU has determined that pursuing drainage fees separately from county property tax billings is not cost effective. The recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.
	17	King County estimates of the interest paid on delinquent drainage fees may result in underpayments to SPU.	**No Further Follow-Up Planned** **(type 2)**	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method. SPU has verified the County's calculation and determined the calculation uses fair estimates for unknown amounts. SPU determined that the loss or gain on estimated interest is minimal. The recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.

---

[7]This number is the recommendation's assigned number in our tracking database.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Public Utilities (SPU) Billing and Accounts Receivable (AR) – Drainage Fees, Internal Controls Review (February 8, 2007), continued.	21	SPU's memorandum of agreement (MOA) with King County for drainage billing and collection services requires updating.	Pending	Seattle Public Utilities (SPU) reported that it has attempted to renegotiate its Memorandum of Agreement (MOA) with King County. SPU is still awaiting legal feedback on a draft agreement and will continue to pursue the issue. However, according to SPU, it is unlikely King County will accept any major changes to the existing agreement because this would set a precedent for alterations of agreements that other municipalities have with King County for drainage billing services.
Management of City Trees (May 15, 2009)	163	The City should adopt new tree regulations for tree protection on private property.	Pending	The Department of Planning and Development (DPD) reported that an update to the Tree Regulations was put on hold in 2013 at the request of the City Council. DPD is assessing opportunities to include it in the DPD's staff work plan for 2015 or 2016.
	164	The Department of Planning and Development (DPD) needs to conduct an analysis to determine resource needs for implementing the new tree regulations.	Pending	The Department of Planning and Development reported that the analysis will be conducted as part of an update to the Tree Regulations discussed above in the comments for recommendation #163.
Efficiencies Audit: Parking and Traffic Ticket Processing (December 15, 2009)	194	The Seattle Police Department (SPD) should convert from paper to electronic traffic tickets.	Pending	The Seattle Police Department reported that it has funding in place to equip 72% (212 of 294) of their Traffic Officers with SECTOR (State of Washington Program for Electronic Ticketing and Collision Reporting) equipment over the next 14 months but needs further funding to equip electronic ticketing devices for the remaining 82 officers. The Traffic Section, who writes the vast majority of traffic citations, will be fully deployed by the 2nd quarter of 2015. All of the ticketing devices will use the electronic ticketing and collision reporting software developed by the State of Washington. The SECTOR equipment is being installed in new vehicles.
Follow-up Audit of Workers' Compensation: Return-to-Work Program (June 15, 2010)	216	Each large department should develop a Return-to-Work policies and procedures manual, drafts of which should be routinely reviewed by the Workers' Compensation Unit.	Pending	The Seattle Department of Human Resources (SDHR) reported that several large departments are in the process of developing their department-specific Return-to-Work (RTW) manuals and that SDHR's Workers' Compensation Unit (WCU) has not yet developed a City-wide RTW policies and procedures manual due to resource constraints. SDHR reported that the WCU and the Law Department Workers' Compensation Attorney have provided training on the basics of Workers' Compensation and the essential components of RTW policies and procedures to RTW Coordinators city wide.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
City of Seattle Anti-Graffiti Efforts: Best Practices and Recommendations (July 28, 2010)	219	The City Council and Mayor should develop clear policy statement on graffiti, establish clear directives about who in the City is authorized, responsible, and accountable for anti-graffiti efforts and develop specific outcome goals.	**No Further Follow-Up Planned** **(type 4)**	The City Council and the Mayor decided that they would not pursue this at this time.
	220	The City Council and Mayor should require City departments to gather baseline data before new policies and procedures are implemented.	**No Further Follow-Up Planned** **(type 4)**	The City Council and the Mayor decided that they would not pursue this at this time.
	221	The City Council and Mayor should require an annual physical inventory to evaluate the effectiveness of the City's efforts.	**No Further Follow-Up Planned** **(type 4)**	The City Council and the Mayor decided that they would not pursue this at this time.
	224	Have parking enforcement officers and other City employees photograph and report graffiti.	**Implemented April 2014**	Parking Enforcement Officers' (PEO's) hand held ticketing devices require that the photos be associated with a parking citation, so this avenue was not pursued. The graffiti detective preferred a system that allows the public to photograph and report graffiti crimes through the web, which is now available at http://www.seattle.gov/police/report/ (scroll down to FILE A REPORT ONLINE). In addition, graffiti photos can be submitted using a City of Seattle smartphone application called "Find it, Fix It." See http://www.seattle.gov/customer-service-bureau/find-it-fix-it-mobile-app for instructions on how to download and use the application.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Indigent Defense Services Follow-up and 2010 Audit (December 15, 2010)	237	The Seattle Municipal Court should continue to work with the City Budget Office, and the Department of Finance and Administrative Services (FAS) to address several issues related to the process of determining eligibility, the collection of defendants' public defender costs, and determining whether recovering costs from defendants who are found not guilty or whose case is dismissed, like King County does, is a viable option.	**Implemented November 2014**	The Seattle Municipal Court, the City Budget Office, and the Department of Finance and Administrative Services (FAS) have worked together to identify and implement solutions to address this recommendation including developing a process for screening defendants to determine eligibility for public defender services and sending accounts to FAS to collect on promissory notes, which began in November 2014.
	238	The department responsible for collecting payments from defendants who can pay a portion of their costs should report to the City Council quarterly on the amount the City collects from those payments.	**Implemented November 2014**	The City Budget Office reported that the recommendation has been implemented. The Seattle Municipal Court provided our office with information on the accounts it sends to the Department of Finance and Administrative Services to collect court costs associated with promissory notes.
Seattle Public Utilities (SPU) Revenue Cycle Audit – Wastewater: Internal Controls (April 11, 2011)	244	SPU wastewater rates are high compared to similar municipalities.	**Pending**	Seattle Public Utilities (SPU) reported that it developed, in conjunction with other wholesale wastewater customers, a list of issues for renegotiating the wastewater treatment contract with King County. SPU reported that it is optimistic that general agreement on the conceptual terms of the contract will be reached by 4th Quarter 2015.
	245	There are issues with King County's sewer processing rates that are resulting in somewhat higher wastewater charges for SPU customers.	**Pending**	Seattle Public Utilities (SPU) reported that it developed, in conjunction with other wholesale wastewater customers, a list of issues for renegotiating the wastewater treatment contract with King County. SPU reported that it is optimistic that general agreement on the conceptual terms of the contract will be reached by 4th Quarter 2015.
	252	Contaminated stormwater volumes used by SPU for billing purposes are for the most part self-reported by industrial commercial customers to King County and verification of these volumes is limited.	**Pending**	Seattle Public Utilities (SPU) reported that it developed, in conjunction with other wholesale wastewater customers, a list of issues for renegotiating the wastewater treatment contract with King County that includes the issue of contaminated stormwater volumes. SPU reported that it is optimistic that general agreement on the conceptual terms of the contract will be reached by 4th Quarter 2015.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Public Utilities (SPU) Revenue Cycle Audit – Wastewater: Internal Controls (April 11, 2011), continued.	253	There is no procedure to ensure that all contractors are billed by SPU for construction site dewatering.	**Implemented** **March 2014**	Seattle Public Utilities (SPU) reported that it now receives timely information from King County when construction site dewatering permits are issued, and that SPU ensures that these customers are set up for billing for dewatering waste, when applicable.
	254	Contractors self-report construction site wastewater discharge volumes to SPU for billing purposes and there is almost no verification of these volumes.	**No Further Follow-up Planned** **(type 2)**	Seattle Public Utilities (SPU) reported it made multiple attempts to encourage King County to verify the actual wastewater volumes against what is being reported by construction sites. The collection of these fees is a pass through to King County and does not affect SPU revenue streams. The recommendation's implementation is not feasible because King County controls construction site wastewater enforcement.
	255	Many contractors make late payments on SPU's construction site wastewater charges.	**No Further Follow-up Planned** **(type 3)**	Seattle Public Utilities (SPU) reported that it currently bills construction sites for wastewater volumes and follows its normal delinquency practices with these bills. The collection of these fees is a pass through to King County for which SPU collects the fees and remits them to the County. These fees do not affect SPU's revenue streams. SPU reported that it is not cost effective for them to vary their business practices given that these fees are a pass through to King County.
	257	There are problems with SPU's contract with King County for sewer processing services and related authoritative wastewater guidance.	**Pending**	Seattle Public Utilities (SPU) reported that it developed, in conjunction with other wholesale wastewater customers, a list of issues for renegotiating the wastewater treatment contract with King County. SPU reported that it is optimistic general agreement on the conceptual terms of the contract will be reached by 4th Quarter 2015.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
City of Seattle Anti-Litter Efforts (April 19, 2011)	264	Consider curb-to-curb street sweeping to increase street sweeping efficiency and ticketing of illegally parked cars, which could both ensure that streets are clear and help offset the costs of this service.	Pending	The Seattle Department of Transportation (SDOT) reported it continues to work with Seattle Public Utilities (SPU) to evaluate the benefits and challenges of establishing parking restrictions for street sweeping, with a decision on the use of parking restrictions expected within the next several years. SDOT reported the following: 1) SDOT and SPU are continuing to work on increasing the number of lane miles swept during the year, and there have been small changes to the Street Sweeping for Water Quality program over the last year to increase the cost effectiveness of the routes; 2) In 2016, the water quality sweeping program will increase from 40 weeks to 46 weeks and will add some arterial streets that are not currently swept; 3) SPU is continuing to study and evaluate the benefits and challenges of establishing parking restrictions for street sweeping because there is some data that shows that parking restrictions may not provide significant increased water quality benefits, that installation and maintenance costs for parking restriction signage are high, and that parking restrictions have a great impact on neighborhood residents.
Promising Practices in Risk Management (June 22, 2011)	266	Because we found that the City's draft Enhanced Loss Control Procedures (ELCP) reflect the risk management industry's most promising practices, we recommend that the City adopt these new policies for a trial period and periodically evaluate their effectiveness and revise them accordingly.	Implemented July 2014	In general, the Enhanced Loss Control Procedures have provided useful mechanisms for getting departments to focus on their losses. Specifically, the Risk Management Advisory Group meetings have proven to be a useful tool for the Department of Finance and Administrative Services to communicate information about risk management best practices, areas of high risk, and mitigation strategies to the seven departments with the highest historical losses. Further, these meetings provide a forum for departments to discuss common risks and share their own best practices.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
How Can Seattle Crime Analysis Rise to the Next Level? (January 10, 2012)	268	The Seattle Police Department (SPD) should make more sophisticated use of crime data.	Pending	In June 2014, the Seattle Police Department (SPD), under the direction of its Data-Driven Program Manager, brought in Dr. Rachel Boba Santos for a three-day training in best practices in crime analysis. The department continued to receive technical assistance from Dr. Boba Santos and received critiques on its crime analysis products. In addition, the SPD crime analysts received quarterly training in Geographic Information System (GIS) special analytical tools, and four crime analysts attended a national GIS conference. In August 2014, SPD instituted biweekly SEASTAT (http://www.seattle.gov/police/seastat/) meetings aimed at quickly addressing crime hotspots and other police-related issues based on analysis of crime data and community reports of incidents. In 2015, SPD plans to continue to work toward the standardization of its crime analysis products. In addition, in late 2015 SPD plans to review the level of staffing for crime analysis. Currently, SPD has seven crime analysts. The International Association of Crime Analysts (IACA) recommends one crime analyst for every 1,500 UCR (Uniform Crime Reporting) Part 1 crimes that an agency reports in a year. In 2014, SPD reported 44,419 Part 1 crimes; this would indicate the need for 30 crime analysts based on the IACA formula. We plan to review SPD's crime analysis staffing analysis in 2015.
	270	SPD should optimize the use of its software tools.	Pending	In 2015 the Seattle Police Department (SPD) plans to implement a Data Analytics Platform (DAP). Phase 1 of DAP will consist of requirements for meeting the terms of the consent decree the City signed with the U.S. Department of Justice. However, Phase 2 will include connections to the Seattle Municipal Court and Seattle City Attorney's information systems and will begin to incorporate Computer Aided Dispatch and Records Management System data that can be used for crime reporting. In 2015, SPD plans on reviewing the status of DAP implementation to determine if it is being used for crime analysis.

Report Title (publication date)	Rec #⁷	Description	Status as of December 31, 2014	2014 Update Comments
How Can Seattle Crime Analysis Rise to the Next Level? (January 10, 2012), continued.	271	SPD should maximize report automation and self-service opportunities.	Pending	The Seattle Police Department (SPD) continues to make incident and offense data from 2008-present available on data.seattle.gov as well as online crime maps on seattle.gov. The SPD Data-Driven program manager has worked to automate some standard internal reports in 2014 and will continue this effort in 2015. SPD has also created an automated 28-day dashboard for SEASTAT (http://www.seattle.gov/police/seastat/) for use by SPD commanders and other internal SPD personnel. SPD plans to review progress on report automation and self-service opportunities, including a public-facing dashboard, in 2015.
Seattle Police Department's In-Car Video Program (June 20, 2012)	273	Ensure that the City personnel responsible for procuring both the new in-car video recording hardware and software and new patrol vehicles prioritize technology and equipment that enable officers to reliably create and retain in-car video recordings.	Implemented May 2014	Our office followed up on this recommendation as part of our audit of the Seattle Police Department's public disclosure process, Audit of the Seattle Police Department's Public Disclosure Process, issued March 16, 2014, as Recommendation 2 in Appendix A. The recommendation has been implemented.
	274	Develop a standard electronic request form that lists all the information the Video Unit needs to conduct an efficient search.	Implemented October 2014	Our office followed up on this recommendation as part of our audit of the Seattle Police Department's public disclosure process, Audit of the Seattle Police Department's Public Disclosure Process, issued March 16, 2014, as Recommendation 3 in Appendix A. The recommendation has been implemented.
	275	Facilitate locating all the video recordings that were made for a specific event. One option is for SPD to obtain or enable in-car video software that automatically records GPS data for patrol vehicle location when a recording is made. This would provide Video Unit staff with a more precise set of data to search for video. It would also allow them to identify all videos recorded at a particular location, date, and time.	Implemented July 2013	Our office followed up on this recommendation as part of our audit of the Seattle Police Department's (SPD) public disclosure process, Audit of the Seattle Police Department's Public Disclosure Process, issued March 16, 2014, as Recommendation 4 in Appendix A. The recommendation has been implemented.

However, this functionality did not solve all the issues related to conducting efficient and accurate searches for in-car videos. SPD should explore additional ways to identify and locate recordings related to a specific event, including developing the ability to share data between its Records Management and Computer Aided Dispatch systems and its system for managing in-car video recordings. |

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Police Department's In-Car Video Program (June 20, 2012), continued.	276	Explore giving COBAN database access to staff in additional SPD units, such as the Public Disclosure Unit, the Office of Professional Accountability, and the OPA Civilian Auditor, as well as the City Attorney's Office. Such access should be accompanied by appropriate training, supervision, and security controls to ensure that the recordings are handled with due care. Expanding database access to other SPD units and the City Attorney's Office would: 1) streamline the process of finding video recordings, thereby expediting responses to public disclosure requests and subpoenas, and 2) reduce the Video Unit's workload, allowing its staff to work on high priority requests or other tasks, such as obtaining copies of surveillance videos or visiting precincts to maintain and repair in-car video equipment.	**Implemented** **November 2012**	Our office followed up on this recommendation as part of our audit of the Seattle Police Department's (SPD) public disclosure process, Audit of the Seattle Police Department's Public Disclosure Process, issued March 16, 2014, as Recommendation 5 in Appendix A. The recommendation has been implemented. According to SPD's Video Unit, SPD expanded COBAN access to the following SPD units in November 2012: Public Disclosure Unit, the Office of Professional Accountability, Homicide and Traffic Investigation Squad detectives, and all supervisors with the rank of sergeant or above. The OPA Auditor has been given alternative access to in-car videos relevant to cases she is working on through SPD's IAPro system. City Attorney's Office officials told us that they no longer need direct access to COBAN and that they currently acquire copies of SPD videos, as needed, by ordering them from the SPD Video Unit. Note: COBAN is the vendor of SPD's system for managing in-car video recordings; IAPro is the vendor of software that SPD uses to track information about OPA cases and other internal functions.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Police Department's In-Car Video Program (June 20, 2012), continued.	277	Direct the Video Unit to develop a simple, uniform system for recording the receipt of and work performed on each request, including the following information: 1) Date request received, 2) Source of request and requestor (e.g., Public Disclosure Unit, requestor's name), 3) Date database search conducted, 4) Number and type of searches conducted (e.g., searched this officer number for this date and time), 5) Search results, by individual search (i.e., found, not found), 6) Date response sent to requestor, and 7) Content of response (i.e., number of videos sent, identifying data for each video).	**Implemented October 2014**	Our office followed up on this recommendation as part of our audit of the Seattle Police Department's public disclosure process, Audit of the Seattle Police Department's Public Disclosure Process, issued March 16, 2014, as Recommendation 6 in Appendix A. The recommendation has been implemented.
Information Technology Security and Risk Assessment of the Seattle Department of Transportation's Traffic Management Center and Control System (July 5, 2012)	278	The Office of City Auditor will work with the Chief Information Security Officer to conduct a follow-up review in 12 months to track the Traffic Management Center's progress on moving up the cyber security management capability scale. [Note: In August 2014 the Office of City Auditor (OCA) and the Department of Information Technology (DoIT) agreed that while OCA will track this item in its follow-up database, the follow-up will be performed by DoIT's Chief Information Security Officer.]	Pending	The Chief Information Security Officer has reviewed a report from the system vendor that updates the status of the vendor's remediation efforts and reported that it appears that good progress is being made. The vendor continues to provide system updates and they are applied within a reasonable timeframe. The remaining findings will be addressed in the context of a project that seeks to improve the traffic management system from an efficiency and security standpoint. The Seattle Department of Transportation is seeking assistance from the Department of Information Technology in their planning activities and guidance on improvements.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Evidence-Based Assessment of the City of Seattle's Crime Prevention Program (September 6, 2012)	279	SPD should conduct a rigorous review of three programs (School Emphasis Truancy and Suspension Reduction Program, the School Emphasis Program, and the Proactive Gang Program) that appear to resemble programs in other jurisdictions that have been found to worsen crime rather than prevent it (i.e., "backfire effect"). SPD should compare these programs to those studies in the research to examine purpose, methods, procedures and performance measures and identify possibilities for adjusting these three current programs to incorporate methods that demonstrate stronger positive outcomes.	**Pending**	Evaluations of two programs with potential backfire effects, School Emphasis Officers and Street Outreach, are included in the scope of work for the program evaluation of the Seattle Youth Violence Prevention Initiative. These two evaluations are currently being conducted by the Office of City Auditor and are planned to be completed in 2015.
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012)	280	SPU should create written policies and procedures, including a Water Main Extension program manual, that document management's roles and responsibilities for the oversight of water main extension projects, and that establish necessary controls to mitigate risks noted in this audit.	**Implemented April 2015**	Seattle Public Utilities reported that the Development Services Office Service Delivery Manager has documented current policies and procedures for water main projects including the roles and responsibilities of supervisors and managers. These policies and procedures are documented at DSO-WME-01, effective April 15, 2015.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012), continued.	281	SPU should create written policies and procedures, including the appropriate controls to ensure that all water main extension work is performed under current contracts. Such policies and procedures should: 1) Specify who should periodically review the project contract agreements to ensure that they are properly updated, 2) Define when this review should occur, and 3) Specify how this review will be documented. SPU should enforce Provision 3A in the contract by reconciling the difference between the estimated charges and actual costs, and either bill or refund the developer as appropriate. If SPU wants this provision to apply only to Time and Materials charges and not to Standard Charges, they should clarify the contract language to reflect this.	**Implemented April 2015**	Seattle Public Utilities reported that the contract review process has been instituted. It outlines who reviews the project contracts, when they are updated and how the changes are documented. These policies and procedures are documented at DSO-MGT-01 and DSO-WME-01, effective April 15, 2015.
	282	SPU should create written policies and procedures and appropriate controls to ensure that required project approvals are obtained on all water main extension projects. The policies and procedures should specify who should approve and sign off on water main extension work, and how this approval should be documented (e.g., a project close-out form).	**Implemented April 2015**	Seattle Public Utilities reported that the policy and procedures for water main project approvals have been completed, and that they specify who should approve water main extension work and how the approvals should be documented. These policies and procedures are documented at DSO-WME-01, effective April 15, 2015.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012), continued.	283	SPU should define in its current policies and procedures surrounding Water Availability Certificates (WACs), CS-101, who is authorized to issue WACs and how WAC approval and issuance should be documented.	**Implemented April 2015**	Seattle Public Utilities reported that the policies and procedures for the issuance and approval of Water Availability Certificates have been completed. These policies and procedures are documented at DSO-WS-04, effective April 15, 2015.
	284	SPU should ensure that additional costs are recovered from customers if circumstances warrant this. SPU's contract provisions allow for recovery of actual costs and SPU should enforce this provision. SPU should establish written policies and procedures to ensure periodic review and revision of both standard charges and time and materials (T&M) rates to reflect actual costs. The policies and procedures should specify how often the review is conducted, who should perform the review, who is authorized to make any ensuing adjustments to the charges and/or rates, and how the review and charges and/or rate adjustments should be documented.	**Pending**	Seattle Public Utilities reported that there is an ongoing internal project addressing standard charges. Once completed, this project will be used to decide who, how often, and where this type of review and revision of rates will be completed and documented. Policies and procedures are currently in draft form and will include training and implementation. The target completion date is December 2016.

Report Title (publication date)	Rec #⁷	Description	Status as of December 31, 2014	2014 Update Comments
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012), continued.	285	SPU should implement written policies and procedures to ensure that all calculations of customer charges are independently reviewed. This could be accomplished by documenting the new SPU policy requiring the Supervising Civil Engineer to review customer charge estimates. The procedures should also specify how the Civil Engineer's review should be documented, and the process that should be followed if the estimates need to be revised (e.g., whether additional authorizations are needed, and if so, from whom?).	**Implemented** **April 2015**	Seattle Public Utilities reported that the policy and procedures for the independent review and authorization of customer charges have been completed. These policies and procedures are documented at DSO-WME-01, effective April 15, 2015.
	286	SPU should strengthen its current policies and procedures by incorporating controls to help ensure that all expected revenues from water main extension projects are recorded and tracked for eventual billing in the SPU AR system, and deposited by the City's Treasury unit into the City's bank account. For those contracts for which SPU did not receive full payment but did complete the work, SPU should attempt to collect any funds that are still due.	**Implemented** **April 2015**	Seattle Public Utilities reported that the policy and procedures for the independent review and authorization of customer charges have been completed. These policies and procedures are documented at DSO-PER-03, effective April 15, 2015.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012), continued.	287	SPU should consider having SPU Cost Accounting verify deposit of customer payment before Capital Improvement Program (CIP) numbers are set up. In addition, SPU should consider having SPU Field Operations verify with SPU Cost Accounting that a customer payment has been deposited before project work is started.	**Implemented April 2015**	Seattle Public Utilities (SPU) reported that service orders to create Capital Improvement Program (CIP) numbers are not created until the Development Services Office's Sales System has been updated by SPU Accounts Receivable with a "Fully Paid" status. SPU reported that it considered having one of its divisions check the paid status before the beginning of physical work, but determined that this is not necessary. The current process of not creating a CIP number until it is "Fully Paid" prevents any work from being started because work cannot begin without a CIP number. The policy and procedure have been completed and are documented at DSO-WME-01, DSO-PER-01, and DSO-PER-03, effective April 15, 2015.
	288	SPU should strengthen its written policies and procedures by incorporating appropriate controls that prohibit acceptance of customer payments by the Project Manager and field personnel and clearly communicate this policy to customers in the contract.	**Implemented April 2015**	Seattle Public Utilities reported that its water main projects policies and procedures state that project leads are not allowed to accept payments. Development Services Office's contracts and invoices contain language to communicate to the customer that project leads and/or field representatives do not accept payments. The policy and procedure have been completed and are documented at DSO-WME-01, DSO-PER-01, and DSO-PER-03, effective April 15, 2015.
	289	SPU's written policies and procedures should document what critical project documents need to be retained for the project record (i.e., in the water main extension program manual). It would be helpful if a unique project identifier (e.g., CIP number) is noted on all critical project documents.	**Implemented April 2015**	Seattle Public Utilities reported that all critical water main project documents are now held in the Development Services Office's Sales System (DSS). All water main projects are saved under associated projects that are assigned unique project numbers. The policy and procedure have been completed and are documented at DSO-WME-01 and DSO-PER-01, effective April 15, 2015. These policies state what documents are necessary to be included in the DSS before the project can begin and be completed.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012), continued.	290	SPU management should document in their written policies and procedures the requirements for status tracking, cost reviews, reporting, and management oversight of water main extension projects. SPU should document the requirement and the process for conducting variance analyses between planned field costs and actual costs for water main extension projects. This should include when these analyses should occur (e.g., when actual expenses exceed estimated costs by X %), who should perform the analyses, how to document the analyses results, and any subsequent follow-up or actions.	Pending	Seattle Public Utilities (SPU) reported that the Development Services Office (DSO) is tracking and invoicing all water main projects within the DSO's Sales System and that the policies and procedures are finalized. In addition, SPU reported that the DSO is currently developing charter agreements with various groups within SPU that charge to water main projects, such as Line of Business, Finance, etc., to set controls and ask for change orders prior to exceeding the contract dollar amount. SPU will also be revising DSO-WME-01 to include an additional procedural step; requiring management approval before issuing additional billing or refund for all project cost variances over a determined threshold. The policy and procedure have been completed and are documented at DSO-WME-01, DSO-PER-01, and DSO-PER-03, effective April 15, 2015.
	291	SPU should establish written procedures incorporating internal controls to help ensure that all water main extension projects are accurately coded.	Implemented April 2015	Seattle Public Utilities (SPU) reported that water main extensions are now sold via the Development Sales System (DSS) and payment is accepted and processed only via Treasury in the Finance and Administrative Services Department. The DSS generates invoices that include "hard coded" amounts for Treasury's use. SPU Finance staff review the allocation codes to ensure the coding is accurate. The policy and procedure have been completed and are documented at DSO-PER-04, effective April 15, 2015.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012), continued.	292	SPU should document appropriate controls to ensure that access to all IT systems is appropriately segregated (i.e., so that individuals do not have access rights beyond what is appropriate for their position). SPU should have procedures to ensure that staff are granted IT access rights based on their business needs. In addition, SPU should ensure that access to IT systems is modified appropriately when employees are transferred to other parts of SPU, and review system access rights for all personnel at least annually.	**Implemented April 2015**	Seattle Public Utilities (SPU) reported that the systems lead maintains a Development Services Office (DSO) Employee Systems Access Matrix of all DSO and non-DSO staff accessing DSO systems per individual role and business need. The systems lead has been working with SPU IT (Information Technology) and Finance to identify access rights to SPU and DSO systems of DSO staff to mitigate conflicts of interest based on roles and responsibilities. The Matrix is updated whenever employee roles change and is annually refreshed to ensure nothing was missed. The policy and procedure have been completed and are documented at DSO-PER-04, effective April 15, 2015.
City of Seattle Multifamily Tax Exemption (MFTE) Program (September 19, 2012)	293	We recommend that the City examine the relevance, attainability, and measurability of each ordinance goal governing the MFTE program and when necessary, that it modify the goals to ensure they are measurable and achievable and have performance targets and timeframes. Applicable ordinance requirements and the Office of Housing (OH) Director's Rules should be linked to achieving specific goals. OH should work to achieve ordinance goals, as stated in its MFTE 2011 Status Report to the City Council, rather than the three policy goals stated in the MFTE 2010 Status Report, which may conflict with the ordinance goals.	**Pending**	The Office of Housing (OH) reported that the City Council has not reviewed the nine Multifamily Tax Exemption (MFTE) program goals that currently appear in SMC 5.73. OH reported that it expects that the City Council's Committee on Housing Affordability, Human Services, and Economic Resiliency will conduct a MFTE program review after publication of the 2015 Housing Affordability and Livability Agenda.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
City of Seattle Multifamily Tax Exemption (MFTE) Program (September 19, 2012), continued.	298	The Office of Housing (OH) should conduct audits of the income verification documents submitted to the properties by tenants to determine if the annual property certification reports are accurate. Alternatively, OH could collect income verification documents from the property managers in addition to the annual certification reports so that it could verify the accuracy of the tenant income information contained in the certification reports.	**Implemented March 2014**	The Office of Housing reported that it conducted on-site file reviews at eight Multifamily Tax Exemption properties in February and March of 2014.
	300	OH should establish and document a structured process to request corrective action from properties that do not meet program requirements (e.g., submitting annual property certification reports, providing the appropriate number of affordable units to the targeted population, verifying tenant income reported by property management on annual property certification reports) or impose various types of penalties (including withdrawal of the MFTE tax exemption).	**Implemented March 2014**	The Office of Housing reported that it has established a corrective action process and implemented the process in its annual compliance audits of Multifamily Tax Exemption properties which started in early 2014.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
City of Seattle Multifamily Tax Exemption (MFTE) Program (September 19, 2012), continued.	303	OH should clarify and update its status reports to the City Council, and report on actual data, if it is available, rather than estimates. This should include providing actual tax exemption impacts from the King County Department of Assessments, and the actual number of qualifying tenants living in affordable units.	**Implemented April 2014**	The Office of Housing's annual Multifamily Tax Exemption report includes the data requested in the recommendation.
	304	OH should include in its status reports to the City Council information on the number of affordable units that remain vacant in each MFTE property for six months or more during the reporting year.	**Implemented April 2014**	The Office of Housing now reports on general affordable housing vacancy information.
	305	OH should standardize and automate the annual property certification report form used by property managers to report compliance with program rules regarding tenants, to facilitate the accurate, timely completion of the forms. Automating annual property certification reports with information provided by OH on income and rent maximums would improve their accuracy. Automated reports using a spreadsheet would facilitate comparing maximum rent and income levels to actual rent and income levels.	**Pending**	The Office of Housing (OH) reported that in November 2014, the City Council added a position to OH dedicated to compliance monitoring for the City's housing affordability incentive programs, including the Multifamily Tax Exemption program. It is anticipated that this person will standardize and automate the reports used by property managers to report compliance in 2015. As of April 2015, the position has been filled. We assessed the status of this recommendation as pending because the form has not yet been automated.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
City of Seattle Multifamily Tax Exemption (MFTE) Program (September 19, 2012), continued.	308	The City should modify its agreements with MFTE properties to extend the time that the properties are required to retain income eligibility documents from one year to six years from termination of the tenants' rental agreements. This will ensure that the agreements with MFTE properties are consistent with State law and the City's document retention schedule and document compliance with the City's MFTE program for six years rather than one year.	Pending	The Office of Housing (OH) reported that it has hired staff dedicated to compliance monitoring of the Multifamily Tax Exemption Program. The staff person is in the process of finalizing compliance monitoring and audit protocols that may address the intent of this recommendation.
	309	The City should consider charging an administrative fee to MFTE property owners to cover the cost of automating reports and improving program oversight.	Pending	The Office of Housing (OH) reported that the City Council has not yet reviewed the Multifamily Tax Exemption program's administrative fee levels or structure. OH expects that the City Council's Committee on Housing Affordability, Human Services, and Economic Resiliency will conduct a program review after publication of the 2015 Housing Affordability and Livability Agenda, sponsored jointly by the Council and the Executive.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
City of Seattle Multifamily Tax Exemption (MFTE) Program (September 19, 2012), continued.	310	As part of the MFTE annual property certification reporting process, property managers should provide the square footage and rents of their properties' affordable and market rate units. Using this information, OH should evaluate properties for compliance with the "substantially proportional to the configuration" element of the ordinance by ensuring that affordable units are substantially the same size as market rate units and that tenants of MFTE affordable units are not being charged more on a square footage basis than market rate units. Furthermore, the "substantially proportional to the mix and configuration" requirement should be clearly defined by ordinance.	**Pending**	Currently, the Office of Housing (OH) conducts visits to verify that affordable units are comparable to market rate units. OH's site visits which may include an examination of units, would allow it to estimate whether the affordable units being provided are comparable in size with market rate units. OH's examination of the Multifamily Tax Exemption (MFTE) properties through these site visits would meet the intent of this recommendation. However, the Office of Housing has not yet provided MFTE property audit and site visit protocols.
Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013)	312	SCERS should establish and document all elements of the retirement benefit estimate and calculation processes. SCERS management should review the current methodology with the SCERS Board of Administration, resolve any conflicts between current practices and the Seattle Municipal Code or the Board's intentions, and create formal policy and procedure documents for staff.	**Implemented December 2014**	In 2014, the Seattle City Employees' Retirement System (SCERS) management formally documented all elements of the retirement benefit estimate and calculation processes. Additionally, SCERS management proposed changes to benefit calculation methods, as described in Seattle Municipal Code 4.36, that were approved by the SCERS Board of Administration and the City Council. These changes clarified and simplified the methods for calculating final compensation and creditable service.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013), continued.	313	The SCERS Board of Administration should regularly review SCERS documented procedures; with the assistance from legal counsel, the Board should interpret aspects of the Seattle Municipal Code that are vague or conflicting for managers and staff; and the Board should approve SCERS formal policy and procedure documents.	**Implemented December 2014**	The Seattle City Employees' Retirement System (SCERS) management reported to us that the process they used in 2014 to clarify and simplify methods for calculating final compensation and creditable service will be the model they follow for future changes to the Seattle Municipal Code and/or internal procedures. This process included approval from the SCERS Board of Administration.
	314	SCERS should identify the critical data needed to calculate retirement benefits and work with information technology staff to improve access to this information. This process could involve querying other data systems than are currently in use by SCERS, or creating new reports or formats in current data systems.	**Implemented December 2014**	The Seattle City Employees' Retirement System (SCERS) management reported to us that they successfully transitioned the retirement database to an Oracle platform in 2013, thereby making electronic data more accessible to both staff and management. As reported by SCERS management, in 2014 SCERS staff implemented multiple additional improvements to facilitate access to the data needed to calculate retirement benefits.
	315	SCERS management and the SCERS Board of Administration should consider implementing an approach to calculating members' service credits that simplifies both the data required and the process itself.	**Implemented December 2014**	In 2014, the Seattle City Employees' Retirement System (SCERS) management proposed changes to retirement benefit calculation methods, including the approach to calculating members' service credits. The SCERS Board of Administration approved these changes, and the City Council passed Ordinance 124575 to revise the Seattle Municipal Code (i.e., SMC 4.36) to clarify and simplify the method for calculating member's service credits.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013), continued.	316	SCERS should improve the calculation worksheets so they: a: Comply with current program rules and processes, b: Require completion of each step of the calculation process, c: Facilitate calculations by automating as many steps as possible, and d: Are protected against accidental errors or edits. This process should include creating master copies or templates of the worksheets that are used by all staff, cannot be accidentally changed, and are based on the current methodology. SCERS management should regularly review worksheets to ensure they match current program rules and processes.	**Implemented December 2014**	According to the Seattle City Employees' Retirement System (SCERS) management, and as described in current SCERS procedure documents, SCERS has improved the benefit calculation process so that staff start each calculation with the most up-to-date calculation template. The templates are protected against accidental edits, are updated by management to ensure they comply with program rules and processes, and automate as many steps in the process as possible.
	317	SCERS should explore possibilities to reduce the number of worksheets used for each individual calculation. One option is to coordinate the fields between the worksheets and the Milliman Benefit Calculator to reduce data entry of member data. Additionally, SCERS should consider relying on the Calculator to estimate and calculate retirement benefits. However, before this decision and regularly thereafter, SCERS should ensure the accuracy of the Calculator is fully tested.	**Implemented December 2014**	According to the Seattle City Employees' Retirement System (SCERS) management, and as described in current SCERS procedure documents, SCERS calculation worksheets are now linked to one another and have been designed to automate as many steps in the process as possible.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013), continued.	318	SCERS should implement a process through which SCERS staff document the sources of data, the details of manual calculations, any interpretations or decisions made during the calculation process, and quality reviews or supervisory review of all analysis. Documentation of supervisory review should include, at a minimum, the date and the initials of the reviewer. One option is to add "comment" fields to the calculation worksheets or to create a standard "cover sheet" document to each physical file in which staff can document their work and its review.	**Implemented December 2014**	According to the Seattle City Employees' Retirement System (SCERS) management, SCERS calculation worksheets now allow staff to record comments about the calculation of an individual's benefits, and SCERS has implemented a checklist that is used to formally document peer reviews of benefit calculations. Additionally, SCERS has implemented a Customer Service Management tool that allows them to track all reviews of individual benefit calculations.
	319	SCERS should create a master record for each member that includes key member information, such as membership date, amount of buy backs, and time loss during specific periods. The master record would record data after it was researched and verified so it is accessible for future estimates or calculations. Options for implementation include an electronic record or a basic paper "cover sheet" for each physical file.	**Implemented December 2014**	According to the Seattle City Employees' Retirement System (SCERS) management, SCERS staff now document all work related to individual benefit calculations, including peer reviews of calculations, so it is available for future estimates and calculations.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013), continued.	320	SCERS should consider a one-time update of all member data to capture the key information described in Recommendation 8[8]. To minimize the total work involved, such a project should be planned in coordination with plans to implement a new data system.	Pending	The Seattle City Employees' Retirement System (SCERS) management reported that they are waiting to conduct a one-time conversion of all member data until after SCERS has selected the vendor of the new Pension Administration System. By completing this work in coordination with implementing the new system, SCERS can ensure that their process for converting member data will facilitate the implementation of the new system.
	321	SCERS should strengthen the management of the retirement benefit calculation function. Improvements should include ensuring the function continues to receive the level of oversight and support currently provided by the interim SCERS finance manager and implementing the internal controls necessary for management to address new and long-term challenges and reduce the risk of errors, fraud, or abuse.	Implemented December 2014	In 2013, the Seattle City Employees' Retirement System (SCERS) Board of Administration appointed an Interim Executive Director. Additionally, the Interim Finance Manager was appointed as SCERS' Chief Financial Officer/Chief Operating Officer. As reported by SCERS management, additional improvements in oversight and internal controls include: • Transition of the retirement database to a more stable and secure platform; • Formal detailed documentation of retirement benefit calculation procedures; • Creation of a strategic advisor role to document procedures, research and recommend revisions to benefit calculation methodologies, and develop the business case for a new Pension Administration System; • Reallocation of positions to build expertise throughout the department; • Implementation of Customer Service Management, a software to track requests for benefit calculations and to monitor turnaround times and backlog; and • Improved division of workload among retirement specialists to increase efficiency and customer service.

---

[8] Recommendation 8 is listed as Recommendation 319 in this follow-up report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013)	324	Strengthen Controls for New Taps Work Initiated Outside of USG: SPU management should implement written policies and procedures that define the roles and responsibilities of each division in the new taps process: Utility Services Group (USG), Project Management and Engineering Division (PMED), Project Services Division (PSD), and Drinking Water Division (DWD). The agreements should be signed, at a minimum, by division directors. Personnel in each division should be thoroughly trained in the policies and procedures to help ensure compliance.	Pending	In our previous recommendation follow-up report, we reported this item as "implemented", and noted that Seattle Public Utilities (SPU) had informed our office they had procedures for the installation of new taps that had been written to document the rights and responsibilities of divisions outside the former Utility Services Group. In January 2014, a memo was issued by the SPU Director to various SPU Deputy Directors that instructed all new taps work to first go through SPU's Customer Service Branch; however, the memo did not provide details about the roles and responsibilities of the various divisions that continue to handle new taps work. This memo served as the only written directive until such time agreements between the divisions with respect to new taps work could be formalized. Also in 2014, SPU created the Development Services Office (DSO) to replace the Utilities Services Group (USG) in the implementation and tracking of new taps work. We recently received policy and procedure documents from SPU, which were finalized on April 15, 2015, that address the activities of the DSO with respect to new taps work. However, the documents do not address DSO's roles and responsibilities, if any, when new taps work is requested by customers from other SPU divisions, such as the Drinking Water Division, the Project Management and Engineering Division, and the Project Delivery Branch/Project Support Division. SPU states they will address these roles and responsibilities of the divisions in a policy statement expected to be completed by June 2015. Accordingly, we changed the status of this recommendation from "Implemented" in 2013 to "Pending" until we receive additional documentation from SPU that addresses new taps work in other divisions.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013), continued.	325	Strengthen Controls Over Creation of the New Taps Service and Work Orders: SPU management should implement additional controls to mitigate the risk of creating unauthorized Maximo work orders for new taps work. A procedure should be established for USG to periodically reconcile Maximo new taps work orders to CCSS new taps service orders, for example, monthly. This would ensure that all Maximo work orders have corresponding CCSS service orders.	**Implemented** **April 2015**	Seattle Public Utilities (SPU) reported that: 1) the Development Services Office (DSO) reconciles taps service order/work order/project reconciliation as a part of its standard function and provides sub reports on a weekly and monthly basis; 2) the reconciliation is performed by the Senior Management Systems Analyst (Senior MSA) who is not involved in the sales of services or creation of service orders and invoices; and 3) the Senior MSA analyzing the financial water tap sales transactions and reconciling water services transactions does not have direct contact with customers related to water sales, nor does he/she have the ability to enter projects into the Development Services System (DSS). SPU also reported that in place of the prior reconciliation that the Utilities Services Group had been completing, the DSO has adopted a new reconciliation process. The new DSO reconciliation for all Maximo new taps work orders to the Consolidated Customer Service System (CCSS) new taps service orders was fully implemented as of April 1, 2015. SPU provided us with copies of the finalized policies and procedures, effective April 15, 2015 (DSO-PER-02 and DSO-PER-06) that support the above reconciliation processes.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013), continued.	326	Strengthen Controls Over Creation of the New Taps Service and Work Orders: USG should also engage the cooperation of personnel in the Water Transmission and Operations Division (WTOD) and the water planning team in the Planning and System Support Division to verify that work orders were created by authorized personnel. This could be done, for example, by checking the "UserId" field in the "Status History" screen in Maximo. The "UserId" field is populated with the name of the user who created the CCSS service order and could be checked at the time the work queue is opened by WTOD personnel.	Pending	Seattle Public Utilities (SPU) reported that its newly created Development Services Office is currently chartering agreements with other SPU departments and that this recommendation will be included in the charter with field operations with an expected completion in the 4th Quarter of 2016, although it's possible the recommendation could be completed as early as the 2nd Quarter of 2015.
	327	Restrict User Access to New Taps Database Applications: Re-design user access to the database with the appropriate user access restrictions to effectively segregate duties, or alternatively, develop compensating controls to mitigate the risks.	Implemented October 2014	Seattle Public Utilities (SPU) reported that the database application for processing new taps work has been replaced by the newly implemented Development Sales System (DSS) software. SPU reported that the Department of Finance and Administrative Services now directly receives and posts all new taps customer payments while SPU Accounts Receivables updates the customer payment status in DSS. The SPU project leads verify the payment status before new taps work commences. We therefore consider these duties adequately segregated.
	328	Restrict User Access to New Taps Database Applications: Document the system structure, rules, and security access for each of the databases. Provide for backup support of the databases in the event of a system malfunction.	Pending	Seattle Public Utilities (SPU) reported that the Development Services Office Systems Lead is working with SPU IT (Information Technology) to identify a business continuity plan. The Strategy Lead is currently drafting policies and procedures for the new manual processes as well as the business continuity plan. Both are planned to be completed by the 3rd Quarter of 2015.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013)	338	SOCR's enforcement unit should increase its use of automation to help further standardize its investigative process and increase its appearance of objectivity.	**Pending**	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	339	SOCR should document that all respondents will be provided with proposed findings and another opportunity to settle the case before SOCR issues a final determination.	**Pending**	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	340	Consider the following policy options to increase the perception of independence and impartiality: 1) Change the membership requirements of the SHRC and/or the Appeals Panel specified in the Seattle Municipal Code to ensure a broader array of community constituents are always represented, 2) Require that the SHRC commissioners who serve on the Appeals Panel serve as a quasi-judicial body and refrain from advocacy activities, 3) Create a quasi-judicial appeals panel separate from the Seattle Human Rights Commission, 4) Eliminate SHRC's participation in the Hearing Examiner's public hearings of discrimination charges filed by the City Attorney.	**Pending**	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	341	SOCR should consider automating its intake screening process to determine which complaints meet prima facie standards.	**Pending**	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013), continued.	342	SOCR should conduct further research on automated case processing systems used by other jurisdictions and consider increasing its use of automated systems.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	343	Consider the following to streamline processes: 1) allow the SOCR Director to reconsider cases that have been appealed to allow the submission and consideration of new evidence. If a No Cause determination remains, the claimant could appeal the Director's determination to the Seattle Human Rights Commission. 2) modify the appeals rules that specify which cases the SHRC Appeals Panel will address by clarifying that the grounds for an appeal based on the adequacy of the investigation means that new evidence or evidence not considered in the investigation would call into question a SOCR No Cause determination. 3) have the Chair of SHRC and SOCR's Director jointly decide whether appeals should be heard by the Appeals Panel. If there is disagreement, then the SHRC Chair's decision would prevail and the appeal would be heard by the Appeals Panel.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013), continued.	344	Consider whether the Appeals Panel should remand cases only when SOCR's No Cause Determinations are not supported by a preponderance of the evidence, or when relevant material facts were not considered that would possibly result in a different outcome (i.e., the investigation was not adequate).	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	345	The Seattle Human Rights Commission (SHRC) should consider options for increasing the continuity of membership among Appeals Panel members.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	346	Consider providing SHRC Appeals Panel members with HUD and EEOC-sponsored training.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	347	SOCR should revise its mission statement to emphasize the importance of stakeholders' participation and education in the prevention and elimination of discrimination in Seattle. SOCR should receive input from stakeholders representing Seattle's diverse population.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014		2014 Update Comments
Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013), continued.	350	SOCR should resume producing its annual report to demonstrate its performance in preventing discrimination, conducting outreach, educating both potential claimants and respondents, and enforcing the laws when it finds that discrimination occurred.	**Pending**		Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014)	351	Improved management reporting on customer adjustments is needed to highlight potential inappropriate activity at the UserID or Customer Account level.	**SPU Implemented January 2012**	**SCL Implemented December 2014**	**STATUS FOR SPU: IMPLEMENTED** Seattle Public Utilities (SPU) reported that SPU management began reviewing monthly transaction reports in January 2012. The transaction reports are sorted by UserID, customer account, and transaction type. SPU has also strongly discouraged the use of the miscellaneous deduction (MISD) transaction code by the majority of employees. All MISD transactions are reviewed and approved by a Division Director on a monthly basis. **STATUS FOR SCL: IMPLEMENTED** Seattle City Light management reported that it began monitoring miscellaneous credit adjustments in 2012 to detect unusual adjustment transactions by user ID, and in 2014 it implemented an additional semi-annual monitoring control to detect unusual adjustment transactions at the utility account-level. The new control started in 2014 with a year-to-date view.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014		2014 Update Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	352	The Utilities should establish dollar-level limits for customer account adjustments entered by non-supervisors.	SPU Pending	SCL Implemented April 2014	**STATUS FOR SPU: PENDING** According to Seattle Public Utilities (SPU), since January 2012, SPU management has mitigated the risk of inappropriate adjustments through monthly monitoring. This includes a director approval of adjustments over $1,000 as a compensating control for higher dollar adjustments, and a back-end monthly review of all adjustments made. All transactions above $1,000 are reviewed by the Director of the Audit and Accounting group in the Customer Service Branch and must have a signed approval slip from this Director before being entered into CCSS. The Director of Audit and Accounting keeps a copy of all the approval slips. Other groups such as the Call Center and Utilities Services Teams (UST), rarely have transactions over $1,000, but when they do, the Director of the Audit and Accounting group reviews them in CCSS to ensure it is noted that a manager approved the transaction. These policies and procedures have not yet been documented by SPU. Therefore, we assessed the implementation status of this item as pending. **STATUS FOR SCL: IMPLEMENTED** According to Seattle City Light, management mitigates the risk of inappropriate adjustments by the performance of weekly monitoring, which includes a detailed review of adjustments over $250 as a compensating control for higher dollar adjustments.
	353	Improved management reporting on late fee rebates is needed to highlight potential inappropriate activity at the UserID or Customer Account level.	SPU Implemented January 2012	SCL Implemented December 2014	**STATUS FOR SPU: IMPLEMENTED** Seattle Public Utilities reported that management began reviewing monthly late fee adjustment reports in January 2012. The reports are grouped by UserID and customer account to help detect inappropriate transactions. **STATUS FOR SCL: IMPLEMENTED** Seattle City Light reported that management began monitoring late fee adjustments in 2012 to detect unusual adjustment transactions by user ID, and in 2014 added an additional semi-annual monitoring control to detect unusual adjustment transactions at a utility account-level. The new control started in 2014 with a year-to-date view.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014		2014 Update Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	354	The Utilities should establish dollar-level limits for payment plans that are handled by non-supervisors.	SPU No Further Follow-up Planned (type 3)	SCL No Further Follow-up Planned (type 3)	**STATUS FOR SPU: NO FURTHER FOLLOW-UP PLANNED** In May 2013, Seattle Public Utilities (SPU) published Director's Rule CS-310.1 (Customer Billing, Payments, and Collections), listing additional rules and restrictions for the use of payment arrangements. SPU reported that it evaluated the administration and monitoring of payment arrangements and believes no further changes are necessary. **STATUS FOR SCL: NO FURTHER FOLLOW-UP PLANNED** Seattle City Light management disagrees with the recommendation. According to Seattle City Light (SCL), based on its evaluation of current policy and procedures, SCL management determined that no further changes are warranted at this time, due to SCL's concerns about operational feasibility and compensating controls provided through current payment plan monitoring.
	355	The Utilities should revise payment plan procedures to require supervisory approval for payment plans established without the initial required payment.	SPU Implemented May 2013	SCL No Further Follow-up Planned (type 3)	**STATUS FOR SPU: IMPLEMENTED** The new Seattle Public Utilities' Director's Rule CS-310.1 effective May 1, 2013, requires a minimum of 25 percent of the account balance be paid before creating a payment arrangement. **STATUS FOR SCL: NO FURTHER FOLLOW-UP PLANNED** Seattle City Light management disagrees with the recommendation. They reported that based on Seattle City Light (SCL) Internal Audit's review and evaluation of current policy and procedures, SCL management determined that no further changes are warranted at this time due to SCL's concerns about operational feasibility and compensating controls provided through current payment plan monitoring.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014		2014 Update Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	356	Improved management reporting on payment plans is needed to highlight potential inappropriate activity at the UserID or Customer Account level.	SPU No Further Follow-up Planned (type 3)	SCL No Further Follow-up Planned (type 3)	**STATUS FOR SPU: NO FURTHER FOLLOW-UP PLANNED** In May 2013, Seattle Public Utilities (SPU) published Director's Rule CS-310.1 (Customer Billing, Payments, and Collections), listing additional rules and restrictions for the use of payment arrangements. SPU reported that it evaluated the administration and monitoring of payment arrangements and believes no further changes are necessary. **STATUS FOR SCL: NO FURTHER FOLLOW-UP PLANNED** Seattle City Light (SCL) management disagrees with the recommendation. SCL reported that it evaluated the administration and monitoring of granting and following up on broken payment arrangements and believes no further changes are necessary.
	357	The Utilities should develop formal procedures for regular management review of accounts belonging to employees with CCSS write-level access.	SPU No Further Follow-up Planned (type 3)	SCL No Further Follow-up Planned (type 3)	**STATUS FOR SPU: NO FURTHER FOLLOW-UP PLANNED** Seattle Public Utilities (SPU) reported that it is not cost effective to implement steps such as flagging City employees and performing regular management review of account transactions, and that no further action is planned. **STATUS FOR SCL: NO FURTHER FOLLOW-UP PLANNED** Seattle City Light management disagrees with the recommendation. SCL reported that it identifies accounts when the City of Seattle is listed as the employer on service connection applications and generates a weekly report to review adjustments to these accounts and it believes that no further action is needed.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014		2014 Update Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	358	The Utilities should flag any accounts in the CCSS system for premises owned or inhabited by City employees.	**SPU** **No Further Follow-up Planned** **(type 3)**	**SCL** **No Further Follow-up Planned** **(type 3)**	**STATUS FOR SPU: NO FURTHER FOLLOW-UP PLANNED** Seattle Public Utilities (SPU) reported that it is not cost effective to implement steps such as flagging City employees and performing regular management review of account transactions, and that no further action is planned. **STATUS FOR SCL: NO FURTHER FOLLOW-UP PLANNED** Seattle City Light (SCL) management disagrees with the recommendation. SCL reported that it identifies accounts when the City of Seattle is listed as the employer on utility account applications and generates a weekly report to review adjustments to these accounts. This practice captures only those SCL account holders who have identified themselves as City of Seattle employees. It does not identify all SCL accounts associated with City employees, i.e., spouses, family members, roommates, of the primary account holder.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014			2014 Update Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	359	The Utilities or Human Services Department (HSD) should periodically run a query of employees on the Utilities Discount Program to look for anyone who may not qualify based on household income.	**SPU** **No Further Follow up Planned** **(type 2)**	**SCL** **No Further Follow up Planned** **(type 3)**	**HSD** **No Further Follow up Planned** **(type 3)**	**STATUS FOR SPU: NO FURTHER FOLLOW-UP PLANNED** SPU reported that they do not disagree with the recommendation but that they do not have the budget to implement this additional control at this time. **STATUS FOR SCL: NO FURTHER FOLLOW-UP PLANNED** SCL management disagrees with the recommendation and stated that they determined that verifying employee income qualification for Utilities' reduced rate programs would not be cost effective and no further action is planned. **STATUS FOR HSD: NO FURTHER FOLLOW-UP PLANNED** According to the Human Services Department (HSD), its Utility Discount Program (UDP) group is required to recertify households enrolled in the discount program on a regular basis. For seniors, that evaluation occurs every three years, and for all other households the review occurs every two years. As part of the recertification process, the household is required to provide current income information so that HSD can verify they are still income eligible to be on the UDP rate. HSD also reported that they also audit their processes and procedures monthly to make sure their certifications are correct regarding income eligibility. For these reasons, HSD does not believe they need a unique process to review city employees who have qualified for UDP. Our response is that while HSD's procedure is a good control practice, it will not mitigate this risk.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
City of Seattle RFP Process for Vehicle Impound Management Services (May 20, 2014)	360	City staff in charge of managing the contract should: ▪ Assess their management reporting needs; ▪ Meet with the vendor to determine the best way to meet these needs; ▪ Work with the vendor to refine existing reports, create new reports, and/or eliminate reports, as needed; and ▪ Amend the contract's reporting requirements accordingly. Further, the City and the vendor should agree on a method for verifying the data's accuracy on a periodic basis. This could include the vendor providing a monthly reconciliation or City staff periodically spot-checking a sample of the data to ensure they are consistent throughout the database and match hard copy records, if available.	**Implemented** **December 2014**	Regarding reporting requirements, the Department of Finance and Administrative Services (FAS) contract manager told us that, in late 2014, he checked with City stakeholders in FAS, the Seattle Police Department and Seattle Municipal Court about whether they were receiving all the reports they need from Lincoln Towing. City stakeholders told him they are receiving the reports they need. Regarding verifying data accuracy, Lincoln Towing told FAS managers that, if needed, they could prepare reconciliation reports for the City. FAS has not requested any such reports to date. However, FAS currently verifies or conducts a detailed review of two of the reports they use for monitoring purposes. For a third report, in response to our recommendation, they reconciled 2014 data and found no material discrepancies. Additionally, in 2014, FAS met with Lincoln Towing to gain a better understanding of how data was pulled for specific reports.
	361	FAS and SPD should monitor complaints about south end lot accessibility, and if needed, work with the contractor to address any issues that arise.	**Implemented** **December 2014**	The Department of Finance and Administrative Services (FAS) contract manager told us that at the end of 2014 he checked with: 1) the City's Customer Service Bureau and Consumer Protection Unit (both part of FAS), and 2) Lincoln Towing. They all reported that they had not received any complaints about the accessibility of the south end vehicle storage lot.
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014)	362	SCL should implement a tracking system to help ensure that materials considered to be of higher value and risk (e.g., copper wire and transformers) actually arrive at the Salvage Unit.	**No Further Follow-up Planned** **(type 3)**	Seattle City Light (SCL) reported that the current process is sufficient and has appropriate cost effective mitigating controls and does not plan to make any changes. We continue to believe that SCL should implement a cost effective process to track high dollar materials arriving at the salvage facility from the field, including copper wire, to help prevent the risk of misappropriation.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	363	Wire returned to the Salvage Unit should be weighed each time a significant quantity is delivered, or as soon thereafter as operationally feasible, recorded on a weigh ticket, and recorded in the Passport tool. Wire accumulations should be periodically reconciled by personnel outside of the Salvage Unit, by comparing physical quantities on hand to quantities recorded in the Passport tool. All resulting discrepancies should be investigated.	**No Further Follow-up Planned** **(type 3)**	Seattle City Light (SCL) disagrees with this recommendation. SCL stated the City Auditor's recommendation would significantly increase the cost of the operations and that the current mitigating controls of physical security and reliance on surveillance cameras are more cost effective than the recommendation's approach. SCL therefore does not plan to implement the recommendation. We believe, however, that SCL should reconsider our recommendation to appropriately safeguard its assets, which include copper wire.
	364	All weigh tickets should be retained in accordance with SCL's document retention policies.	**Implemented December 2014**	
	365	SCL should either obtain supporting credit information or payment guarantees, or require that payments for bid sales be made in full before the customer takes delivery of the materials.	**Implemented December 2014**	Seattle City Light (SCL) management reported they worked with the Department of Finance and Administrative Services to reduce the true-up payment (amount due on the final invoice) by weighing materials closer to the time of bid sales. According to SCL, this action should significantly reduce the dollar amounts of any outstanding customer receivables to a very low, immaterial dollar amount, thereby mitigating the impact of customer non-payment on credit terms.
	366	All balances not collected at the time of delivery to the customer should be recorded as a receivable in the financial accounting system and tracked to ensure timely and complete payment. Personal bills of sale should be issued for every delivery.	**Implemented December 2014**	Seattle City Light management reported they do not plan to record any balances due from bid sales in their financial accounting system (accounts receivables). Given the mitigation as described in recommendation #365 above, we agree that no further action needs to be taken.

Report Title (publication date)	Rec #⁷	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	367	SCL management should enforce compliance with policies and procedures that require SCL Security personnel to check sales documentation for all customers.	Pending	SCL Management stated they will update the security guard orders to require a physical inspection at the same time they collect the salvage purchase receipt from customers as they depart the facility.
	368	SCL management should require Security personnel to always perform a visual inspection of a customer's purchased materials before the customer exits the facility. (Rec 3.2)	Pending	SCL Management stated they will update the security guard orders to require a physical inspection at the same time they collect the salvage purchase receipt from customers as they depart the facility.
	369	Warehouse personnel should perform the purchase invoice reconciliations as required. [Recommendation 3 (3)]	Implemented December 2014	
	370	Only sequentially numbered delivery receipts should be used to help ensure that all such receipts are accounted for, whether they are used to record a sales transaction or a delivery. Receipts used for deliveries should be traced to sales documents to ensure completeness of sales recording. [Recommendation 4 (1)]	Implemented December 2014	
	371	We recommend the Salvage Unit use a separate numbering system for sales receipts vs. receipts used for deliveries to facilitate sequential tracking and control. [Recommendation 4 (2)]	Implemented December 2014	

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	372	The ability to record or adjust quantities in the Passport tool should be restricted to personnel who do not have physical control over Salvage Unit materials. [Recommendation 5 (1)]	**No Further Follow-up Planned** **(type 3)**	Seattle City Light (SCL) management disagrees with this recommendation. SCL stated they have an effective process with mitigating controls and does not plan to implement the recommendation. However, the Office of City Auditor believes that inadequate segregation of duties increases the risk of asset misappropriation.
	373	All adjustments to material quantities should be coded as adjustments and not as material issues or returns, even if they are to correct input errors. All quantity adjustments should be approved by management. [Recommendation 5 (2)]	**No Further Follow-up Planned** **(type 3)**	Seattle City Light management disagrees with this recommendation. SCL stated they have an effective process with mitigation controls and does not plan to implement the recommendation. However, we believe that the lack of a) appropriate policies regarding adjustments and b) management's approval of such adjustments increases the risk of asset misappropriation.
	374	SCL should identify other salvage materials and equipment of value and track quantities for sale in the same manner as wire and transformers. Periodic reconciliations between recorded and physical quantities on hand should be performed by personnel independent of the Salvage Unit, and discrepancies should be investigated. [Recommendation 5 (3)]	**Implemented December 2014**	According to Seattle City Light (SCL), SCL Management and salvage personnel met to evaluate whether additional salvage materials and equipment of value should be tracked in the same manner as wire and transformers. They determined that no additional materials or equipment should be tracked at this time.
	375	The 18416 clearing account should be reconciled by SCL accounting personnel soon after the end of each month. The SCL General Accounting Manager or an accounting supervisor should approve all account reconciliations, including the year-end balance reclassification, to ensure all variances have been appropriately identified and discrepancies timely resolved. [Recommendation 6 (1)]	**Implemented April 2015**	Seattle City Light provided our office with their "Surplus Sales Accounting Policy", dated June14, 2015, which stated that SCL is reconciling the account soon after the end of each month and that management/supervisor approval is required for all account reconciliations.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	376	SCL should develop written accounting policies and procedures that include the reconciliation of the 18416 account. [Recommendation 6 (2)]	**Implemented June 2014**	
	377	Supporting documentation for all Salvage Unit sales should be reconciled to the surplus sales invoice by personnel independent of the Salvage Unit, such as Warehouse or Cost Accounting personnel. Reconciliation should include verification of pricing (e.g., use of appropriate contract pricing or reasonableness of courtesy sale pricing), and agreement of the invoice details to supporting documentation such as weigh tickets and cash receipt documents. [Recommendation 7]	**Implemented December 2014**	
	378	SCL management should enforce compliance with current policies and procedures that require the signatures on all personal bills [Recommendation 8.1]	**Implemented December 2014**	

Report Title (publication date)	Rec #7	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	379	SCL's written policies that govern Salvage Unit activities should require that all sales of salvage materials contain supporting documentation, including weigh tickets, shipping manifests, delivery receipts, and cash receipts. The invoice should be reconciled to the supporting documentation by personnel independent of the Salvage Unit. [Recommendation 8.2(1)]	**Implemented December 2014**	
	380	All weigh tickets should be signed by the customer. [Recommendation 8.2(2)]	**Implemented December 2014**	
	381	All transformers should have their specified KVA (1000 volt amps) ratings noted on the personal bill of sale. Supporting documents should be reconciled to the invoice. [Recommendation 8.2(3)]	**Implemented December 2014**	Seattle City Light management reported that salvage personnel are providing all supporting documentation with the sales invoice, including KVA (1000 volt amps) ratings, to the Senior Warehouser and General Warehouse Supervisor.
	382	SCL management should immediately require that all customer payments be directed to personnel independent of the Salvage Unit, such as SCL cashiers currently located at the South Service Center.	**No Further Follow-up Planned** **(type 3)**	Seattle City Light (SCL) management disagrees with this recommendation. SCL stated that it assessed the risk of salvage personnel receiving customer payments against the inconvenience of customers paying a cashier located at the northeast corner of the facility and obtain a receipt for payment. This would require the customer to return to the salvage unit to pick up the materials. Management decided not make changes at this time and will rely on other mitigating controls. However, we believe that SCL's mitigating controls are insufficient to address the risk of misappropriation of cash.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	383	Payments relating to contract sales should be made directly to FAS Treasury, as required by SCL policy. [Recommendation 9.0]	Pending	Our office received a draft revision of SCL's Department Policy and Procedures document (DPP 500 P I-705), which addresses the disposition of surplus materials and equipment. Paragraph 7.4.5 of this document states that all customer payments are mailed to FAS Warehousing Services Division (formerly ESD). We will consider this recommendation fully implemented once the above draft procedures are approved by SCL executive management as final.
	384	SCL management should annually review and update, as necessary, policies and procedures regarding the disposition of surplus property as required in section 6.10.9 of the policy, and provide adequate training to affected personnel to ensure compliance. [Recommendation 10.0 (1)]	Pending	Our office received a draft revision of SCL's Department Policy and Procedures document (DPP 500 P I-705), which addresses the disposition of surplus materials and equipment. We will consider this recommendation fully implemented once the above draft procedures are approved by SCL executive management as final and SCL states that all affected personnel have had adequate training to understand the policy.
	385	Other policies and procedures that relate to surplus sales operations, such as those drafted by SCL's Security unit, should also be reviewed and updated as necessary, at least annually. [Recommendation 10.0 (1)]	Pending	We look to SCL management to provide all updated policies and procedures related to surplus sales operations. To date, we have received the following: (a) Draft revision of "DPP P I-705"; not dated. (b) "Surplus Sales Policy" marked as "final" and dated April 16, 2015. (c) "Seattle City Light Sponsorship Guidelines", with an attached memorandum dated April 7, 2014. We will consider this recommendation fully implemented after SCL finalizes the draft revision in (a) above and also provides our office with any other updated surplus sales policies and procedures they may have updated in addition to those listed above.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	386	FAS should issue the blanket authorization for the sale of courtesy items as required by policy. FAS should also define, in writing, materials and equipment that should be sold through contracts and bid sales, and update the list as necessary. [Recommendation 11.0 (1)]	Implemented March 2015	The Department of Finance and Administrative Services (FAS) Warehousing Services unit sent Seattle City Light's (SCL) Salvage Unit a memorandum dated March 26, 2015 that authorized SCL's Salvage Warehouse to sell certain items in the "Courtesy Sales" category. This memo also provided guidelines and listed items that shall be sold under the City's B-Contract, Invitation to Bid, On-line Sales and Courtesy Sales. FAS Warehousing Services reported that a similar memo will be provided to SCL's Salvage Unit on a yearly basis to serve as blanket authorization and that it will update the list of items to be sold as Courtesy Sales.
	387	Monitoring controls should be implemented by FAS management to help ensure that surplus items are sold in accordance with the authorization. [Recommendation 11.0 (2)]	Implemented June 2014	According to the Department of Finance and Administrative Services (FAS), starting in June 2014, the FAS Warehousing Services Manager began meeting monthly with Seattle City Light's (SCL) Chief Warehouser and Warehouse Manager to ensure that surplus items are sold in accordance with the authorization discussed in recommendation #386 above. The meetings include discussions of items coming up for bid and items that are to be sold at the SCL Salvage Warehouse. This is followed by a periodic inspection of the warehouse, as well as an inspection of SCL's salvage yard where items are staged for courtesy sales, to verify that items will be sold as authorized in the memorandum. The FAS Warehousing Services Manager will also review sales reports generated by SCL's Chief Warehouser on an annual basis and may subsequently update the memorandum to reflect appropriate changes.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	388	SCL management should ensure that all personnel involved in surplus sales operations, either directly or indirectly, including managers and supervisors, are trained to understand and follow City policies regarding the donation of surplus assets. SCL should establish procedures as to how to respond to future requests for donations of surplus assets. [Recommendation 12.0]	Pending	We received a draft revision of SCL's Department Policies and Procedures, "DPP 500 P I-705", regarding the disposition of surplus materials and equipment. Paragraph 5.6 of this policy appropriately states that the Department of Finance and Administrative Services (FAS) shall determine the method of disposition of surplus property. This policy is in line with the Seattle City Ordinance governing this requirement. We will consider this recommendation fully implemented once SCL (a) finalizes the draft revision above, and (b) states they have communicated the requirements of Paragraph 5.6 of the above policy to all affected SCL employees. Note: We received a "Seattle City Light Sponsorship Guidelines" document along with a memorandum from Jorge Carrasco, General Manager of SCL, which appears to make an exception to the above policy by allowing SCL to decide if property can be donated as part of an SCL sponsorship. We advised SCL to delete any reference to allowing donations of property related to sponsorships to avoid conflicting policies with the DPP above. Accordingly, SCL management stated that they will delete any reference to allowing donation of property when they re-issue the sponsorship guidelines later this month.
Seattle's Paid Sick and Safe Time Ordinance Enforcement Audit (October 17, 2014)	389	SOCR should develop a policy that explains when an advisory letter should be sent, and when an investigation or other enforcement tools should be used in addressing allegations.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	390	When addressing employee complaints with an advisory letter, SOCR should request documentary evidence from the employer to prove that the employer took the necessary action(s) to achieve compliance with the PSST Ordinance.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle's Paid Sick and Safe Time Ordinance Enforcement Audit (October 17, 2014), continued.	391	SOCR should conduct follow-up on closed advisory letter cases, particularly when SOCR made no direct contact with the employee before closing the case.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	392	The City should consider changing its PSST Ordinance enforcement strategy to include conducting investigations without charges and using other underutilized tools in the Ordinance (e.g., monitoring agreements, conducting fact finding conferences.) to help employees recover back wages and PSST owed, correct employers' future practices, achieve companywide full compliance, and prevent reoccurrences of noncompliance at the same company. Such change should include clarifying language in the PSST Ordinance (SMC 14.16.080.A.) to allow the enforcement agency to investigate complaints without charges and settle such complaints through a settlements process (SMC 14.16.080. E.).	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	393	SOCR should routinely determine the extent to which back wages may be owed and include that as part of the settlements.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	394	SOCR should augment its individual complaint based approach to addressing non-compliance with a proactive random testing program.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle's Paid Sick and Safe Time Ordinance Enforcement Audit (October 17, 2014), continued.	395	The City Council should modify the PSST Ordinance to include language about maintaining complainant confidentiality and clarify that investigations can be conducted without charges.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	396	SOCR should invite advisory letter process participants to complete a customer satisfaction survey.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	397	SOCR should develop and use a more relevant advisory case performance goal than its current 180 day goal that is based on the number of days to close charge cases.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	398	SOCR should link its planned outreach activities to specific outcomes or goals and consider working with organizations with greater access to difficult-to-reach populations, such as community-based organizations.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	399	To improve the targeting of its outreach efforts, SOCR should collect and track demographic information from participants at outreach events and from the complainants and respondents involved in the advisory letter process.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle's Paid Sick and Safe Time Ordinance Enforcement Audit (October 17, 2014), continued.	400	SOCR should work with other City departments, such as Finance and Administrative Services FAS and the Office of Economic Development, to better inform businesses about how to comply with law, by such means as sending annual emails to employers with business license renewals, and establishing links to PSST compliance information on all relevant City web sites.	Pending	Follow-up on this recommendation was postponed due to emergency leave of key personnel in the Seattle Office for Civil Rights (SOCR). We plan to follow-up on the December 2015 status of this recommendation in our next report.
	401	If the City Council anticipates requesting future compliance audits of the PSST Ordinance or other labor laws that require City enforcement, it should consider whether it wishes to include explicit language in the ordinance(s) allowing the Office of City Auditor to conduct such audits of employer records to facilitate the auditing of private businesses.	Pending	The City Council is currently considering amending the Paid Sick and Safe Time Ordinance 123698 (Seattle Municipal Code 14.16) to allow the City Auditor to perform compliance audits of businesses to determine the effectiveness of the City's enforcement efforts.
Supporting a Future Evaluation of the Seattle Youth Violence Prevention Initiative (SYVPI) (October 24, 2014)	402	Clearly identify target population and evaluate community need based on available data.	Pending	The Department of Education and Early Learning has hired a Strategic Advisor 2 for a one-year period in 2015 to conduct a needs assessment and work on evaluation planning activities including: develop a logic model, identify feasible evaluation methods, identify a comparison group (if appropriate), and develop robust data collection and methods. This is a significant scope of work. We will track progress throughout 2015 and report on this again in our 2015 follow-up report.
	403	Develop a coherent logic model that directly aligns with overarching initiative goals	Pending	The Department of Education and Early Learning has hired a Strategic Advisor 2 for a one-year period in 2015 to conduct a needs assessment and work on evaluation planning activities including: develop a logic model, identify feasible evaluation methods, identify a comparison group (if appropriate), and develop robust data collection and methods. This is a significant scope of work. We will track progress throughout 2015 and report on this again in our 2015 follow-up report.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Supporting a Future Evaluation of the Seattle Youth Violence Prevention Initiative (SYVPI) (October 24, 2014), continued.	404	Identify feasible evaluation methods.	Pending	The Department of Education and Early Learning has hired a Strategic Advisor 2 for a one-year period in 2015 to conduct a needs assessment and work on evaluation planning activities including: develop a logic model, identify feasible evaluation methods, identify a comparison group (if appropriate), and develop robust data collection and methods. This is a significant scope of work. We will track progress throughout 2015 and report on this again in our 2015 follow-up report.
	405	Identify an appropriate comparison group.	Pending	The Department of Education and Early Learning has hired a Strategic Advisor 2 for a one-year period in 2015 to conduct a needs assessment and work on evaluation planning activities including: develop a logic model, identify feasible evaluation methods, identify a comparison group (if appropriate), and develop robust data collection and methods. This is a significant scope of work. We will track progress throughout 2015 and report on this again in our 2015 follow-up report.
	406	Develop robust data collection and methods.	Pending	The Department of Education and Early Learning has hired a Strategic Advisor 2 for a one-year period in 2015 to conduct a needs assessment and work on evaluation planning activities including: develop a logic model, identify feasible evaluation methods, identify a comparison group (if appropriate), and develop robust data collection and methods. This is a significant scope of work. We will track progress throughout 2015 and report on this again in our 2015 follow-up report.
Seattle Department of Transportation Bonds Management Audit (December 22, 2014)	407	To facilitate shifting bond funds among different projects when there are excess bond proceeds, the City Council could consider increasing threshold amounts for transfers that require supplemental legislation.	No Further Follow-up Planned (type 4)	The City Council believes that the current threshold amounts for transfers that require supplemental legislation appear to strike the right balance between allowing for sufficient flexibility to accommodate changing circumstances while preserving visibility and accountability for the public.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Department of Transportation Bonds Management Audit (December 22, 2014), continued.	408	SDOT should work with CBO, FAS, and the Law Department to explore changes to SDOT's CIP structure to enable greater flexibility in moving bonds funds among projects. For example, grouping similar projects under one project title in the CIP, as was done with the Bridge Rehabilitation list of Bridging the Gap projects, could provide SDOT greater flexibility in re-purposing bond funds among its projects.	**No Further Follow-up Planned** **(type 3)**	The Seattle Department of Transportation (SDOT) and the City Budget Office (CBO) reported that they have bundled many projects in the past, including projects within the "bridge rehabilitation", "bridge seismic", and "arterial paving" groups and that they will continue to do so for similar annual programs. They reported however, that the CIP (Capital Improvement Program) is a communication and management document that needs to balance the benefits of such aggregation with the need for City Council and management oversight. Central Staff reported that the Council would be unlikely to support implementing this recommendation absent a strong case being made by SDOT and CBO that any proposed changes were required and alternative approaches were available to maintain equivalent visibility and accountability.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Department of Transportation Bonds Management Audit (December 22, 2014), continued.	409	The City should consider basing SDOT's bond needs on less than 100% of the project's estimated one-year cash needs and encouraging the use of short-term financing for gap funding (e.g., Interfund loans) if needed, to fund the project until proceeds from the next bond issuance become available. For this approach to work, CBO, FAS, the Mayor, and the City Council would need to support SDOT's use of short-term financing and enable SDOT to obtain it quickly and efficiently. Short-term financing should be considered for projects at their initial stages, when there are many unknowns, until more definitive project cost data is available. This would allow the project's long-term financing to be arranged during a later design phase with greater accuracy.	**Implemented February 2014**	The City Budget Office (CBO) reported that increasingly, CBO and the Department of Finance and Administrative Services (FAS) have issued fewer bonds than what the Seattle Department of Transportation (SDOT) predicts it will need for a given 12 month spending period. For example, in 2013, SDOT had forecasted the need for $8.4 million for Mercer West, $5 million for the Waterfront Right-of-Way (ROW), and $15 million for South Park Bridge. CBO and FAS decided ultimately not to issue any bonds for Mercer West or the Waterfront Right of Way projects and in 2014, only $10 million for the South Park Bridge was issued. CBO also reported that for the upcoming 2015 bond issue, CBO and FAS elected only to issue bonds sufficient to meet SDOT's spending projections through the end of December 2015 instead of for an entire bond year (i.e., approximately 55% of the projected "need") and if SDOT's spending is faster than anticipated, the City will rely on an Interfund loan as a temporary bridge until the 2016 Limited Tax General Obligation (LTGO) bond issue.

Report Title (publication date)	Rec #⁷	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Department of Transportation Bonds Management Audit (December 22, 2014), continued.	410	FAS should establish and provide training to City departments on written formal policies and procedures related to the bonds process: delineating roles and responsibilities; planning for bond needs; and managing, tracking, and communicating spending of bond proceeds. The procedure for the final check-in between FAS and SDOT before bonds are issued should be included in the formal bond process policies and procedures. The retention requirements for significant communication related to the bond process should also be delineated in the formal policies and procedures.	**Implemented November 2014**	The City Budget Office (CBO) reported that: 1) the new debt management policies (Resolution 31553) adopted by the City Council on November 24, 2014 outline a very specific process for making decisions about debt financing general government projects, 2) these policies also identify roles and responsibilities and criteria for the use of different kinds of financing, such as Interfund loans; 3) within this process, training is ongoing, and 4) the City's existing Records Retention policies address retention requirements for significant communication related to the bond process rather than specifically including such policies in the Debt Management Policies.
	411	The Debt Management Advisory Committee (DMPAC) should consider inviting City departments that have bond funding to attend DMPAC meetings to answer questions that might arise about their use of bond funds.	**Implemented October 2013**	The City Budget Office reported that this was initiated in October 2013.
	412	If unspent bond balances continue to be a concern of the City Council, CBO and SDOT could provide the Council, during the budget process, with summarized data on unspent bond proceeds by each bond issue, and the reasons for any spending delays.	**Implemented March 2015**	In order to ensure that unspent bond balances do not continue to be a concern, Central Staff reported that the City Council instituted a standing practice starting in 2013 of requesting that the Executive provide detailed information tracking the use of Seattle Department of Transportation's bond proceeds during Council's review of the Proposed Budget. Central Staff reported that City Council has received diligent and thoughtful responses from the Executive through Budget Information Requests and that the Council intends to continue requesting such information from the Executive during upcoming budget reviews and through review of other reports routinely provided by the City Budget Office.

Report Title (publication date)	Rec #[7]	Description	Status as of December 31, 2014	2014 Update Comments
Seattle Department of Transportation Bonds Management Audit (December 22, 2014), continued.	413	SDOT should include and track all bond proceeds in bond monitoring reports.	**Implemented March 2015**	The City Budget Office (CBO) reported that as part of its annual budget and bond issuance planning process, the Seattle Department of Transportation (SDOT) will continue to incorporate unspent appropriations of bond proceeds in the relevant reports, and, more importantly, into its estimates of future borrowing needs. CBO also reported that SDOT also provides a quarterly report to the Executive that includes all existing bond appropriation balances and the current year's expenditures.
	414	The City's Debt Management Policies should be updated to reflect the City's current practices for the issuance and management of debt.	**Implemented November 2014**	Resolution 31553 was adopted by the City Council on November 24, 2014 to update and revise the City's Debt Management Policies. The policies identified in the audit report that did not reflect the City's practices at the time of our audit field work were addressed by the adoption of Resolution 31553.

Appendix A

We reviewed the status of recommendations from the following 44 audit reports issued between January 2007 through December 2014:

1. Seattle Municipal Court Accounts Receivable and Revenue Recovery, Internal Controls Review (January 4, 2007)
2. Seattle Public Utilities Billing and Accounts Receivable – Drainage Fees, Internal Controls Review (February 8, 2007)
3. Parks Public Involvement Audit, Phase 2: Case Study of Loyal Heights Playfield Renovation (April 12, 2007)
4. Seattle Indigent Public Defense Services (August 6, 2007)
5. Review of Millennium Digital Media's Compliance with the City of Seattle's Cable Customer Bill of Rights (August 21, 2007)
6. External Funding of Capital Projects (January 16, 2008)
7. Seattle's Special Events Permitting Process: Successes and Opportunities (January 31, 2008)
8. Seattle City Light Travel (February 1, 2008)
9. Seattle Public Utilities Revenue Cycle Audit – Transfer Stations, Internal Controls Review (February 14, 2008)
10. Seattle Public Utilities Revenue Cycle Audit – Commercial Solid Waste, Internal Controls Review (April 9, 2008)
11. Seattle's Enforcement of Bias Crimes (August 4, 2008)
12. City Should Take Steps to Enhance Pedestrian and Cyclist Mobility Through and Around Construction Sites (August 13, 2008)
13. Review of City Collection Policies and Procedures (September 25, 2008)
14. Follow-up Audit of Broadstripe's Compliance with the City of Seattle's Cable Customer Bill of Rights (October 24, 2008)
15. Review of Costs of Neighborhood Traffic Calming Projects (January 15, 2009)
16. Audit of Comcast's Compliance with the City of Seattle's Cable Customer Bill of Rights (May 13, 2009)
17. Management of City Trees (May 15, 2009)
18. Cash Handling Audit – Seattle Center Parking (June 19, 2009)
19. Seattle District Council System Needs Renewal (June 22, 2009)
20. Cal Anderson Park Surveillance Camera Pilot Program Evaluation (October 26, 2009)
21. Compliance Audit of the Aquatic Habitat Matching Grant Program (December 14, 2009)
22. Efficiencies Audit: Parking and Traffic Ticket Processing (December 15, 2009)
23. Seattle Public Utilities Revenue Cycle Audit – Water (Retail and Wholesale) Internal Controls Review (March 1, 2010)
24. Follow-up Audit of Workers' Compensation: Return-to-Work Program (June 15, 2010)
25. City of Seattle Anti-Graffiti Efforts: Best Practices and Recommendations (July 28, 2010)
26. Indigent Defense Services Follow-up and 2010 Audit (December 15, 2010)
27. Seattle Public Utilities Revenue Cycle Audit – Wastewater: Internal Controls (April 11, 2011)
28. City of Seattle Anti-Litter Efforts (April 19, 2011)
29. Promising Practices in Risk Management (June 22, 2011)
30. How Can Seattle Crime Analysis Rise to the Next Level? (January 10, 2012)
31. Seattle Police Department's In-Car Video Program (June 20, 2012)
32. Information Technology Security and Risk Assessment of the Seattle Department of Transportation's Traffic Management Center and Control System (July 5, 2012)
33. Evidence-Based Assessment of the City of Seattle's Crime Prevention Programs (September 6, 2012)
34. Seattle Public Utilities Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012)
35. City of Seattle Multifamily Tax Exemption Program (September 19, 2012)
36. Seattle City Employees' Retirement System Retirement Benefit Calculations (August 8, 2013)
37. Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013)
38. Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013)

39. Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014)
40. City of Seattle RFP Process for Vehicle Impound Management Services (May 20, 2014)
41. Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014)
42. Seattle's Paid Sick and Safe Time Ordinance Enforcement Audit (October 17, 2014)
43. Supporting a Future Evaluation of the Seattle Youth Violence Prevention Initiative (SYVPI) (October 24, 2014)
44. Seattle Department of Transportation Bonds Management Audit (December 22, 2014)

Appendix B

The following charts list the recommendations in the 4 categories for "No Further Follow-up Planned":

Category 1:   The recommendation is no longer relevant.

There were no recommendations in this category.

Category 2:   The recommendation's implementation is not feasible due to factors such as budget and/or staffing limitations, contractual issues, etc.

Report Title	Rec #	Recommendation Description	2014 Update Comments
Seattle Public Utilities (SPU) Billing and Accounts Receivable (AR) – Drainage Fees, Internal Controls Review (February 8, 2007)	13	Drainage fee updates/adjustments to customer accounts are made only once a year by King County, and not when property changes actually occur.	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method, and King County currently makes updates/adjustments to customer accounts only once a year. SPU reported that manual updates to the King County system once a year is currently the most cost effective solution and the recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.
	14	Property tax statements (which include drainage fees) marked "return to sender" are not researched and resolved by King County.	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method. King County does not currently research these property tax statements. SPU has discussed this policy with King County and reported that it has limited capacity to force a change in King County procedure. The recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.
	16	Delinquent drainage accounts aren't tracked, researched, or pursued by SPU or King County until they are three years past due.	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method. SPU has determined that pursuing drainage fees separately from county property tax billings is not cost effective. The recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.

Report Title	Rec #	Recommendation Description	2014 Update Comments
Seattle Public Utilities (SPU) Billing and Accounts Receivable (AR) – Drainage Fees, Internal Controls Review (February 8, 2007), continued.	17	King County estimates of the interest paid on delinquent drainage fees may result in underpayments to SPU.	Seattle Public Utilities (SPU) reported that it determined the use of King County for drainage fee billing to be the most cost effective billing method. SPU has verified the County's calculation and determined the calculation uses fair estimates for unknown amounts. SPU determined that the loss or gain on estimated interest is minimal. The recommendation's implementation is not feasible as long as SPU continues to outsource drainage billing to King County.
Seattle Public Utilities (SPU) Revenue Cycle Audit – Wastewater: Internal Controls (April 11, 2011)	254	Contractors self-report construction site wastewater discharge volumes to SPU for billing purposes and there is almost no verification of these volumes.	Seattle Public Utilities (SPU) reported it made multiple attempts to encourage King County to verify the actual wastewater volumes against what is being reported by construction sites. The collection of these fees is a pass through to King County and does not affect SPU revenue streams. The recommendation's implementation is not feasible because King County controls construction site wastewater enforcement.
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014)	359	The Utilities or Human Services Department (HSD) should periodically run a query of employees on the Utilities Discount Program to look for anyone who may not qualify based on household income.	Seattle Public Utilities reported that they do not disagree with the recommendation but that they do not have the budget to implement this additional control at this time.

Category 3:   The audited entity's management does not agree with the recommendation and is not planning to implement the recommendation.

Report Title	Rec #	Description	Comments
Seattle Public Utilities (SPU) Revenue Cycle Audit – Wastewater: Internal Controls (April 11, 2011)	255	Many contractors make late payments on SPU's construction site wastewater charges.	Seattle Public Utilities (SPU) reported that it currently bills construction sites for wastewater volumes and follows its normal delinquency practices with these bills. The collection of these fees is a pass through to King County for which SPU collects the fees and remits them to the County. These fees do not affect SPU's revenue streams. SPU reported that it is not cost effective for them to vary their business practices given that these fees are a pass through to King County.
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014)	354	The Utilities should establish dollar-level limits for payment plans that are handled by non-supervisors.	SPU: In May 2013, Seattle Public Utilities (SPU) published Director's Rule CS-310.1 (Customer Billing, Payments, and Collections), listing additional rules and restrictions for the use of payment arrangements. SPU reported that it evaluated the administration and monitoring of payment arrangements and believes no further changes are necessary. SCL: Seattle City Light management disagrees with the recommendation. According to Seattle City Light (SCL), based on its evaluation of current policy and procedures, SCL management determined that no further changes are warranted at this time, due to SCL's concerns about operational feasibility and compensating controls provided through current payment plan monitoring.
	355	The Utilities should revise payment plan procedures to require supervisory approval for payment plans established without the initial required payment.	Seattle City Light management disagrees with the recommendation. They reported that based on Seattle City Light (SCL) Internal Audit's review and evaluation of current policy and procedures, SCL management determined that no further changes are warranted at this time due to SCL's concerns about operational feasibility and compensating controls provided through current payment plan monitoring.

Report Title	Rec #	Description	Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	356	Improved management reporting on payment plans is needed to highlight potential inappropriate activity at the UserID or Customer Account level.	SPU: In May 2013, Seattle Public Utilities (SPU) published Director's Rule CS-310.1 (Customer Billing, Payments, and Collections), listing additional rules and restrictions for the use of payment arrangements. SPU reported that it evaluated the administration and monitoring of payment arrangements and believes no further changes are necessary. SCL: Seattle City Light (SCL) management disagrees with the recommendation. SCL reported that it evaluated the administration and monitoring of granting and following up on broken payment arrangements and believes no further changes are necessary.
	357	The Utilities should develop formal procedures for regular management review of accounts belonging to employees with CCSS write-level access.	SPU: Seattle Public Utilities (SPU) reported that it is not cost effective to implement steps such as flagging City employees and performing regular management review of account transactions, and that no further action is planned. SCL: Seattle City Light management disagrees with the recommendation. SCL reported that it identifies accounts when the City of Seattle is listed as the employer on service connection applications and generates a weekly report to review adjustments to these accounts and it believes that no further action is needed.

Report Title	Rec #	Description	Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	358	The Utilities should flag any accounts in the CCSS system for premises owned or inhabited by City employees.	SPU: Seattle Public Utilities (SPU) reported that it is not cost effective to implement steps such as flagging City employees and performing regular management review of account transactions, and that no further action is planned.

SCL: Seattle City Light (SCL) management disagrees with the recommendation. SCL reported that it identifies accounts when the City of Seattle is listed as the employer on utility account applications and generates a weekly report to review adjustments to these accounts. This practice captures only those SCL account holders who have identified themselves as City of Seattle employees. It does not identify all SCL accounts associated with City employees, i.e., spouses, family members, roommates, of the primary account holder. |

Report Title	Rec #	Description	Comments
Assessment of Consolidated Customer Service System (CCSS) Transaction Controls, Policies and Procedures, and Associated Results from CCSS Data Mining Project (April 29, 2014), continued.	359	The Utilities or Human Services Department (HSD) should periodically run a query of employees on the Utilities Discount Program to look for anyone who may not qualify based on household income.	SCL: SCL management disagrees with the recommendation and stated that they determined that verifying employee income qualification for Utilities' reduced rate programs would not be cost effective and no further action is planned. HSD: According to the Human Services Department (HSD), its Utility Discount Program (UDP) group is required to recertify households enrolled in the discount program on a regular basis. For seniors, that evaluation occurs every three years, and for all other households the review occurs every two years. As part of the recertification process, the household is required to provide current income information so that HSD can verify they are still income eligible to be on the UDP rate. HSD also reported that they also audit their processes and procedures monthly to make sure their certifications are correct regarding income eligibility. For these reasons, HSD does not believe they need a unique process to review city employees who have qualified for UDP. Our response is that while HSD's procedure is a good control practice, it will not mitigate this risk.
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014)	362	SCL should implement a tracking system to help ensure that materials considered to be of higher value and risk (e.g., copper wire and transformers) actually arrive at the Salvage Unit.	Seattle City Light (SCL) reported that the current process is sufficient and has appropriate cost effective mitigating controls and does not plan to make any changes. We continue to believe that SCL should implement a cost effective process to track high dollar materials arriving at the salvage facility from the field, including copper wire, to help prevent the risk of misappropriation.

Report Title	Rec #	Description	Comments
Seattle City Light Salvage Unit Fraud Risk Audit (June 6, 2014), continued.	363	Wire returned to the Salvage Unit should be weighed each time a significant quantity is delivered, or as soon thereafter as operationally feasible, recorded on a weigh ticket, and recorded in the Passport tool. Wire accumulations should be periodically reconciled by personnel outside of the Salvage Unit, by comparing physical quantities on hand to quantities recorded in the Passport tool. All resulting discrepancies should be investigated.	Seattle City Light (SCL) disagrees with this recommendation. SCL stated the City Auditor's recommendation would significantly increase the cost of the operations and that the current mitigating controls of physical security and reliance on surveillance cameras are more cost effective than the recommendation's approach. SCL therefore does not plan to implement the recommendation. We believe, however, that SCL should reconsider our recommendation to appropriately safeguard its assets, which include copper wire.
	372	The ability to record or adjust quantities in the Passport tool should be restricted to personnel who do not have physical control over Salvage Unit materials. [Recommendation 5 (1)]	Seattle City Light (SCL) management disagrees with this recommendation. SCL stated they have an effective process with mitigating controls and does not plan to implement the recommendation. However, the Office of City Auditor believes that inadequate segregation of duties increases the risk of asset misappropriation.
	373	All adjustments to material quantities should be coded as adjustments and not as material issues or returns, even if they are to correct input errors. All quantity adjustments should be approved by management. [Recommendation 5 (2)]	Seattle City Light management disagrees with this recommendation. SCL stated they have an effective process with mitigation controls and does not plan to implement the recommendation. However, we believe that the lack of a) appropriate policies regarding adjustments and b) management's approval of such adjustments increases the risk of asset misappropriation.
	382	SCL management should immediately require that all customer payments be directed to personnel independent of the Salvage Unit, such as SCL cashiers currently located at the South Service Center.	Seattle City Light (SCL) management disagrees with this recommendation. SCL stated that it assessed the risk of salvage personnel receiving customer payments against the inconvenience of customers paying a cashier located at the northeast corner of the facility and obtain a receipt for payment. This would require the customer to return to the salvage unit to pick up the materials. Management decided not make changes at this time and will rely on other mitigating controls. However, we believe that SCL's mitigating controls are insufficient to address the risk of misappropriation of cash.

Report Title	Rec #	Description	Comments
Seattle Department of Transportation Bonds Management Audit (December 22, 2014)	408	SDOT should work with CBO, FAS, and the Law Department to explore changes to SDOT's CIP structure to enable greater flexibility in moving bonds funds among projects. For example, grouping similar projects under one project title in the CIP, as was done with the Bridge Rehabilitation list of Bridging the Gap projects, could provide SDOT greater flexibility in re-purposing bond funds among its projects.	The Seattle Department of Transportation (SDOT) and the City Budget Office (CBO) reported that they have bundled many projects in the past, including projects within the "bridge rehabilitation", "bridge seismic", and "arterial paving" groups and that they will continue to do so for similar annual programs. They reported however, that the CIP (Capital Improvement Program) is a communication and management document that needs to balance the benefits of such aggregation with the need for City Council and management oversight. Central Staff reported that the Council would be unlikely to support implementing this recommendation absent a strong case being made by SDOT and CBO that any proposed changes were required and alternative approaches were available to maintain equivalent visibility and accountability.

Category 4: The recommendation was considered by the City Council but not adopted.

Report Title	Rec #	Description	Comments
City of Seattle Anti-Graffiti Efforts: Best Practices and Recommendations (July 28, 2010)	219	The City Council and Mayor should develop clear policy statement on graffiti, establish clear directives about who in the City is authorized, responsible, and accountable for anti-graffiti efforts and develop specific outcome goals.	The City Council and the Mayor decided that they would not pursue this at this time.
	220	The City Council and Mayor should require City departments to gather baseline data before new policies and procedures are implemented.	The City Council and the Mayor decided that they would not pursue this at this time.
	221	The City Council and Mayor should require an annual physical inventory to evaluate the effectiveness of the City's efforts.	The City Council and the Mayor decided that they would not pursue this at this time.
Seattle Department of Transportation Bonds Management Audit (December 22, 2014)	407	To facilitate shifting bond funds among different projects when there are excess bond proceeds, the City Council could consider increasing threshold amounts for transfers that require supplemental legislation.	The City Council believes that the current threshold amounts for transfers that require supplemental legislation appear to strike the right balance between allowing for sufficient flexibility to accommodate changing circumstances while preserving visibility and accountability for the public.