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# Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

April 17, 2018

**Seattle Office of City Auditor**

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## Report Summary

We tracked 595 recommendations contained in 56 audit reports issued from January 2007 through December 2017. As of December 31, 2017, 71 percent (422 out of 595) were implemented, 18 percent (108 out of 595) were pending, and 11 percent (65 out of 595) were categorized as no further follow-up planned.

# Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

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## Status Report on Audit Recommendations

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

## Scope

Since 2010, we tracked 595 recommendations contained in 56 audit reports<sup>1</sup> issued from January 2007 through December 2017.

This report describes the status of 164 recommendations as follows:

- 95 recommendations reported as “pending” in our previous follow-up report<sup>2</sup>,
- 69 new recommendations contained in our 2017 audit reports<sup>3</sup>.

## 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.

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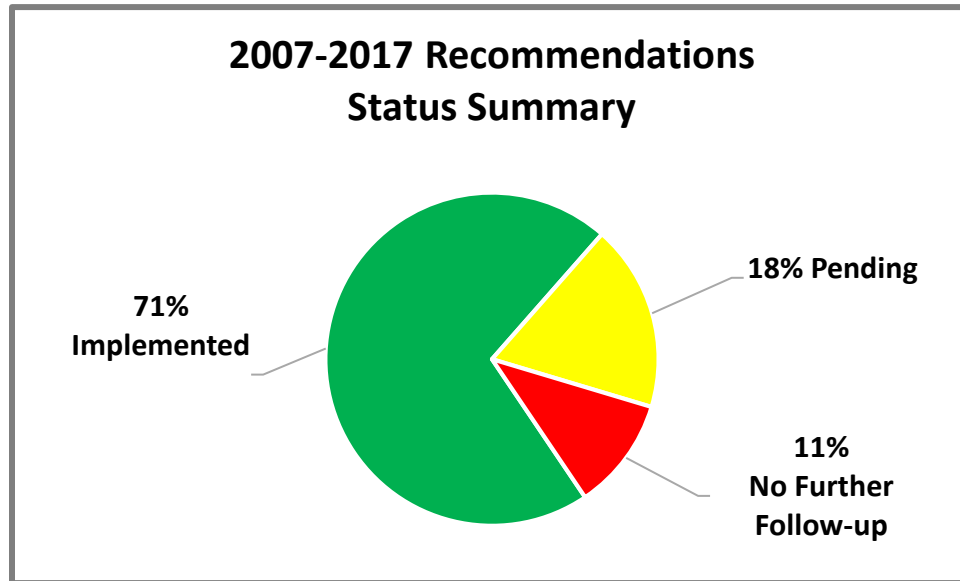
<sup>1</sup> See Appendix A.

<sup>2</sup> [Status Report on Implementation of Office of City Auditor Recommendations as of December 2016](#), published June 23, 2017

<sup>3</sup> Audit of New Customer Information System (NCIS) Implementation (April 10, 2017), Audit of Seattle’s Incentive Zoning for Affordable Housing (April 13, 2017), Review of Hate Crime Prevention, Response, and Reporting in Seattle (September 20, 2017), Assessment of the Seattle Municipal Court Resource Center (October 12, 2017), Special Events – Police Staffing and Cost Recovery (December 13, 2017).

## Summary and Results

We tracked 595 recommendations contained in 56 audit reports issued from January 2007 through December 2017. As shown in the chart below, as of December 31, 2017, 71 percent (422 out of 595) had been implemented, 18 percent (108 out of 595) were pending, and 11 percent (65 out of 595) were categorized as no further follow-up planned.



## 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 had 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).



### 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. (i.e., circumstances have changed, e.g., a program no longer exists).

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.

In this report, we did not categorize any recommendations in the "No Further Follow-up Planned" category.

Please see Appendix B for a summary of implementation status of recommendations by year of audit publication.

Status of Audit Recommendations as of December 31, 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Management of City Trees (May 15, 2009)	163	The City should adopt new tree regulations for tree protection on private property.	Pending	The Seattle Department of Construction and Inspections (SDCI) reported that it produced a report, <a href="#">Tree Regulations Research Project, Phase II</a> , March 31, 2017, that evaluated the existing tree protection regulations. This report included three options for improvements to the tree protection regulations. These three options were delivered to Mayor Murray in May 2017. Mayor Murray decided to implement Option 1 through an Executive Order (EO) which Mayor Burgess issued in <a href="#">October 2017</a> . SDCI reported that Option 1 included updates to the definition of exceptional and hazardous trees, and a new Director’s Rule that defines how fines will be levied when illegal tree removal occurs, but it did not include updates to the tree protection regulations. SDCI reported that it expects to fully implement Option 1 by the end of the 2 <sup>nd</sup> quarter 2018. SDCI also reported that it presented information regarding this report and the Mayor’s EO to the Urban Forestry Commission in November 2017, and that it will brief the new Administration on tree regulations and gain their direction on implementing Options 2 and 3 of the report.
	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 Seattle Department of Construction and Inspections reported that it will determine the resources needed for tree regulation implementation as part of recommendation #163.
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 in 2018, the department is consolidating with human resource professionals citywide to become Seattle Human Resources. Human resource professionals within City departments will shift their reporting structure from individual departments to form the City of Seattle Human Resources Department, and report centrally to this consolidated department. As a result, a revised approach is being initiated to create citywide Return-to-Work (RTW) procedures. Development of a citywide RTW policy and procedures manual is being initiated by the Workers’ Compensation Unit (WCU). The WCU is engaging with interdepartmental stakeholders on this project. The WCU is also partnering with RTW coordinators regularly. The WCU continues to initiate and complete process improvements to advance customer service outcomes. Seattle Human Resources will provide procedure documentation to all departments for their use once it is completed.

<sup>4</sup>This number is the recommendation’s assigned number in our tracking database.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 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	<p>In January 2018, the Seattle Police Department (SPD) reported that they are working to ensure stability of their Data-Driven Unit. The SPD Data-Driven Unit consists of one full-time staff member and two individuals in three-year term limited temporary positions. One of the temporary positions supports SeaStat crime and accountability monitoring and the other supports externally-facing reports for the public including the crime and bias crimes dashboard as well as Performance Seattle. The staff in these two positions have Masters Degrees in Criminology with expertise in crime analysis and geographic information systems. SPD reported that, in 2017, it was able to convert one of the two temporary positions into a full-time analyst position in the Data-Driven Policing section. SPD hopes to convert the other temporary position into a full-time position, and SPD has brought on a Ph.D. in a temporary position as a Data Scientist in the Data-Driven unit.</p> <p>SPD reported that, in 2017, the Data-Driven Unit released two new internal dashboards (Crime - FEB 2017 and CAD - SEP 2017) that are accessible to all SPD employees. They have also conducted trainings and information exchange sessions in SPD's precincts to orient SPD personnel and solicit feedback regarding the new dashboards. The new tools have enabled SPD to:</p> <ul style="list-style-type: none"> <li>• identify new issues;</li> <li>• establish baselines; and</li> <li>• assess outcomes surrounding crime and disorder, shots fired, neighborhood concerns, proactive policing activities, locations where crimes are repeated, and response time.</li> </ul> <p>These tools continue to be used for 's SPD crime and accountability meeting, <a href="#">SeaStat</a>. SeaStat has also paved the way for enhanced data sharing and collaboration with partnering agencies, most recently, the Seattle Fire Department and Seattle King County Public Health.</p> <p>In January 2018, SPD reported that it continues its long-standing relationships with its research partners like George Mason University, Seattle University and Project Safe Neighborhoods. Most recently, it began sharing bias data with University of Washington researchers for exploratory analysis. The Data-Driven team continues to enhance and share additional data dashboards with the public through its website.</p> <ul style="list-style-type: none"> <li>• <a href="#">Crime</a></li> <li>• <a href="#">Bias</a></li> <li>• <a href="#">Micro Community Policing Plan Survey Results</a></li> <li>• <a href="#">Micro Community Policing Plan SPD Response</a></li> </ul> <p>In January 2018, SPD indicated that it will continue to improve coordination and alignment among all its analytical units including the Data-Driven Unit, Crime Analysis Unit (CAU), and the Data Analytics Platform (DAP) and Intelligence Unit. The Data-Driven and DAP units currently report to SPD's Chief Strategy Officer, and CAU and Intelligence reside in Investigations.</p>
Information Technology Security and Risk Assessment of the Seattle Department of Transportation's Traffic Management Center and Control System (July 5, 2012)	278	<p>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.</p> <p>[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.]</p>	Pending	<p>The Seattle Information Technology Department (ITD), formerly the Department of Information Technology, which has been tracking the progress of addressing the vulnerabilities identified from the 2012 audit, reported that as of December 31, 2016, there was only one item from the audit that remained to be addressed. During our meeting with ITD and the Seattle Department of Transportation (SDOT) Operations Center officials, the SDOT officials reported that there is a two-phase protocol to mitigate the remaining outstanding exposure that will be implemented in 2018. In February, the SDOT Transportation Center reported that they have begun testing the first of the two phases to resolve the issue and are confident that they will meet their obligation.</p>
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012)	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	<p>Seattle Public Utilities (SPU) reported that it has been conducting a project to assess and develop revised charges for water main extension projects. The project has resulted in a standardized process for development, approval, and implementation of charges and has formally appointed SPU Finance with the responsibility for developing all charges. SPU staff are in the final stages of developing charges. SPU reported that they are meeting with the Mayor's Office on this topic in March 2018 and will likely know the implementation timing after this meeting.</p>

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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 its Development Services Office is updating water main extension processes, which will include project variance analyses. SPU reported that it will revisit the processes after the ongoing standard charge project is approved by SPU's Chief Executive Officer/General Manager. The projected completion date is December 2018.
Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013)	320	SCERS should consider a one-time update of all member data to capture key member information, such as membership date, amount of buy backs, and time loss during specific periods. To minimize the total work involved, such a project should be planned in coordination with plans to implement a new data system.	Pending	Seattle City Employees' Retirement System (SCERS) management reported that the conversion of member data into the new Pension Administration System (PAS) is occurring during PAS implementation. This process includes both the conversion of electronic data and, for some members, capturing service credit information previously recorded in paper files only (e.g., ledger cards that record contributions before 1992). SCERS reported to us that they have digitized all paper files related to members' service credits and in 2017 will begin systematically reviewing these records to capture service credit information. Once implemented, PAS will be the system of record for member data. PAS is scheduled for full implementation in 2019.
Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013)	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 it established the Development Services Office (DSO) to streamline and consolidate certain water services functions into one division, including New Taps Services. Before the creation of the DSO, components of the New Taps process were performed across multiple divisions/functions within SPU. Internal controls, including system access/security controls and segregation of duties, have been put in place to ensure proper authorization of work orders. The DSO has created a process flow and is currently finalizing internal procedures that outline the process. Internal procedures are expected to be completed during the 2nd quarter of 2018.
Seattle's Paid Sick and Safe Time Ordinance Enforcement Audit (October 17, 2014)	394	SOCR should augment its individual complaint based approach to addressing non-compliance with a proactive random testing program.	Implemented November 2017	<p>On October 19, 2017 the Office of Labor Standards (OLS) issued <a href="#">Chapter 140 administrative rules</a> that govern OLS's enforcement process, including the process for the Directed Investigations program. This program is the City's proactive enforcement effort to address potential violations of its labor standard laws in which investigations are initiated by the OLS Director. Although the directed investigations do not involve a random testing program to identify businesses to investigate, it meets the intent of this recommendation by using a more strategic approach to identify businesses for investigations and does not solely rely on complaints from individuals.</p> <p>The relevant portions of the administrative rules state that "An investigation may be initiated by the Director following the receipt of a report or complaint filed by an employee or other person (i.e., complaint-based investigation), or without a complaint (i.e., directed investigation)" and "The Agency may also initiate an investigation in situations including, but not limited to, when the Director has reason to believe that a violation has occurred or will occur, or when circumstances show that violations are likely to occur within a class of businesses because the workforce contains significant numbers of employees who are vulnerable to labor standards violations or because the workforce is unlikely to volunteer information regarding such violations." On November 2, 2017 OLS <a href="#">officially announced</a> to the public its Directed Investigations program. It also created a <a href="#">Directed Investigations Questions and Answers</a> document and a <a href="#">Fact Sheet</a> to help the public understand the process, which is available on OLS' website. As of January 23, 2018, OLS is conducting 11 directed investigations involving 8 employers.</p>
Audit of the Seattle Police Department's Public Disclosure Process (March 16, 2015)	426	As the Public Disclosure Unit (PDU) begins to track its workload and performance data, it should develop a staffing model to enable Seattle Police Department (SPD) management to assess the PDU's staffing levels, determine the most appropriate mix of positions, and adjust staff as needed.	Pending	<p>The Seattle Police Department (SPD) has made progress in addressing the Public Disclosure Unit's (PDU) staffing needs. First, the PDU was brought under the supervision of SPD's Legal Unit in early 2016. The Legal Unit added two term-limited temporary paralegal positions to respond to complex public records requests to reduce SPD's backlog of requests.</p> <p>Second, SPD continues to collect workload and performance data from GovQA, the City's automated public disclosure request system, and other sources to inform staffing decisions.</p> <p>SPD reported that it is still developing Public Disclosure Officer job descriptions. Once these are in place, SPD will conduct a formal staffing analysis.</p>
	427	SPD should consider revising Public Disclosure Unit staffing to include a position with data analyst capabilities.	Pending	The Seattle Police Department (SPD) reported that it has been unsuccessful in its efforts to fund a dedicated Management System analyst position in the Public Disclosure Unit. SPD is exploring the possibility of funding a position in the SPD Data-Driven Unit to perform this work.

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Audit of the Seattle Police Department's Public Disclosure Process (March 16, 2015), continued.	428	SPD should review the Public Disclosure Unit's current job classifications to ensure that they match job requirements and facilitate the efficient processing of public records requests.	Pending	The Seattle Police Department (SPD) reported that it anticipated that citywide Public Disclosure Officer (PDO) job descriptions would be developed by now, but SPD recently learned that this will not be occurring in the near term. Accordingly, SPD is still in the process of developing PDO descriptions.
	432	The Seattle Police Department's (SPD) PDU's written communications with requestors should be improved. All of SPD's written communication with public records requestors should clearly articulate how each request was interpreted, how records systems were searched, and how a requestor can contact SPD's Public Disclosure Unit to request additional searches or provide additional information to facilitate the location of records. Additionally, SPD's letters should clearly reference each individual requested record when reporting on the status of a request. If any responsive records are redacted or exempt from disclosure, letters should state which records were redacted or are exempt and the particular exemption that applies to each.	Implemented July 2017	The Seattle Police Department (SPD) reported that it has implemented significant changes to improve communication with requestors. First, SPD developed templates and guidelines for all written communication with requestors. These templates and guidelines reflect and supplement those used City-wide and are being used by the Municipal Research Support Center (MRSC) as guidelines for developing best practices statewide.  Second, implementation of GovQA has improved SPD's communication with requestors.  Third, SPD has implemented monthly training sessions for public disclosure unit (PDU) staff to reinforce best practices in communication, among other topics. Additionally, SPD reported that it ensures that all PDU staff members attend at least one of the twice-yearly Washington Association of Public Records Officers (WAPRO) training conferences.
Process Evaluation of Seattle's School Emphasis Officer Program (September 22, 2015)	433	Develop a program manual that lays out clear expectations for operations and stakeholders.	Pending	The Seattle Police Department (SPD) reported that it continues to use the draft program manual that was included as an appendix in our 2015 report (authored by Dr. Charlotte Gill of George Mason University). In 2018, SPD will work with the King County Prosecuting Attorney's Office (KCPAO) to evaluate whether School Emphasis Officers (SEO) might also take on a formal restorative justice role* as a pilot diversion approach through KCPAO. If so, then the SEO program manual will need be updated to reflect this change in the SEO role. In addition, in 2018 SPD will explore the possibility of connecting SPD's new project management initiative with the SEO unit on the development of its program manual.  *Restorative Justice is a set of principles and practices inspired by indigenous values used to build community, respond to harm/conflict and provide individual circles of support.
	434	Develop a systematic performance and outcome measurement and evaluation plan for the School Emphasis Officers (SEO) program and participating schools.	Pending	The Seattle Police Department reported that due to a possible change in the duties of School Emphasis Officers to include a formal restorative justice role, an evaluation in 2017 or 2018 would be premature.
	435	Clearly articulate the program goals, structure, activities, and outcomes in the program manual and a logic model.	Pending	The Seattle Police Department (SPD) reported that, in 2018, they will explore the possibility of connecting SPD's new project management initiative with the School Emphasis Officers (SEO) unit to work on defining the SEO program goals, structure, activities, and outcomes in the program manual and logic model.
	436	Facilitate appropriate data sharing.	Pending	The Seattle Police Department (SPD) reported that the Human Service's Department's (HSD) review of and reinvestment in its Community Safety Initiative that will conclude in 2018 will determine what kind of data-sharing will be required with the SPD School Emphasis Officers (SEO) program. SPD's SEO supervisor is participating in HSD's planning process.
	437	Develop a long-term evaluation plan.	Pending	The Seattle Police Department reported that due to a possible change in the duties of School Emphasis Officers to include a formal restorative justice role, an evaluation in 2017 or 2018 would be premature.
	438	Articulate the program goals and training requirements.	Pending	The Seattle Police Department (SPD) reported that due to insufficient resources in 2017, this recommendation remains pending. However, in 2017, the School Emphasis Officers (SEO) received an 8-hour Crisis Intervention Training Update and an additional four hours in de-escalation training. In addition, two SEOs received training in the evidence-based Life Skills curriculum, and have been delivering this curriculum at two schools.
	439	Ensure that memoranda of understanding are developed with each individual school.	Pending	The Seattle Police Department (SPD) reported that, in 2018, SPD's Legal Unit will engage with Seattle Public Schools on the development of a Memorandum of Understanding.
	440	Systematize the process for identifying new schools.	Pending	In January 2018, the Seattle Police Department (SPD) reported that it does not have the staffing to expand into new schools. SPD will consider including the process for identifying new schools as it develops the School Emphasis Officer program manual.



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The City of Seattle Could Reduce Violent Crime and Victimization by Strengthening Its Approach to Street Outreach (October 14, 2015)	441	Develop a more sophisticated focused approach for identifying Street Outreach clients to ensure that it is focused on those at highest risk for violence and victimization.	Pending	<p>The Human Services Department reported that they will release a new Safe and Thriving Youth and Adults (STYA) Request for Proposal (RFP) in April 2018 that will work toward preparing youth to successfully transition to adulthood and to ensure that all people in Seattle are free from violence, with an emphasis on addressing racial and socioeconomic disparities through culturally responsive services.</p> <p>The focus will be on the following:</p> <ul style="list-style-type: none"> <li>• Intensive services for criminal justice-involved youth and adults in Seattle, specifically, people of color.</li> <li>• Services that aim to reduce rates of truancy, drop-out, and recidivism.</li> <li>• Educational and employment opportunities for participants.</li> </ul> <p>The City Auditor’s recommendations from 2015 were incorporated into the development of the STYA RFP.</p>
	442	Re-evaluate the age criteria for Street Outreach – consider providing Street Outreach to those most at need, regardless of age.	Pending	As discussed in recommendation #441 above, the Human Services Department reported that they will issue a Safe and Thriving Youth and Adults Request for Proposal (RFP) that may include Street Outreach. Our office will revisit this recommendation in 2019 to assess whether the providers selected by the City through the RFP process has re-evaluated the age criteria that is considered when providing its services to those most at need, regardless of age, consistent with our 2015 report recommendation.
	443	Support and monitor continued efforts by the YMCA ‘s Alive & Free Street Outreach program to improve its procedures, practices, and staff development.	Pending	As discussed in recommendation #441 above, the Human Services Department reported that they will issue a Safe and Thriving Youth and Adults Request for Proposal (RFP) that may include Street Outreach. Our office will revisit this recommendation in 2019 to help ensure that the provider selected by the City through the RFP process is using procedures, practices, and staff development consistent with our 2015 report recommendation.
	444	Support efforts to strengthen relationships between Street Outreach and the Seattle Police Department, including clarifying roles and responsibilities and providing integrated training.	Pending	As discussed in recommendation #441 above, the Human Services Department reported that they will issue a Safe and Thriving Youth and Adults Request for Proposal that may include Street Outreach. Our office will revisit this recommendation in 2019 to assess whether the selected provider is supporting efforts to strengthen relationships between the selected services and the Seattle Police Department consistent with our 2015 report recommendation.
	445	Strengthen the ability of Street Outreach to connect their clients’ families with services that promote the importance of family as a protective factor.	Pending	As discussed in recommendation #441 above, the Human Services Department reported that they will issue a Safe and Thriving Youth and Adults Request for Proposal that may include Street Outreach. Our office will revisit this recommendation in 2019 to assess whether the selected provider is strengthening the ability of its services to connect with their clients’ families consistent with our 2015 report recommendation.
	446	Support a rigorous evaluation of Street Outreach to ensure that the efforts are effective for reducing violent crime and victimization and do not unintentionally cause harm.	Pending	The Human Services Department reported that an evaluation component will be included in its new Safe and Thriving Youth and Adults Request for Proposal that will be released in April 2018.
Department of Parks and Recreation’s Oversight of Lease and Concession Agreements (December 10, 2015)	448	Develop or update contract monitoring policies and procedures.	Pending	The Parks Department reported that due to the Summit Reimplementation Project, which was launched January 2018, these policies and procedures will not be finalized until at least mid-2018.
	449	Automate contract management tasks and improve Parks contract monitoring capabilities.	Implemented January 2018	The Parks Department reported that contract management tasks have been automated with the January 2018 launch of the Summit Reimplementation Project.
	451	Meet with tenants annually to review public benefits requirements.	Implemented November 2017	The Parks Department reported that the Magnuson Park manager and the Contracts Administration and Support Office met with all tenants required to submit public benefit reports. In addition, more precise public benefit requirements were added to all new contracts to improve accountability.
	452	Update the Parks Department public benefits webpage.	Pending	The Parks Department reported that some progress has been made on this recommendation in that an updated public benefits chart is currently on the Parks website. The Magnuson Park Office and the Contracts Administration Support Office continue to work with the Parks Communication and Community Outreach office to make the public benefits webpage a better public communication tool, including making it easier to find on the Parks website.
	453	Consider changing the payment basis on contracts that generate \$15,000 or less to the City annually and include the value of park activation in the calculation of appropriate rent.	Pending	The Parks Department reported that to obtain feedback from seasonal vendors about possible changes to the permitting process and contracts, a public meeting was held. However, due to low attendance, the results were inconclusive. The Parks Department determined that further review is required and that they may use a survey to obtain greater feedback.

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Seattle Police Department Overtime Controls Audit (April 11, 2016)	454	<p>SPD should develop and enforce a clear, detailed overtime usage policy that provides (a) management sufficient guidance on the appropriate uses of overtime,<sup>5</sup> including compensatory time, and (b) direction on the proper recording and coding of overtime in the City's payroll system. This policy should address the following:</p> <ul style="list-style-type: none"> <li>• the activities or service needs that may justify overtime;</li> <li>• the activities or service needs that do not justify overtime or require special management approval;</li> <li>• requirements for supervisory approvals and approval processes and documentation;</li> <li>• any maximum thresholds for overtime hours or total work hours (i.e., regular time plus overtime and off-duty work hours);</li> <li>• when compensatory time can be earned in lieu of payment for overtime;</li> <li>• how employees should record overtime to ensure it is paid accurately (e.g., when to record hours in the City's Employee Self Service system or use an Event Summary Form); and</li> <li>• how employees should code overtime to ensure accountability and transparency and to facilitate payroll and overtime monitoring processes.</li> </ul> <p>This policy should include an effective date and an approval signature. [Recommendation 1]</p>	<p><b>Implemented May 2017</b></p>	<p>The Seattle Police Department (SPD) revised the SPD Manual section on overtime, 4.020 – Reporting and Recording Overtime/Out-of-Classification Pay, on May 1, 2017. The revised policy addresses the items specified in the recommendation.</p>
	455	<p>Additionally, SPD should train all employees on the policy and related procedures and monitor for compliance. [Recommendation 1]</p>	<p><b>Implemented May 2017</b></p>	<p>The Seattle Police Department (SPD) reported that it communicated the revised overtime policy to the entire department. Following SPD's normal method for distributing new policies, it was sent to all personnel and required answering a set of questions online to indicate understanding of the content of the policy. In addition, because responsibility for managing overtime is part of a manager's job, SPD is providing additional budget and overtime training to all new managers.</p>

<sup>5</sup> For example, employees are required to obtain approval to work overtime but there is no clear guidance on how the approval is obtained and documented. There is also an exception where employees may work overtime without supervisory approval "when an operational need or work load requires the employee to work beyond their regular shift", but examples of circumstances where such exceptions may or may not apply are not provided.

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Seattle Police Department Overtime Controls Audit (April 11, 2016), continued.	456	<p>SPD should develop and enforce clear and detailed policies and procedures that address all overtime administrative processes, including the following:</p> <ul style="list-style-type: none"> <li>• payroll processes for the handling and monitoring of overtime;</li> <li>• authorization of overtime before it is worked;</li> <li>• approval of recorded overtime before payment;</li> <li>• review of recorded overtime for errors or improper entry (e.g., duplicate entry or incomplete coding);</li> <li>• review of recorded overtime for appropriateness and to help prevent and detect unnecessary or abusive overtime;</li> <li>• management reporting and monitoring of overtime;</li> <li>• planning and reconciliation of special event overtime;</li> <li>• billing of reimbursable overtime, including which overtime costs are reimbursable by event organizers; and</li> <li>• account delinquency follow-up processes for reimbursable overtime.</li> </ul> <p>Personnel should be trained in all overtime policies and procedures relevant to their job functions. Further, SPD's policies and procedures should be continually updated as process improvements are implemented. [Recommendation 2]</p>	Implemented May 2017	The Seattle Police Department (SPD) revised the SPD Manual section on overtime, 4.020 – Reporting and Recording Overtime/Out-of-Classification Pay, on May 1, 2017, and communicated the new policy the entire Department, as described above. The revised policy addresses several of the items specified in the recommendation (e.g., the revised policy states that all overtime must be authorized before it is worked and approved before it is paid). SPD also developed policies and procedures for the billing of reimbursable overtime and handling of delinquent accounts.
	459	<p>Additionally, SPD should work with the City Budget Office and the City's Office for Special Events to develop and implement strategies for adhering to the overtime budget. [Recommendation 4]</p>	Implemented June 2017	The Seattle Police Department (SPD) reported they continue to monitor overtime use each month. SPD command staff regularly discuss issues related to overtime. Both SPD and the City Budget Office review the Department's overtime use each month and share this data with Council Central Staff.
	463	<p>SPD should develop automated controls or processes for detecting payroll errors or non-compliance with key policies, such as:</p> <ul style="list-style-type: none"> <li>• duplicate payments for overtime;</li> <li>• entry of more than 24 hours in a single day; and</li> <li>• accrual of comp time in excess of maximum allowed.</li> </ul> <p>[Recommendation 8]</p>	Pending	<p>The Seattle Police Department (SPD) reported it currently manually reviews payroll records for errors. The errors are individually researched and resolved. This process began in the 4<sup>th</sup> quarter of 2015.</p> <p>The 2017 Adopted and 2018 Endorsed Budget provides funding for an automated work scheduling and timekeeping system that will allow for increased automation of enforcement of thresholds and controls. SPD reported that they plan to transition from their manual review process when automated work scheduling and timekeeping systems come on line.</p>
	464	<p>SPD needs to enforce current overtime and compensatory time policies and procedures, including those related to the following:</p> <ul style="list-style-type: none"> <li>• proper documentation of overtime authorization and approval;</li> <li>• accurate activity and assignment coding of overtime;</li> <li>• compensatory time thresholds; and</li> <li>• accurate recording of overtime and standby time.</li> </ul> <p>[Recommendation 9]</p>	Pending	<p>The Seattle Police Department (SPD) reported they are enforcing policies related to overtime, standby, and compensatory time. The Department used the issuance of their revised overtime policy and the communication that accompanied it to reinforce this effort and stress the importance of these policies and the procedures that go with them. Department supervisors and managers are monitoring overtime for their units and sections.</p> <p>The 2017 Adopted and 2018 Endorsed Budget provides funding for an automated work scheduling and timekeeping system. The system will facilitate oversight and monitoring of overtime coding and use and compensatory time thresholds.</p>
	465	<p>SPD should develop a way to record supervisory approval of all overtime in the payroll system and not allow payment without proper approval. [Recommendation 10]</p>	Implemented May 2017	The Seattle Police Department (SPD) revised the SPD Manual section on overtime, 4.020 – Reporting and Recording Overtime/Out-of-Classification Pay, on May 1, 2017. The revised policy requires all overtime to be approved by a supervisor. SPD reported that in order for personnel to get paid for overtime, timesheets must be approved by a supervisor and Event Summary Forms must be signed by a supervisor.

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle Police Department Overtime Controls Audit (April 11, 2016), continued.	466	SPD should track all work time, including off-duty time, and require management approval for hours beyond the maximum allowable level. [Recommendation 11]	Pending	The Mayor issued an Executive Order on September 13, 2017, ordering the Seattle Police Department (SPD) to establish an internal office, directed and staffed by civilians, to regulate and manage the off-duty employment of its employees. A task force of SPD and Executive branch officials was formed to work on this project. The requirements laid out by the off-duty work group include reporting on off-duty hours worked by individuals.
	467	SPD should ensure that all overtime hours are properly coded to specific activities to provide SPD management with adequate information on the overtime worked for the department. [Recommendation 12]	Implemented June 2017	The Seattle Police Department (SPD) reported that part of its regular review of overtime pertains to the proper coding of overtime hours. Overtime coding is reviewed to ensure the consistent use of codes throughout the Department. SPD management is regularly discussing issues regarding overtime coding when they are identified. The revised overtime policy requires that all overtime be properly coded, and overtime coding was covered in the 2017 communication to all Department personnel with notification of the new policy.
	468	SPD should either (a) implement new scheduling and timekeeping systems or (b) enhance existing systems to include automated controls and to facilitate tracking and monitoring of overtime. [Recommendation 13]	Pending	The Seattle Police Department (SPD) reported the 2017 Adopted and 2018 Endorsed Budget provides funding for a work scheduling and timekeeping solution for the Department. SPD is currently involved in the procurement process for such a system. SPD plans to first deploy the new system in the Communications Center and evaluate its performance before moving forward with the rest of the Department.
	469	SPD should consider staffing some positions with civilians, rather than sworn officers, to reduce overtime expenses. SPD should consider civilian staffing in the Background Unit, the Office of Professional Accountability, and the Education and Training Section. [Recommendation 14]	Implemented June 2017	The Seattle Police Department (SPD) reported that growing civilianization, where appropriate, continues to be an important goal of the Department. SPD reported that it reviewed job functions in the Department performed by sworn personnel and made a list of those it believes could be done by civilians instead. Executing these job changes will require bargaining with the Seattle Police Officers Guild.
	472	SPD should re-visit its overtime coding structure and provide regular training to all staff on how to code their overtime. [Recommendation 17]	Implemented May 2017	The Seattle Police Department (SPD) reported that it reviewed its overtime coding structure. Further, the SPD Budget Section reviews overtime and looks at how overtime is coded every month. Anomalies are elevated to the appropriate chief for review. Coding overtime correctly is a topic discussed in the monthly SPD command staff Finance meetings. Accurate overtime coding was also included in the new overtime policy communicated to all staff in June 2017.
	473	SPD should increase the level and frequency of overtime monitoring required of section leaders and should ensure such monitoring is documented. To do this, SPD senior management should set clear expectations for how and when section leaders should monitor overtime (e.g., monthly, quarterly, bi-annually, annually). At a minimum, section leaders should conduct monthly reviews of overtime use by individual and activity. SPD should also develop a one-page monthly overtime monitoring sign-off sheet that identifies the information each section leader is responsible for reviewing, and section leaders should use these forms to document their monthly reviews. [Recommendation 18]	Implemented June 2017	The Seattle Police Department (SPD) reported that clear expectations were outlined in its new overtime policy. The SPD Budget Section provides overtime information monthly to SPD command staff (i.e., Captains and higher ranks). The Budget Section is available to answer questions and/or meet with command staff to resolve individual issues. The new work scheduling and timekeeping system, included in the 2017 Adopted and 2018 Endorsed Budget, will provide automated reporting and additional information.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle Police Department Overtime Controls Audit (April 11, 2016), continued.	475	<p>SPD should consider assigning an analyst within SPD Finance or another area outside of SPD operations to monitor and research overtime. This proposed independent monitoring of overtime should supplement our recommended reviews by section leaders. This monitoring should assess whether overtime is being worked and paid in compliance with policies and procedures, and it should also be designed to prevent and/or detect unnecessary or abusive overtime. Any exceptions identified by the independent monitor should be followed up on by an administrative sergeant.</p> <p>Below are some overtime monitoring activities that should be conducted by someone independent of SPD's sworn field operations command structure:</p> <ul style="list-style-type: none"> <li>• Conduct routine audits of the sections and individuals with the highest overtime (e.g., top 10%) to review compliance with policies and necessity of overtime reported. Review the supporting payroll documents for these employees.</li> <li>• Conduct periodic audits of overtime worked for randomly selected employees and pull and review supporting payroll documentation.</li> <li>• Run queries and analyses of payroll data to look for overtime that does not comply with department policies. For example, the San Francisco Police Department has an exception report of personnel working more than 14 hours in a day (i.e., their maximum cap for a workday) and this report is reviewed and followed up on by an administrative sergeant.</li> <li>• Run queries and analyses of payroll data to identify patterns that may indicate unnecessary overtime or overtime abuse, for instance: <ul style="list-style-type: none"> <li>○ overtime worked every day by the same employees;</li> <li>○ employees consistently working overtime on certain days of the week;</li> <li>○ employees who alternate sick leave (or other paid leave) with overtime on a repetitive basis; and</li> <li>○ employees who work overtime at a certain time of day, day after day, when their schedule could possibly be altered to better accommodate the work time needs for their position</li> <li>○ Periodically review standby time.</li> </ul> </li> </ul> <p>[Recommendation 20]</p>	<p><b>Implemented</b> June 2017</p>	<p>The Seattle Police Department (SPD) reported that an Administrative Staff Analyst joined the SPD Budget Section on July 12, 2017, and started conducting overtime analyses. SPD Payroll is also conducting periodic reviews of supporting documents for overtime work that will address whether overtime is being worked and paid in compliance with policies and procedures and prevent and detect unnecessary or abusive overtime. Supervisors and managers are responsible for ensuring their staff members' overtime adheres to Department policy. This was emphasized with the roll out of the new overtime policy in May 2017.</p>
	476	<p>SPD should ensure that events are charged for police services as required by Ordinance 124680. This will involve SPD working with the City's Office for Special Events to develop and implement procedures for carrying out the terms of the Ordinance for permitted events related to collecting deposits for estimated police services, tracking actual police hours associated with the events, and billing or refunding event organizers for any differences between actual and estimated police hours. [Recommendation 21]</p>	<p><b>Pending</b></p>	<p>Fees for police services for permitted special events are set by Ordinance 124860 so the Seattle Police Department's (SPD) role in billing for these events is limited. However, SPD is currently working with the Special Events Office (SEO) to establish a procedure to provide SEO actual SPD hours worked so SEO can bill for additional hours or refund fees, as applicable. (See recommendation #574 for more details.)</p>

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle Police Department Overtime Controls Audit (April 11, 2016), continued.	477	SPD should develop a consistent approach and criteria for planning event staffing and managing risk at special events. [Recommendation 22]	Pending	The Seattle Police Department (SPD) reported that event staffing is done and/or reviewed during weekly special events meetings at the Seattle Police Operations Center (SPOC). SPD Budget staff began participating in weekly SPOC meetings in 2016. We reviewed SPD's process for planning event staffing during a subsequent audit, <a href="#">Special Events – Police Staffing and Cost Recovery</a> , and found there are still opportunities for improvement in this area. See recommendation #'s 580 and 582 below for more details. SPD reported that clear expectations for event staffing will be included in a new policy to document its standard for event planning.
	478	SPD should identify a central entity that is responsible for conducting an in-depth review and evaluation of all special event plans. [Recommendation 23]	Pending	The Seattle Police Department (SPD) reported that all event staffing is reviewed during weekly special events meetings at the Seattle Police Operations Center (SPOC). SPD Budget staff began participating in weekly SPOC meetings in 2016. The Department is currently drafting a policy to document its standard for event planning and review of event plans.  The Office of City Auditor recently published an audit report – <a href="#">Special Events – Police Staffing and Cost Recovery</a> – that also includes a recommendation related to reviews of special events staffing. See recommendation # 580 below.
	479	SPD should compare actual hours worked to hours planned for all special events, and significant variances should be explained, evaluated, and documented for SPD management. [Recommendation 24]	Implemented June 2017	The Seattle Police Department (SPD) reported that the SPD Budget Section began comparing actual hours worked with planned hours for events that require detailed staffing plans, and this information is discussed at weekly meetings at the Special Police Operations Center. Additionally, a new Budget and Policy Analyst is working on setting up and implementing more comprehensive analyses of special events staffing hours.
	480	SPD should improve documentation of time worked at special events by completing the Roll Call time, Event time, and Secure time on Event Summary Forms. Additionally, SPD officers working events should be required to sign in and out on Event Summary Forms, and SPD should ensure that these forms are signed by the approving sergeant. [Recommendation 25]	Implemented May 2017	The Seattle Police Department (SPD) reported that the Department continues to emphasize properly filling out Event Summary forms, which are used to record SPD time worked for special events. Event Summary forms must be signed by a supervisor for personnel to get paid. The new work scheduling and timekeeping system, included in the 2017 Adopted and 2018 Endorsed Budget, will simplify and streamline the process.
	481	SPD should revise its billing practices so that it either (a) bills event organizers for estimated policing costs in advance of the event, and then bills for or refunds any variance of actual costs from estimated costs, or (b) at a minimum, checks organizers' credit histories before entering into an agreement for reimbursable police services. [Recommendation 26]	Pending	The Seattle Police Department (SPD) reported that they bill event organizers in accordance with any memorandum of understanding the Department has with the entity. Special event organizers who have not paid SPD in a timely manner in the past, are now being asked to pay in advance in the form of a deposit or estimated costs.  However, the Office of City Auditor recently published an audit report – <a href="#">Special Events – Police Staffing and Cost Recovery</a> – and found there is still opportunity for improvement in this area, specifically with reconciling actual hours worked from source documents to the SPD Payroll system. See recommendation # 588 below.
	482	For reimbursable events, SPD should reconcile all overtime hours on Event Summary Forms with hours recorded into SPD's payroll system to ensure all overtime is accurately billed. [Recommendation 27]	Pending	The Seattle Police Department (SPD) reported that the Department works to ensure that it is billing its customers correctly and SPD Payroll is reviewing the Event Summary forms against the data that gets recorded to the payroll system.  However, the Office of City Auditor recently published an audit report – <a href="#">Special Events – Police Staffing and Cost Recovery</a> – and found there is still opportunity for improvement in reconciling actual hours worked from source documents to the SPD Payroll system. See recommendation # 588 below.
	485	SPD should implement a process for tracking off-duty work hours so SPD management can monitor whether officers are a) complying with the department's maximum weekly and daily hours thresholds, b) taking high amounts of sick or other paid leave while also working a lot of off-duty hours, or c) underperforming for SPD work due to high amounts of off-duty time. SPD Policy 5.120 states that SPD personnel are required to log in and out by radio when working off duty, so this might be one option to consider for tracking off-duty time. SPD should also consider developing a plan and timeline for requiring employers of off-duty SPD officers to contract directly with SPD. [Recommendation 30]	Pending	The Mayor issued an Executive Order on September 13, 2017 ordering the Seattle Police Department (SPD) to establish an internal office, directed and staffed by civilians, to regulate and manage the off-duty employment of its employees. A task force of SPD and Executive branch officials was formed to work on this project. The requirements laid out by the off-duty work group include reporting on off-duty hours worked by individual.

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle City Light Billable Services Audit (August 10, 2016)	487	The City Light Engineer and Engineering Supervisor should verify that all tasks have been completed and have been updated to the "finished" status before approving the final bill review. The billing technician in City Light General Accounting should verify that all tasks in WAMS are in the finished status before generating the final bill invoice. These requirements should be documented in City Light policies and procedures. [Recommendation 1a]	Implemented October 2017	Seattle City Light provided us with a copy of their revised Final Bill Review document that now includes a checklist. Included in the checklist is the requirement that all tasks be updated to the "finished" status. We also received the "Time and Material Billing Policy" that states that Seattle City Light's Finance Division is charged with ensuring all tasks are updated to the "finished" status.
	488	City Light should investigate projects from our test sample in which one or more tasks were not updated to the "finished" status and determine if all costs were appropriately billed to the customer and recorded in the Summit work order. [Recommendation 1b]	Implemented October 2017	Seattle City Light (SCL) reported that they investigated the exceptions noted by the City Auditor and determined that for 13 work orders investigated, the total under-billed was \$14,087 or 0.454% on \$3.1million of costs. SCL stated that it does not plan to back-bill any of the customers due to the immaterial amount of unbilled dollars.
	489	As part of the engineering review process, City Light management should require the reconciliation of tasks between the Summit work order, the WAMS work order, and the final bill review to help ensure that all billable project tasks are shown on all three records. Any discrepancies in billable tasks should be investigated and resolved before customer billing. This requirement should be documented in City Light policies and procedures. [Recommendation 2]	Implemented October 2017	Seattle City Light provided us with a copy of their "Time and Material Billing Policy" which includes the requirement to reconcile tasks between the Summit work order, the Work and Asset Management System work order, and the final bill review document.
	490	Require City Light General or Cost Accounting to reconcile all costs reported on the final bill review document with the Summit work order, both before forwarding the final bill review to the engineer and again after receiving it back from the engineer, and follow-up on any identified discrepancies before generating the final bill invoice. These requirements should be documented in City Light policies and procedures. [Recommendation 3a]	Implemented March 2018	Seattle City Light provided us with a copy of the "Time and Material Final Bill Package Desktop Procedures", dated March 9, 2018, which requires Cost Accounting to resolve any variance in costs between the final bill review and PeopleSoft (formerly Summit).
	491	Enforce the policy to update the Summit work order to reflect cost adjustments recorded on the final bill review, when necessary and in accordance with dollar thresholds established by City Light Policy, to help ensure the accuracy of the project's capital cost. This requirement should be documented in City Light policies and procedures. [Recommendation 3b]	Implemented October 2017	Seattle City Light provided us with a copy of their "Time and Material Billing Policy" that includes the requirement to update the "originating source system" (Summit) if errors in recording costs between the final bill review and Summit either exceed \$10,000 or more in aggregate for the project or \$1,000 or more for an individual activity, or task.
	492	Lower the current \$10,000 journal entry threshold for recording adjustments to the Summit work order to discourage smaller, potentially fraudulent adjustments to the final bill review. This requirement should be documented in City Light policies and procedures. [Recommendation 3b]	Implemented October 2017	See response to recommendation #491 above.
	493	Additionally, document reasons for journal entry adjustments in the Summit work order and ensure all adjustments are approved by management. This requirement should be documented in City Light policies and procedures. [Recommendation 3b]	Implemented December 2017	Seattle City Light (SCL) provided our office with a copy of their journal entry policy approved in 2011 by the General Accounting Manager. The policy requires supporting documents for journal entries and requires approval of all journal entries by either a SCL principal accountant or the SCL General Accounting Manager. SCL did not inform us about this policy until this year.
	494	Since the final bill invoices we tested were from 2014 or earlier, City Light should determine the reasons for the billing discrepancies identified in our testing and confer with the City Law Department about whether City Light can legally bill for additional costs. Based on advice from the City Law Department, generate additional billing or refunds to customers as appropriate for billing discrepancies of \$10,000 or more. [Recommendation 3c]	Implemented June 2017	Seattle City Light (SCL) reported that they conferred with the City Law Department and created the policy "Time and Material Projects Final Bill Policy", SOP I-305 (June 2017), that outlines conditions for which customers may receive a revised final bill for errors relating to the initial final billing. SCL also reported they reviewed the billing discrepancies and that no additional billing or refunds were necessary.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle City Light Billable Services Audit (August 10, 2016), continued.	495	Require that both Work and Asset Management System (WAMS) and Summit work orders be closed once the final bill review has been prepared by General Accounting for all time and materials projects. Once the work orders are closed, no further costs can be posted to the Summit work order without first re-opening the work order, which can only be done by Cost Accounting. This requirement should be documented in City Light policies and procedures. [Recommendation 3d]	Implemented October 2017	Seattle City Light (SCL) provided our office with a copy of their "Time and Material Billing Policy", which states that work orders are to be closed upon receiving the final bill review from SCL Engineering.
	496	Develop and document policies and procedures that allow for additional customer billing/refunds in the event and error is discovered after the true-billing has been generated. For example: <ul style="list-style-type: none"> <li>• City Light and City Law should determine a reasonable period of time during which such additional billings could be collected.</li> <li>• Update the customer service agreement to allow for the additional billing when required by policy;</li> <li>• Remove the word "final" from what is now known as the final bill invoice in which customers are billed or credited for the cost true-up of the project;</li> <li>• Print a notice on the true-up invoices stating that additional costs may be billed to correct the prior invoice if required.</li> </ul> [Recommendation 3e]	Implemented June 2017	Seattle City Light stated they conferred with the City Law Department and created the policy "Time and Material Projects Final Bill Policy", SOP I-305, that outlines conditions for which customers may receive a revised final bill for errors relating to the initial final billing. Included in the policy is a time period threshold for which a revised final billing may be generated (12 months from receipt of final payment of the original final bill).
	497	Require manager or director level authorization in addition to the current authorizations provided by the engineer and engineering supervisor for all high dollar write-down adjustments of billable charges, subject to defined dollar thresholds set by policy. This requirement should be documented in City Light policies and procedures. [Recommendation 4a]	Implemented November 2017	Seattle City Light documented in their "Financial Governance Policy", Section 4.3, the approval levels required for expenditure of budget authority, which, we were informed by City Light, includes the authority for write-down adjustments.
	498	Require reasons for the adjustment and supporting evidence or analysis to be clearly documented either on the final bill review or on documents attached to it. The documentation should be reviewed and approved by the Engineering Supervisor, General Accounting, or both. This requirement should be documented in City Light policies and procedures. [Recommendation 4b]	Implemented October 2017	Seattle City Light provided us with a copy of their "Time and Material Billing Policy", which requires documentation of project cost adjustments, and refers to a "Cost Adjustment Explanation" document that is used to record the reason for the adjustment and must be attached to the final bill review document; a check box on the final bill review form indicates whether there is an explanation attached; and by signing the final bill review, the engineering supervisor approves the adjustment.
	499	If electronic approvals are used, such as emails from engineers or supervisors, require the approvals to be conclusively linked to the final bill review by referencing the WAMS work order number. This requirement should be documented in City Light policies and procedures. [Recommendation 4c]	Implemented October 2017	Seattle City Light (SCL) reported that all approvals of the final bill review must be evidenced on the final bill review document itself, where signature lines are provided for both the engineer and engineering supervisor. Approvals via email or via other documentation are no longer accepted. The "Time and Material Billing Policy" states that SCL's Finance Division is assigned responsibility to ensure there is a correct level of authority signature on the final bill review document.
	500	City Light management should investigate all high dollar adjustments noted in our testing, including the \$253,000 in adjustments noted above. [Recommendation 4d]	Implemented December 2017	The Cost Accounting Manager at City Light reported that he completed the investigation of all high dollar adjustments as recommended and concluded that no additional customer billing was necessary.



Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle City Light Billable Services Audit (August 10, 2016), continued.	501	Enforce the requirement to perform variance analysis in accordance with City Light’s department policies and procedures. The Engineering Supervisor should only sign off on the final bill review if the variance analysis, when required, is clearly documented and includes reasonable explanations as to the cause of the variance. In cases when the cause of variance can be identified, there should be supporting calculations. These requirements should be documented in City Light policies and procedures. [Recommendation 5a]	Implemented October 2017	Seattle City Light (SCL) created the “Time and Material Billing Policy” (page 5 outlining the Finance Division responsibilities), which requires the SCL Finance Division to notify the appropriate SCL business unit if there is a “lack of check boxes being marked”, which includes the checkbox for the requirement to perform a variance analysis when required. According to SCL, the Finance Division (Cost Accounting), which generates the billing, is responsible for ensuring the variance analysis is provided when required, the analysis is appropriately documented, and that both the engineer and engineering supervisor have signed the final bill review document, indicating their approval of the variance explanation attached.
	502	Require General Accounting to ensure variances are appropriately documented on the final bill review for all variances in excess of 10% before generating the final bill invoice. This requirement should be documented in City Light policies and procedures. [Recommendation 5b]	Implemented October 2017	See response to recommendation #501 above.
	503	Engineering management should independently investigate projects that our tests identified as resulting in a high dollar customer refund (e.g., \$10,000 or greater). For example, review both the prepared estimate and the as-built drawings to determine the completeness of the billing on each project and to rule out the possibility of billing improprieties that resulted in over refunding the customer. [Recommendation 5c]	Implemented December 2016	Seattle City Light (SCL) reported that in 2016, its Controller, Engineering Manager with the associate engineers, and Cost Accounting Managers reviewed the projects as noted in our recommendation and that no significant errors were noted to warrant a revised final billing. Further, SCL’s new “Time and Material Billing Policy” requires that additional review is required for large dollar refunds.
	504	Enforce the requirement for Engineering and Engineering Supervisory reviews for all time and materials projects. The requirement should include the specific attributes of project costs to be reviewed and approved by both the project engineer and the Engineering Supervisor. The reviews should be evidenced in the form of both signatures on the final bill review document or in electronic form (e.g., email) that can be conclusively linked to the final bill review through cross referencing (e.g., by providing the WAMS work order number). Examples of attributes to be reviewed could include whether the totals per the task details on the final bill review agree to summary totals on the final bill review cover sheet and whether the classification of non-billable versus billable charges is appropriate. These requirements should be documented in City Light policies and procedures. [Recommendation 6a]	Implemented October 2017	The Engineering review requirements to satisfy this recommendation are documented in Seattle City Light’s “Time and Material Billing Policy”.
	505	Require General Accounting to verify that <i>both</i> engineering signatures are present on the final bill review before generating the customer final bill invoice. The names of the engineers signing the final bill review should also be printed so General Accounting personnel can verify the appropriate project engineer and supervisor approved the final bill review. These requirements should be documented in City Light policies and procedures. [Recommendation 6b]	Implemented October 2017	Seattle City Light’s (SCL) revised final bill review document has a signature box to print the name of both the project engineer and the supervisory engineer, and this is checked by the Finance Division after they receive the completed document, as noted in the “Time and Material Billing Policy”. SCL’s Finance Division is required to notify the appropriate business unit if required signatures are lacking.
	506	City Light management should determine the reasons for significant delays identified in our test samples. In collaboration with Engineering, Customer Care, Technical Metering, Energy Delivery Operations, and General Accounting, identify all conditions that may cause unnecessary delays and implement solutions to minimize delays. For example, to address delays in vendor billing that require vendors to bill City Light within 30 days following delivery of goods or services in contractual agreements. [Recommendation 7A]	Pending	Seattle City Light reported that the evaluation of the reasons for the delays in billing customers is not expected to be completed until next year at this time.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle City Light Billable Services Audit (August 10, 2016), continued.	507	City Light should develop timeliness goals for each of the process steps identified below to monitor performance and implement controls to help ensure goals are achieved in the billing process. The steps are identified as follows: <ul style="list-style-type: none"> <li>• From the completion of the project to the generation of the final bill review for engineering;</li> <li>• From the generation of the final bill review to the approval from both the engineer and the engineering supervisor;</li> <li>• From engineering approval to the generation of the final bill invoice.</li> </ul> [Recommendation 7B]	Pending	Seattle City Light reported they expect to develop timeliness goals for each step identified in the recommendation by next year at this time.
	508	Implement controls to help ensure the timeliness of Action List follow-up, thereby improving the effectiveness of the control. For example, the Cost Accounting Manager could review the Action List periodically to ensure the documentation of timely follow-up. Alternatively, implement other controls in place of the Action List to help ensure timely follow-up by General Accounting. Update policies and procedures to reflect these controls. [Recommendation 8a]	Pending	Seattle City Light (SCL) reported in our previous recommendation follow-up report that the Action List is a temporary “work-around” tool that is being effectively used until the Summit Reimplementation Project has been completed, at which time the deficiencies identified in our audit will be remedied. Although the Summit Reimplementation Project has been launched, SCL reported they have not yet determined whether the Action List should be replaced or whether other solutions should be implemented, such as reports from the new Summit system.
	509	Implement controls to help ensure that all time and materials invoices are properly alpha coded. For example, consider a second review by General Accounting personnel of the invoice number coding during both the initial and final billing process. Update policies and procedures to reflect these controls. [Recommendation 8b]	Pending	Seattle City Light reported they are still evaluating how Summit will be used for tracking time and materials projects.
	510	City Light management should enforce current procedures for timely follow-up of past due balances and document the requirement in written policies and procedures. [Recommendation 9]	Pending	Seattle City Light’s (SCL) new “Time and Material Billing Policy” does not refer to monitoring controls to help ensure timely follow-up of past-due customer payments. SCL reported that they are continuing to work on this recommendation.
	511	Enforce the requirement for project managers to verify payment before completion or connection to the service. Document this requirement in policies and procedures. [Recommendation 10a]	Implemented October 2017	Seattle City Light’s (SCL) “Time and Material Billing Policy”, updated October 4, 2017, addresses this recommendation in the section describing the Electric Service Engineering Unit’s responsibilities. One of the unit’s responsibilities is that the Electric Services Engineer approves electric services for connection upon notification by SCL’s Finance Division that required installation charges have been paid.
	512	In cases when the estimated payment was not collected in full as required, General Accounting should notify the Electrical Service Engineer/Electrical Service Representative (ESE/ESR) manager at the time the final bill review document is prepared. The ESE/ESR manager should follow-up with the appropriate ESEs or ESRs to immediately collect any balances. This requirement should be documented in policies and procedures. [Recommendation 10b]	Implemented October 2017	Seattle City Light (SCL) provided us with their “Time and Material Billing Policy,” dated October 4, 2017, that requires the Finance Division to notify the appropriate SCL business unit if any of the check boxes provided on the final bill review are not completed when returned from SCL Engineering. One check box is for confirming whether the estimated payment was collected in full from the customer as required. Though the policy does not specifically state the SCL Engineering Service Engineer (ESE)/Engineering Service Representative (ESR) manager should be notified if the required estimated payment was not collected, we will consider this recommendation implemented but suggest the ESE/ESR manager be contacted as the “appropriate business unit.”
	513	For mail-in payments, enforce the current policy that requires customer payments to be directed to the appropriate post office box. In-person payments should be accepted only by Department of Finance and Administrative Services (FAS) cashiers or City Light cashiers. This requirement should be documented in City Light policies and procedures. [Recommendation 11a]	Pending	The Director of Customer Care at Seattle City Light reported that this recommendation has been implemented and will forward documentation to our office that provides evidence of this. We will update the status of this recommendation to “implemented” once we receive the documentation and verify it satisfies the recommendation.

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle City Light Billable Services Audit (August 10, 2016), continued.	514	Ensure that all City Light employees involved in providing new and related services and billing for such services are made aware of the required payment handling policies and procedures. This should include project engineers, field crews, metering crews, and project managers. [Recommendation 11b]	Pending	See response to recommendation #513 above.
	515	Update the construction service agreements to direct any mail-in payments to the required City Light post office lock box or to FAS/City Light cashiers when payments are made in person. [Recommendation 11c]	Pending	See response to recommendation #513 above.
	516	City Light should amend its refund policy so that all refund checks are mailed from the City Treasury, as is currently done for other checks issued by City Light's Accounts Payable unit. [Recommendation 12]	Implemented December 2016	Seattle City Light (SCL) provided us with a copy of their policy titled "Check Refund Request Revision 2016 Final" that requires refund checks be mailed directly from SCL Accounts Payable or by an SCL Accounts Receivable Billing Accounting Technician. This addresses our concern that duties between processing the refund and mailing the refund check should be segregated.
	517	City Light management should require tracking and monitoring of the refunds for all 3-phase customers. [Recommendation 13]	Pending	In January 2018, Seattle City Light (SCL) reported that no previous 3-phase customers subject to the refund were identified and so no further action needed to be taken. However, SCL did not state whether they will implement a tracking and monitoring system, as we recommended, for future 3-phase projects that may arise. Therefore, we assessed this recommendation as pending.
	518	City Light should identify all new or enlarged service installations that were subject to this ordinance and bring any such installations into compliance as necessary by either refunding customer deposits, canceling letters of credit, or billing customers as appropriate. [Recommendation 14]	Pending	Seattle City Light (SCL) reported that they completed their review of contingent transformer charges and that no additional refunds, additional billing, or cancelation of customer letters of credit were required. However, SCL has not yet responded to our request to provide documentation evidencing this review.
	519	City Light management should conduct periodic risk assessments in connection with billing and collection activities to identify relevant risks to be controlled. Management should then determine if controls are already in place to mitigate identified risks or if new controls need to be designed and implemented. The risk assessment process should be collaborative across the affected business units to ensure all key risks are identified and addressed and to eliminate any duplication of internal control activities. [Recommendation 15]	Pending	Seattle City Light reported that risk assessments for billing and collection activities related to billable services will be completed in 2018.
	520	All control activities identified as a result of the risk assessment in recommendation # 519 should be documented and approved by management. [Recommendation 15]	Pending	See response to recommendation #519 above.
	521	All key control activities identified in recommendation #520 should be monitored periodically for effectiveness. [Recommendation 15]	Pending	See response to recommendation #519 above.
	522	City Light management should implement a plan to regularly communicate to all of its employees the details of the City's Whistleblower program and encourage its use. For example: <ul style="list-style-type: none"> <li>City Light should post information about the program in kitchens, lunchrooms, and other conspicuous places where employees gather.</li> <li>Managers should periodically discuss the program at staff meetings.</li> </ul> [Recommendation 16]	Pending	Seattle City Light reported that actions relating to this recommendation are still in process.
	523	City Light should also consider adopting a City Light Code of Conduct that encourages use of the City's Whistleblower program. [Recommendation 16]	Pending	Seattle City Light reported that actions relating to this recommendation are still in process.

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Seattle City Light Billable Services Audit (August 10, 2016), continued.	524	<p>City Light management should enforce the Department Policies and Procedures (DPP) requirements to develop department operating procedures relating to new and related services billing and collections and update them as necessary in January of each year. At a minimum, operating procedures should be developed for the following business units:</p> <ul style="list-style-type: none"> <li>• Cost Accounting</li> <li>• General Accounting</li> <li>• Network and Distribution Engineering</li> <li>• Energy Delivery Operations</li> <li>• Technical Metering</li> </ul> <p>In addition, department policies and procedures should be written to include the Customer Care Business Unit. [Recommendation 17]</p>	Pending	Seattle City Light reported that actions relating to this recommendation are still in process.
	525	Document policies and procedures and implement them to prevent any personnel from deleting WAMS service requests or work orders, including system administrators. Include in such policies and procedures that work orders and service requests should be canceled or voided rather than deleted, with reasons for the cancellation or void documented. [Recommendation 18a]	Implemented December 2017	During our follow-up, Seattle City Light (SCL) reported that there is a mitigating control in place that addresses this concern. SCL reported that project costs recorded in WAMS work orders are also recorded in PeopleSoft (formerly Summit) work orders, and PeopleSoft work orders cannot be deleted. We also noted during our audit that Summit work orders with charges posted to them should appear on a report of unbilled service work tracked by SCL Cost Accounting. Due to the identification of mitigating controls, we will consider this recommendation implemented.
	526	Assign responsibility to the appropriate business unit to perform a periodic review of sequential numbers for both work orders and service requests to ensure that all WAMS service requests and work orders are accounted for. Any missing numbers should be investigated. Document this responsibility in policies and procedures. [Recommendation 18b]	Implemented December 2017	See response to recommendation #525 above.
Audit of New Customer Information System (NCIS) Implementation (April 10, 2017)	527	Given the recent consolidation of most of the City's information technology units into one centralized department, the responsibility for reporting to the Seattle City Council on the status of IT projects should be assigned formally to the City's Chief Technology Officer. This can be specifically defined in SMC 3.23.030 to include regular reporting periods.	Pending	The City's Chief Technology Officer (CTO) and Seattle Information Technology managers reported that in their view, SMC 3.23.030 provides the CTO with sufficient authority and accountability for reporting on the status of Information Technology projects to the City Council. However, we reviewed SMC 3.23.030 and determined that this is not specifically delineated in the Code. The development of revised mechanisms for reporting to the City Council on the status of Capital Improvement Program projects is still in process (see recommendation #528 below).
	528	To increase transparency in the Capital Improvement Program budget process, we recommend that the Chief Technology Officer develop a method for communicating the uncertainty of budget estimates in the early phases of large information technology projects when the budgets for these projects are discussed with the City Council.	Pending	The Mayor formed a Capital Cabinet, which is co-lead by the City Budget Office and the Office of Planning and Community Development. One of the Capital Cabinet's work program items is enhanced oversight, monitoring, and communication on the City's Capital Improvement Projects, which it is currently working on, in partnership with Council Central Staff, to be implemented in 2018. Additionally, while the Summit Reimplementation Project should provide improved cost data for project monitoring purposes, departments are still adjusting to using the system.
	529	To ensure that cost data is sufficiently and consistently tracked and documented to allow for improved oversight and comparison to budget, Executive sponsors of large (e.g., over \$50 million) City information technology development projects should assign a dedicated finance analyst as part of their project management team. As noted above, this is particularly important for IT projects that span multiple departments.	Implemented April 2017	<p>Seattle Information Technology Department (ITD) reported that it assigns finance analysts to all projects valued over \$50 million, and to other projects as needed. Multiple factors are considered when deciding whether to assign a part-time or full-time finance analyst to an information technology (IT) project, and ITD managers told us that these decisions are reconsidered at each Stage Gate (project phase) review.</p> <p>ITD implemented their Stage Gate process in 2017 as a mechanism for overseeing IT capital projects and communicating project budgets. At the start of each new IT project, the project's concept, along with an initial cost estimate must be approved by ITD management for the project to move forward. Then, each time a new Stage Gate is entered, the project manager revalidates the project costs based on the updated plan, and if necessary, revises them. The Stage Gate Review Board then reviews and approves the project's updated plan, which includes the project's estimated cost.</p>

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Audit of New Customer Information System (NCIS) Implementation (April 10, 2017), continued.	530	Information Technology project managers, both City managers and consultants, if applicable, should be responsible for monitoring and tracking quality assurance risks, and presenting the Executive Steering Committee with options to address them.	Pending	Seattle Information Technology (ITD) reported that this recommendation is in process. ITD has hired a new Quality Assurance manager, who is responsible for revising the project quality assurance policies and ensuring that the risk on all information technology projects is managed properly.
	531	The Executive Steering Committee should be held accountable on information technology projects for resolving or lowering high risks identified by the quality assurance expert in a timely manner.	Pending	Seattle Information Technology (ITD) reported that this recommendation is in process. ITD is currently validating and updating their policy in this area.
Audit of Seattle's Incentive Zoning for Affordable Housing (April 13, 2017)	532	<p>The City should develop a program management framework for Incentive Zoning for affordable housing, and report a plan for implementation to the City Council, including:</p> <ul style="list-style-type: none"> <li>• Identifying a leadership structure accountable for program results,</li> <li>• Developing performance measures and a process for monitoring results,</li> <li>• Developing a process to propose and enact policy and procedural changes to the program,</li> <li>• Defining roles and responsibilities, and enhancing department collaboration and coordination,</li> <li>• Instituting more oversight, and</li> <li>• Improving and increasing reporting and transparency.</li> </ul>	Implemented April 2017	Seattle City Council Central Staff, the Seattle Department of Construction and Inspections (SDCI) and the Office of Housing (OH) developed and presented a program management framework and workplan to the City Council's Planning, Land Use, and Zoning Committee on April 18, 2017. The program management framework is summarized in a memo from Council Central Staff to the Committee dated April 14, 2017 and includes the workplan from SDCI and OH as an attachment.
	533	SDCI and the Office of Housing should use the same system (e.g., a centralized database) to track Incentive Zoning properties and regularly check for data inaccuracies.	Pending	The Seattle Department of Construction and Inspections (SDCI) and the Office of Housing reported that they will begin tracking projects in Accela, SDCI's new permit processing system, which is anticipated to occur in the 2 <sup>nd</sup> quarter of 2018.
	534	SDCI and the Office of Housing should update, coordinate, and finalize Incentive Zoning procedures for their respective departments.	Implemented September 2017	<p>The Seattle Department of Construction and Inspections (SDCI) and the Office of Housing (OH) reported that they updated and finalized Incentive Zoning for affordable housing procedures.</p> <p>Procedures include:</p> <ul style="list-style-type: none"> <li>• how to complete templates for documenting Incentive Zoning and Mandatory Housing Affordability (MHA) project calculations,</li> <li>• expectations for verifying calculations,</li> <li>• the timing of coordination between departments and the new supervisory level recheck of calculations, and</li> <li>• documentation of and finalizing of legal documents.</li> </ul> <p>SDCI documentation focuses on MHA developer contributions and most documents use MHA in the title; however, projects that also involve Incentive Zoning for affordable housing that include developer contributions other than housing payments are handled essentially the same.</p> <p>SDCI has chosen to complete the documentation for MHA first, and is currently working on documenting procedural differences related to Incentive Zoning provisions.</p> <p>SDCI has also developed a SharePoint site that is shared with OH, to organize and contain all documents, procedures, and templates related to Incentive Zoning and MHA developer contributions. This site is "read only" for staff, and access to make changes is restricted to two supervisors, SDCI's MHA manager, and OH staff involved in validating housing payments.</p> <p>In addition, SDCI and OH meet on a bi-weekly basis to coordinate on projects and procedures.</p> <p>Initial documentation of the MHA and Incentive Zoning for affordable housing procedures is completed. Ongoing procedural updates are required because regulations regarding Incentive Zoning and citywide MHA implementation continue to evolve.</p>

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Audit of Seattle's Incentive Zoning for Affordable Housing (April 13, 2017), continued.	535	SDCI and the Office of Housing should assess the discrepancies we identified to determine their impact, if any, on extra floor areas developers achieved and their affordable housing contributions and commitments, and report their results to the City Council.	Implemented January 2018	<p>The Seattle Department of Construction and Inspections (SDCI) reported that it completed a review of the projects with discrepancies identified by the City Auditor. Results of this review affirmed the need for written procedures and further staff training to ensure a consistent approach to the review of Incentive Zoning for affordable housing and Mandatory Housing Affordability (MHA) code requirements, as well as a need for a consistent method of how Incentive Zoning and MHA compliance details are documented in the plans submitted by developers.</p> <p>According to the City Attorney's Office, the legal decision on the precedent-setting Nykriem case informs SDCI's actions related to permit decisions that are issued. The City has no legal ability to reach back and "correct" permits that have been issued unless the City appeals its own decision to King County Superior Court within 21 days of the permit issuance date. Therefore, SDCI is focusing on oversight of current and future projects to ensure the consistent documentation, calculation and collection of future contributions.</p>
	536	The City should change the Land Use Code to require that the bonus amount used to determine the affordable housing contribution be based on the final bonus floor area granted. Until a change in the Land Use Code occurs, SDCI and the Office of Housing should establish a procedure to ensure the final bonus floor area is used to calculate payment and performance amounts.	Pending	<p>The Office of Planning and Community Development reported that it is taking the lead in proposing Incentive Zoning for affordable housing legislation that will address this recommendation. Legislation is anticipated in early 2019.</p> <p>The Seattle Department of Construction and Inspections continues its practice of basing affordable housing developer contribution amounts on the final building design reflected in construction permit documents. Proposed code changes will reflect this practice when the legislation is adopted.</p>
	537	SDCI should modify its Incentive Zoning permit review procedures and implement a control to ensure a consistent process for when developer payments are required to be made or covenants executed before it issues the applicable permits.	Implemented September 2017	<p>The Seattle Department and Construction and Inspections (SDCI) reported that written procedures have been created and staff have been trained on those procedures, to ensure consistent timing and process for developer contributions. Final calculations and developer contribution payments are linked to the final building design reflected in construction permit documents. Similarly, SDCI finalizes covenants with the Office of Housing at this same point in the permit process.</p> <p>SDCI reported its experience with permits during 2017 reflected that these payments/covenants tend to be the last step the developer takes before SDCI issues the permit, and this step is overseen during SDCI's supervisory level Quality Control review.</p>
	538	The City should change the Land Use Code to require all Incentive Zoning projects to have written agreements recorded with the King County Recorder's Office.	Pending	<p>The Office of Planning and Community Development reported that it is taking the lead in proposing Incentive Zoning for affordable housing legislation that will address this recommendation. Legislation is anticipated in early 2019.</p> <p>The Seattle Department of Construction and Inspections and Office of Housing reported that they will continue their practice of requiring the recording of written agreements (covenants) with King County before permit issuance.</p>
	539	The Land Use Code should be updated to require all Incentive Zoning projects to include the bonus calculation on the building permit application plans, and SDCI should consistently enforce this requirement.	Pending	The Office of Planning and Community Development reported that it is taking the lead in proposing Incentive Zoning for affordable housing legislation that will address this recommendation. Legislation is anticipated in early 2019.
	540	SDCI should ensure that the new permitting system (Accela) includes a field to document vesting dates for Incentive Zoning projects and that all recorded project documents (declarations and covenants) include the vesting date.	Pending	The Seattle Department of Construction and Inspections and the Office of Housing reported that a field for the project vesting date will be included when the Accela permit tracking system is implemented, which is currently anticipated for the 2 <sup>nd</sup> quarter of 2018.
	541	SDCI should improve the permit application intake process it uses to assess and collect the Incentive Zoning review fee.	Pending	This recommendation concerning the collection of the Office of Housing (OH) administrative fee for specific affordable housing projects, was discussed with Seattle Construction and Inspections (SDCI) in September 2017. The procedures for supervisory Quality Control review were recently finalized and now include a note to verify that the OH administrative fee of \$550 has been added to project fees that need to be paid before permit issuance. The Mandatory Housing Affordability (MHA) Supervisor in SDCI will coordinate with the team supervisor responsible for collecting the fee to ensure that intake procedures are updated to reflect the change as well. The estimated date of this change is Q1 2018. Future upgrades to Accela, the permit tracking system, once implemented, will include automating this administrative fee process when permit applications in MHA zones are accepted. This is anticipated for the 4 <sup>th</sup> quarter of 2018.
	542	SDCI should determine whether uncharged fees can be retroactively collected.	Implemented January 2018	The Seattle Department of Construction and Inspections and the Office of Housing reported that similar to the status of recommendation #535, the legal decision on the precedent-setting Nykriem case informs departments' actions related to issued permits. The City has no legal ability to reach back and "correct" permits that have been issued (for compliance with fees, development standards or any other topic) unless the City appeals its own decision to King County Superior Court within 21 days of the permit issuance date. This position was confirmed by the City Attorney's Office.

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Audit of Seattle's Incentive Zoning for Affordable Housing (April 13, 2017), continued.	543	The Land Use Code should require developers to directly submit payments to FAS, and the Office of Housing should establish a policy and procedure to reflect this change.	Pending	<p>The Department of Finance and Administrative Services (FAS) reported that this recommendation existed in the context of other citywide process changes, specifically that all incoming revenue would go directly to FAS rather than first going to departments for coding. Citywide, this process change was abandoned because FAS would not have adequate information to properly assign and code all incoming revenue. Consequently, Office of Housing (OH) staff continue to collect payments from permit applicants, document proper financial coding to ensure the funds will be directed to the appropriate account(s), and deposit these checks with FAS.</p> <p>The Seattle Department of Construction and Inspections, OH, and FAS are also considering other options regarding how to most efficiently and effectively comply with this recommendation, including allowing for on-line payments, and may have more to report in the future.</p>
	544	If the Office of Housing demonstrates a reason for keeping check copies and continues to do so, it should redact personally identifiable information from the copies it retains.	Implemented December 2016	<p>The Office of Housing (OH) reported that as discussed in the status for recommendation #543, because the Department of Finance and Administrative Services (FAS) would not have adequate information to properly assign and code all incoming revenue, OH staff continue to collect payments from permit applicants, document proper financial coding to ensure the funds will be directed to the appropriate account(s), and deposit these checks with FAS.</p> <p>Although other options are being considered, in the interim, OH staff are keeping copies of checks and redacting personally identifiable information. This practice of redacting checks was implemented during the 4<sup>th</sup> quarter of 2016.</p>
	545	SDCI and Office of Housing staff responsible for verifying or approving Incentive Zoning bonus amounts and affordable housing commitments should annually complete a Financial Interest Statement Form.	Implemented February 2018	The Office of City Auditor confirmed that managers at the Office of Housing and at the Seattle Department of Construction and Inspections who oversee Incentive Zoning for affordable housing complete Financial Interest Statement Forms.
	546	SDCI should modify the permit review process to include additional oversight of all Incentive Zoning projects.	Implemented March 2017	The Seattle Department of Construction and Inspections reported that beginning in the 1 <sup>st</sup> quarter of 2017, it added supervisory review to all projects to ensure consistent documentation, calculation of contributions, and to ensure procedural/legal requirements have been met.
	547	The Office of Housing should provide program reports more frequently than every two years. At a minimum, reports should be annual and should be posted on the City's website.	Pending	<p>The Seattle Department of Construction and Inspections (SDCI) reported that both Incentive Zoning for affordable housing and Mandatory Affordable Housing reporting will be included in SDCI's Annual Report beginning in 2018. The annual report is anticipated to be published in the 1<sup>st</sup> quarter of 2018.</p> <p>According to the Office of Housing's (OH) Levy Administrative and Financial Plan, adopted by the City Council in May 2016, OH will provide annual reports on affordable housing produced under the Incentive Zoning and Mandatory Housing Affordability programs that will be posted on the City's website. This annual report will include all the information requested under Recommendation #549 and is due to the City Council on March 31, 2018.</p>
	548	SDCI should provide, on the City's website, a list of and details about projects participating in Incentive Zoning for affordable housing and update this list regularly.	Pending	The Seattle Department of Construction and Inspections reported that implementation of the new Accela permit tracking system has experienced delays and is currently expected to be online in the 2 <sup>nd</sup> quarter of 2018. The Seattle Department of Information Technology design work to provide updates on the City's website will not begin until after Accela implementation and the standard stabilization period. Given the current implementation status, website updates are not expected to be completed until the 4 <sup>th</sup> quarter of 2018.

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Audit of Seattle's Incentive Zoning for Affordable Housing (April 13, 2017), continued.	549	<p>The Office of Housing should expand its reporting as recommended in the 2014 Policy Options Incentive Zoning consultant report, to include:</p> <ul style="list-style-type: none"> <li>• The share of projects that selected the on-site performance, off-site development, and payment-in-lieu of fee options.</li> <li>• The total dollar amount of fees pledged, collected and committed to a project, and spent in the past year.</li> <li>• The number of housing units at each relevant affordability level in projects receiving commitments of payment fee revenue.</li> <li>• For payment fee funds expended in a given year, the average number of months that each dollar was held by the City before expenditure.</li> <li>• For all off-site projects approved in the past year, the number and affordability level of affordable units in the proposed off-site project compared with the number and affordability levels that would have otherwise been required under the on-site performance option.</li> </ul>	Pending	According to the Office of Housing's (OH) Levy Administrative and Financial Plan, adopted by the City Council in May 2016, OH will provide annual reports on affordable housing produced under the Incentive Zoning for affordable housing and Mandatory Housing Affordability programs. This annual report will include all the information requested under Recommendation #549 and is due to the City Council on March 31, 2018.
	550	The City Council should examine various methods for determining how many units are created with Incentive Zoning payments and formally agree on the methodology to be used long term.	Pending	According to the Office of Housing's Levy Administrative and Financial Plan, OH's annual report, due March 31, 2018, will include the first publicly available count of units created with Incentive Zoning for affordable housing and Mandatory Housing Affordability payments. This report will also detail the method(s) used to determine this unit count.
	551	SDCI should provide developers with online information and resources, including basic program information, application instructions, a customer service contact, and an affordable housing contribution plan template.	Implemented December 2017	The Seattle Department of Construction and Inspections published "Tips" in December 2017 that provided detailed information about how to document plan information, Incentive Zoning for affordable housing and Mandatory Housing Affordability calculations and compliance information on plans. "Tips" included examples that act as a template for how to document affordable housing contributions.
	552	On its website SDCI should publish the fee schedule for payment and other fees related to Incentive Zoning for affordable housing projects. They should include fee information for the current year and the prior two years. For example, for 2016, the fee schedule should be for 2016, 2015, and 2014.	Pending	The Seattle Department of Construction and Inspections reported that it anticipates that the payment fee information will be included on its website during the 4 <sup>th</sup> quarter of 2018 or later, depending on the Seattle Department of Information Technology's capacity to design the website.
	553	The City should use a more relevant economic index, such as local and regional construction costs, to adjust affordable housing payment in-lieu of fees and to determine deferred payment fees. This would require a change to the Land Use Code.	Pending	Per Ordinance 125108, the Seattle Department of Construction and Inspections and the Office of Housing (OH) will jointly produce a report by July 1, 2018, which will include a comparison of changes in the Consumer Price Index (CPI) with changes in multifamily residential rents and other housing market variables used to determine initial Incentive Zoning and Mandatory Housing Affordability payment amounts. If the CPI has lagged or exceeded rents or other housing market variables, OH reported that they may propose an alternative measure or index upon which to base changes in payment amounts. This recommendation may be implemented through Land Use Code changes incorporated in the Incentive Zoning legislative effort led by the Office of Planning and Community Development, and adopted by the City Council.
Review of Hate Crime Prevention, Response, and Reporting in Seattle (September 20, 2017).	554	In the short term, SPD should remove the bias category code "unknown." Officers should be provided with specific training and guidance on how to select the bias category code by "applying a broad, inclusive definition of bias crime." SPD should communicate this change and the appropriate coding procedures to all officers.	Implemented July 2017	The Seattle Police Department reported that it removed the "unknown" bias category code on July 1, 2017 and issued an "e-directive" to all officers alerting them to the change. The "e-directive" is presented in an online format to describe a new procedure and requires officers to demonstrate their understanding by responding to test questions.



Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
	555	In the longer term, SPD should re-evaluate its procedures for bias code determination when its new records management system is implemented to determine if a different placeholder bias code can be used when police officers are unsure if a crime was motivated by bias, and to allow the selection of multiple bias codes.	Pending	In January 2018, the Seattle Police Department (SPD) reported that with the implementation of its new Records Management System (RMS), which is planned to occur by the end of 2018, SPD will also make changes to its workflow for bias crimes. Under the new system, officers in the field would indicate whether there was any evidence of bias, applying a broad definition. That would flag the record in RMS for follow-up by SPD's Bias Crimes Unit. The Bias Crimes Unit would confirm any evidence of bias and identify the appropriate bias category.
Review of Hate Crime Prevention, Response, and Reporting in Seattle (September 20, 2017), continued.	556	We recommend that SPD add codes for age, parental status, marital status, and political ideology to the bias categories in their records management system to ensure that their record keeping is consistent with Seattle Municipal Code 12A.06.115.	Implemented July 2017	The Seattle Police Department (SPD) reported that on July 1, 2017 it implemented this recommendation by adding the four missing bias category codes to its records management system.
	557	SPD should establish a regular hate crimes training curriculum for officers so that they can appropriately recognize and respond to hate crimes. The training should incorporate the leading practices and research findings mentioned in this report. SPD should also develop a plan to evaluate the training to ensure that it is relevant and effective. Once SPD has developed an appropriate hate crimes training curriculum, the department should establish a policy on how the training will continue to be enhanced and implemented over time, including the frequency in which it is to be delivered and the intended audience.	Pending	In January 2018, the Seattle Police Department (SPD) reported that it will work with Dr. Jack McDevitt, Director of the Institute on Race and Justice at Northeastern University, an internationally-acclaimed expert in bias crimes research, to develop an e-learning curriculum specifically for hate crimes. In addition, SPD reported that it will be working with Dr. McDevitt to develop a few hate crime scenarios for the departments scenario-based training that is delivered annually.
	558	SPD should improve its guidance to officers on how to identify whether an incident might be a hate crime. SPD should consider adding elements in the hate crimes model policy framework recommended by the California Commission on POST to SPD's Policy Manual. SPD should also consider creating a physical or electronic checklist of hate crime definitions, indicators, and investigation techniques that officers can easily access in the field.	Pending	In January 2018, the Seattle Police Department (SPD) reported that with the implementation of its new Records Management System (RMS), which is planned to occur by the end of 2018, SPD will also make changes to its workflow for bias crimes. Under the new system, officers in the field would indicate whether there was any evidence of bias, applying a broad definition. That would flag the record in RMS for follow-up by SPD's Bias Crimes Unit. The Bias Crimes Unit would confirm any evidence of bias and identify the appropriate bias category.
	559	SPD should pilot some of the analyses described above including: identifying hate crime "hot spots," conducting time-of-day analysis, exploring trends in victimization, and exploring linkages to socio-demographic trends.	Pending	In January 2018, the Seattle Police Department (SPD) reported that its Data-Driven unit will continue to explore the use of sophisticated analyses to understand more about the nature of hate crimes in Seattle. In December 2017, SPD's Data-Driven unit provided a dataset to a researcher at the University of Washington who will be conducting an analysis of the relationship between hate crimes and sociodemographic trends as part of the Office of City Auditor's Phase Two report. SPD should review the results of this work to determine if it would be beneficial to conduct these analyses on an ongoing basis.
	560	Based on this analysis, SPD should explore the possibility of implementing new hate crime prevention strategies, such as situational crime prevention strategies at hate crime hot spots, and support for frequent victims.	Pending	This work will begin after the implementation of recommendation #559.
	561	SPD and SOCR should establish and formally document a protocol for how hate incidents and crimes are handled when they are reported to SOCR.	Pending	The Seattle Office for Civil Rights (SOCR) reported that in partnership with the Seattle Police Department, it has drafted an interdepartmental protocol to document how reports of hate incidents and crimes reported to the Anti-Bias Reporting Line will be handled. SOCR reported this work will be finalized in 2018.
	562	SOCR and SPU should explore publishing their hate crime and hate graffiti data online. They should provide a description of the data, including statements about the source and quality. This process should be formally documented and the data should be updated at least biannually.	Pending	The Seattle Office for Civil Rights (SOCR) reported that it met with the Seattle Police Department (SPD) and Seattle Public Utilities (SPU) to discuss the best ways to share its data with the public. SOCR reported that it will publish its data on a bi-annual basis on the City's open data portal ( <a href="http://data.seattle.gov">data.seattle.gov</a> ), with a description of the source and quality of the dataset and links to the dataset held by SPD. SOCR reported that they will also provide contact information on how to learn more about the data and the laws they enforce.  SPU reported that it began providing SPD with customer reported hate crime graffiti data in the 1 <sup>st</sup> quarter of 2017 and will continue to provide this data on a bi-annual basis. SPU also intends to update its external facing graffiti webpage to include clearer directions for the public to report graffiti hate crimes and locate City hate crime data. SPU reported that it anticipates this to be completed during the 2 <sup>nd</sup> quarter of 2018.

Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
	563	Further, the City should consider creating a single webpage that serves as a portal for SOCR, SPU, and SPD hate crime data.	Implemented January 2018	Seattle Public Utilities (SPU) reported that it met with the Seattle Police Department (SPD) and the Seattle Office of Civil Rights (SOCR) in January 2018 to consider options for creating a single webpage to publish City hate crime data, but it was concluded that there is not current capacity to accomplish this. Instead, SOCR will continue to maintain its BiasHurts webpage ( <a href="http://www.seattle.gov/civilrights/civil-rights/bias-hurts">http://www.seattle.gov/civilrights/civil-rights/bias-hurts</a> ) that includes information on how to file a complaint with SOCR and SPD. SPU reported that it will enhance its current graffiti webpage to include clearer directions for the public on how to report graffiti hate crimes and locate City hate crime data.
Review of Hate Crime Prevention, Response, and Reporting in Seattle (September 20, 2017), continued.	564	City leaders should participate in the discussions convened by the Northwestern Regional Office of the U.S. Department of Justice Community Relations Service to consider a statewide agency or task force to coordinate ongoing hate crime prevention and response efforts.	Pending	As of January 2018, the Office of City Auditor, the Seattle Police Department, and the Seattle Office of Civil Rights are working with the Northwestern Regional Office of the United States Department of Justice Community Relations Service to convene a meeting to discuss potential regional coordination of hate crime prevention and response efforts.
Assessment of the Seattle Municipal Court Resource Center (October 12, 2017)	565	To increase the accuracy of Court Resource Center (CRC) client data, the Seattle Municipal Court should continue its efforts to improve the CRC client sign-in form and the spreadsheets used to track client-reported data.	Pending	The Seattle Municipal Court reported that efforts began in October 2017 to improve statistics gathering. The first step was to amend the client sign-in form used to input data. A training for all individuals who enter this data was conducted in December 2017. The next step is to develop a quality assurance review of data input in the 1st quarter of 2018.
	566	To ensure adequate coverage at the Court Resource Center (CRC), including back-up plans for coverage when social service provider staff are absent, the Human Services Department (HSD) should obtain the input of the Seattle Municipal Court staff for HSD's negotiation and review of contracts or sections thereof that it manages related to service providers and services provided at the CRC.	Pending	The Seattle Municipal Court (Court) and the Human Services Department (HSD) reported that they coordinated on the elements of HSD's contracts with service providers that provide services at the Court Resource Center (CRC). The Court also reported that it will continue to work with HSD on future contracts with service providers that provide services at the CRC, including providing input to HSD for its contract with the Organization for Prostitution Services regarding the men's group that meets at the CRC.  HSD reported that it updated language about the CRC in the Public Health-Seattle & King County Contract in the "Seattle Access and Outreach" section as follows: "Enrollment services on-site at the Court Resource Center two days per week. Coordinate with jail staff to support enrollment for clients on days when enrollment staff are not on-site through referral to another downtown location or enrollment by telephone or fax." HSD also reported that Court staff reviewed this language before the contract was sent to Public Health; we confirmed this with Court staff.
	567	The Seattle Municipal Court should track and report the number of unique clients it serves to improve its understanding of Court Resource Center clients' demographics.	Pending	In 2017, the Court Resource Center (CRC) did not have dedicated resources to address this finding. In the recent 2018-2019 budget process, the Seattle Municipal Court (Court) received 11 months of funding beginning in January 2018 to hire a Manager and Strategic Advisor I to support the work of the CRC, including improving the demographic data that it collects on its clients. The Court reported that it intends to request ongoing funding in the 2019 budget process to maintain this work beyond 2018.
	568	Court Resource Center (CRC) staff and volunteers should access the Seattle Municipal Court's two information systems (MCIS <sup>6</sup> and SeaTrac <sup>7</sup> ) to determine whether CRC visitors are participants in Court sanctioned programs. This would eliminate the need for CRC visitors to know and report their Court referral source when they come to the CRC and the CRC's reliance on client self-reported information.	Pending	In 2017, the Seattle Municipal Court (Court) reported that it identified a seasoned probation manager to fill a temporary Manager position dedicated to the Court Resource Center (CRC) starting in January 2018. The intent of hiring within the Court was to have a CRC leader who can maximize the 11 months funding of this position to expand CRC services.  In 2017, the Court reported that it started the hiring process for a time-limited Strategic Advisor to support the CRC. This position will start in early 2018.  With the addition of these two positions, the Court reported that it will be able to streamline data gathering, and analyze trends to best provide individualized support to CRC visitors.
	569	The Seattle Municipal Court should monitor and use Court Resource Center (CRC) client demographic data to inform decision making regarding the CRC's services, service providers, and outreach efforts.	Pending	In 2017, the Seattle Municipal Court (Court) reported that it started the hiring process for a dedicated Strategic Advisor for the Court Resource Center (CRC). With a target start date in early February 2018, the Court reported that it will begin analyzing demographic data to both inform its choice of service providers and outreach efforts.
	570	The City should recognize the Court Resource Center (CRC) as a viable program, and the City Budget Office should work with the Seattle Municipal Court to assess the CRC's staffing and budgetary needs.	Pending	The Seattle Municipal Court reported that it will be submitting a request to the City Budget Office and City Council for on-going staff funding to support the Court Resource Center beyond the one-year funding provided in the 2018 budget.

<sup>6</sup> Municipal Court Information System (MCIS)

<sup>7</sup> SeaTrac is the case management information system that Court Probation Officers use to track their caseload.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Special Events – Police Staffing and Cost Recovery (December 13, 2017)	571	The Seattle Police Department (SPD) should continue reviewing and updating its special events memorandum of understanding (MOU) and event billing processes to ensure (a) the MOU cost estimate template includes accurate and complete direct cost information and (b) invoices sent to event organizers include non-wage direct costs (e.g., employee benefits and equipment) when they are specified as reimbursable in the MOU or when the MOU states that reimbursement will be for actual or full costs. (Report Recommendation 1)	Pending	The Seattle Police Department (SPD) reported they are interested in total cost recovery when they can seek these costs. The SPD Finance Manager, Chief Financial Officer, and the Contracts Manager met with the audit team to discuss their model for cost recovery. The Office of City Auditor shared the assumptions built into its cost recovery calculation. SPD reported it is currently reviewing the City Auditor's cost recovery model and plans to amend its special events cost structure to recover all legitimate costs. SPD Fiscal has drafted a recommendation to adjust the cost language in its memoranda of understanding with entities contracting with SPD for police services. This recommendation is moving through SPD's review process and will be used in the Department's future memoranda of understanding.
	572	SPD should also consider charging other event-related SPD costs (e.g., event planning time, event emphasis staffing, equipment maintenance expenses, incidentals such as food, water, and supplies) to all reimbursable events. (Report Recommendation 1)	Pending	See response for #571 above.
	573	The City Council and the Special Events Office should consider reviewing the implementation of the new special event permit fee structure created by Ordinance 124860 to ensure the level of recovery of the Seattle Police Department's staffing costs is aligned with the City's intentions. Options that could be considered include: <ul style="list-style-type: none"> <li>a. Charging permitted events for more of the actual police hours worked, including pre-event hours, post-event hours, and hours that exceed the hours that were initially estimated and paid.</li> <li>b. Including direct labor benefits and other event-related costs (e.g., event planning time, emphasis staffing, etc.) in analyses of event costs.</li> </ul> (Report Recommendation 2)	Pending	The City Council reported that it will review our special events audit and take the recommendations into consideration in setting the Council's 2018 committee work programs, consulting with the Mayor's Office and departments as applicable. The Special Events Office reported that it will engage with City Council in 2018 regarding this recommendation.
	574	The Seattle Police Department should ensure all event-related hours are tracked to the events, including event planning hours and emphasis hours. (Report Recommendation 3)	Pending	The Seattle Police Department (SPD) reported that in addition to the time officers spend working at events, there is planning and preparation time. There are meetings, planning sessions, briefings, and debriefs that frequently occur as part of the process of SPD providing service for events. The special events ordinance does not permit this additional time to be part of the cost recovery calculation when an organizer applies for a permit or when actual hours are reconciled after the event. Additionally, since multiple events are often planned or discussed at the same meeting, it is difficult to determine how much time personnel dedicated to planning each event. SPD understands why there is interest in capturing all administrative time spent for an event, as this would begin to create a more accurate picture of the total cost of events. However, the Department must balance the cost of tracking this data against the benefits of doing so.  According to SPD, a City-wide customer relationship management system solution and a work scheduling and timekeeping solution could enhance the Department's ability to do this in a more cost effective way.
	575	The Seattle Police Department should provide to the Special Events Office (SEO) an accounting of actual hours worked at permitted events so SEO can refund or bill event promoters for any variance between estimate and actual hours. (Report Recommendation 4)	Pending	The Seattle Police Department (SPD) reported that in recent meetings with the Special Events Office (SEO), SPD is developing a process for providing this information on a consistent basis. Without a technical solution, the process is largely manual for SPD. SEO reported that they are currently meeting with SPD to work out the details of how to implement this recommendation.
	576	The City Council and the Special Events Office should (a) review the definitions of Community and Mixed Free Speech events in Seattle Municipal Code (SMC) 15.52 and, given the level of commercial activity at some Community and Mixed Free Speech events, consider whether any updates to these definitions are necessary. (Report Recommendation 5a)	Pending	The City Council reported that it will review our special events audit and take the recommendations into consideration in setting the Council's 2018 committee work programs, consulting with the Mayor's Office and departments as applicable. The Special Events Office reported that it will engage with City Council in 2018 regarding this recommendation.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Special Events – Police Staffing and Cost Recovery (December 13, 2017), continued.	577	The City Council and the Special Events Office should consider establishing criteria and a schedule for setting the fees for police services for Citywide permitted events (e.g., updating SMC 15.52 or developing department policies). (Report Recommendation 5b)	Pending	The City Council reported that it will review our special events audit and take the recommendations into consideration in setting the Council's 2018 committee work programs, consulting with the Mayor's Office and departments as applicable.  The Special Events Office reported that it will engage with City Council in 2018 regarding this recommendation.
	578	The Seattle Police Department (SPD) and the Special Events Office (SEO) should develop a process to address events that require police services but do not obtain either a permit or a memorandum of understanding (MOU) with SPD. The process should vary by type of event (i.e., the process should be different for a free speech event from what it would be for a festival or concert). For upcoming events, the process should include SPD or SEO working with an organizer to help ensure the event has either a permit or an MOU before police services are provided. For events that have already occurred, the process should include follow up from SPD or SEO about City requirements and retroactively billing event organizers for police staffing when appropriate. (Report Recommendation 6)	Pending	The Seattle Police Department (SPD) and the Special Events Office (SEO) will review the events noted in the audit report that required police services but did not obtain a special events permit or have a Memorandum of Understanding with SPD, and determine what should have occurred for each event. SPD and SEO will specifically consider how maritime events should be handled in the future.
	579	The Seattle Police Department and the Special Events Office should review the administrative workload associated with special events and consider whether they should increase the staffing allocated to these functions. (Report Recommendation 7)	Pending	The Special Events Office (SEO) reported that it will work through the City's budget process to ensure adequate staffing levels for the administrative workload associated with special event permitting.  The Seattle Police Department (SPD) reported that over the past several years it has experienced an increase in special events and this affects SPD's personnel resources. This increase, as well as the added workload of manually reviewing event staffing, affects the administrative functions SPD must perform. Recently, the Department placed an Assistant Chief over the Seattle Police Operations Center to provide direct Command Staff level guidance and assessment of these functions. As part of this, SPD reviewed how the special events planning process is staffed. The Department agrees that there may be a need to increase administrative support if the number of special events continues at or increases beyond the current level. SPD will continue to assess this need against the Department's other budget priorities.
	580	SPD needs to improve oversight of event staffing plans decisions by ensuring: <ul style="list-style-type: none"> <li>a. Independent reviews of event staffing include schedule and shift details,</li> <li>b. All event plans are independently reviewed, including those for events at the Seattle Center, and</li> <li>c. Plans are reviewed, or updated, in the months immediately preceding an event.</li> </ul> (Report Recommendation 8)	Pending	The Seattle Police Department (SPD) reported it is continuing to work on its independent review process for event staffing and event plans. The new Assistant Chief or designee over the Seattle Police Operations Center is positioned to review and approve event staffing plans and event plans. The Department also facilitates weekly meetings attended by all the relevant Department entities that staff events. This group discusses all special events and Department staffing. Additionally, the recently hired Budget & Finance analyst will begin reviewing and analyzing pre-event staffing plans against actual staffing levels for events.
	581	In addition, SPD needs to ensure Special Event After Action Forms are completed for all special events, in accordance with the practice implemented in early 2017. (Report Recommendation 8)	Implemented January 2018	The Seattle Police Department reported that Special Event After Action Forms are now required to be completed for all special events.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Special Events – Police Staffing and Cost Recovery (December 13, 2017), continued.	582	<p>SPD needs to update its policies and procedures that address Special Event Planning and After Action Reports. Policies and procedures should specify:</p> <ul style="list-style-type: none"> <li>a. How staffing decisions are to be made (e.g., what criteria must be evaluated) and how plans should be documented.</li> <li>b. When plans require formal independent review and approval, who is responsible for this review, and how this approval is to be documented.</li> <li>c. The goals of the weekly SPOC meetings and SPOC’s oversight responsibility for event staffing decisions and planning, including what this oversight should include.</li> <li>d. How after action information for special events should be documented and archived for future use (i.e., describe requirements for SPD’s new Special Event After Action Form).</li> </ul> <p>In addition, SPD’s policies and procedures should ensure that:</p> <ul style="list-style-type: none"> <li>e. Staffing plans include options for releasing officers early if resource needs decrease during an event.</li> <li>f. Staffing levels are assessed, and these assessments should be documented, after all special events. These assessments should include feedback from external parties (e.g., event organizers and Special Event Committee members) when feasible.</li> </ul> <p>Once updated, SPD should ensure compliance with policies and procedures related to special events. (Report Recommendation 9)</p>	<b>Pending</b>	The Seattle Police Department reported there is a new policy in early draft form. Once it goes into effect, the Seattle Police Operations Center Assistant Chief will ensure compliance.
	583	SPD should begin regular tracking of event staffing information, including trends in event hours and costs by event and event type and perform comparisons between estimated (or planned) staffing with actual staffing at events. (Report Recommendation 10)	<b>Pending</b>	The Seattle Police Department (SPD) reported that a Budget & Finance analyst is now reviewing and analyzing special events and overtime data, including pre-event and post event staffing, staffing trends, and payroll data. SPD is working on improving its special event analyses and using the information to inform management decisions.
	584	SPD should pursue a technology solution, such as a workforce scheduling system, to improve the effectiveness and efficiency of event staffing functions. (Report Recommendation 11)	<b>Pending</b>	The Seattle Police Department reported it agrees with this recommendation. The 2017 Adopted and 2018 Endorsed Budget provides funding for an automated work scheduling and timekeeping system that will help improve the efficiency of event staffing and allow for increased automation of thresholds and controls.
	585	Then, SPD should re-evaluate all event planning tasks to determine what could be done by civilians and what must be done by sworn staff. (Report Recommendation 11)	<b>Implemented December 2017</b>	The Seattle Police Department reported that it reviewed event planning tasks to determine which tasks need to be done by sworn personnel and which could be done by civilian personnel. To potentially reduce the special events tasks currently performed by sworn personnel, the Department would need to implement technology solutions (i.e., a workforce scheduling system and a customer relationship management system) and then re-evaluate the distribution of work. See further details on automated system solutions on recommendation #584.

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Special Events – Police Staffing and Cost Recovery (December 13, 2017), continued.	586	SPD should improve tracking of personnel absences for special event drafts and should review and reconsider the department’s policies for No Show’s and when employees call in sick the day of an event. (Report Recommendation 12)	<b>Pending</b>	<p>The Seattle Police Department (SPD) reported that it assigned an Assistant Chief to look into this issue last year, and it has communicated to managers and supervisors to be alert for this as a potential issue. When there are No Shows or Sick Call In’s for special events, this information is reported to the supervisors of the personnel involved and up their chain of command. It is the responsibility of the SPD supervisors to monitor the work behavior of the personnel reporting to them and determine if there are any issues that need to be addressed. SPD will continue to look into this issue to determine whether any policy and procedure changes are required.</p> <p>Current City policy and the police officer collective bargaining agreement (i.e., Seattle Police Officers Guild) allow for an SPD officer to call in sick for special events work and still get paid if it is their regularly scheduled day off, but SPD said this Sick Call In information will be communicated up the officer’s chain of command.</p>
	587	The City Council and the Mayor should evaluate the special events work SPD officers perform that is primarily a traffic-directing function and consider whether it could be handled by non-sworn personnel. We recognize this would require revising Seattle Municipal Code 11.50.380 covering the authority to override traffic signals. (Report Recommendation 13)	<b>Pending</b>	<p>The City Council reported that it will review the special events audit and take the recommendations into consideration in setting the Council’s 2018 committee work programs, consulting with the Mayor’s Office and departments as applicable.</p> <p>The Special Events Office reported that it will engage with City Council in 2018 regarding this recommendation.</p> <p>The City Budget Office reported on behalf of the Mayor’s Office that it is currently reviewing the 2017 Special Events Audit and intends to work with various departments including the Seattle Police Department, Office of Economic Development, and Seattle Center over the coming months to review current policies and practices and discuss opportunities and challenges associated with implementing the audit recommendations.</p>
	588	SPD Fiscal should periodically compare planned reimbursable event police hours and expenses to actual hours to help ensure all hours are properly billed to the event organizers. (Report Recommendation 14)	<b>Pending</b>	<p>The Seattle Police Department reported that their new Budget &amp; Policy analyst is currently developing reporting to analyze pre-event planned staffing hours versus actual staffing recorded in the payroll system.</p>
	589	The Office of Economic Development and the Seattle Police Department should consider investing in a Customer Relationship Management System (CRM) to improve the efficiency of the special events permit application review and event tracking functions. This system should facilitate tracking each event with a unique identifier and event numbering scheme that facilitates tracking the same event (or similar events) over time. (Report Recommendation 15)	<b>Pending</b>	<p>The Special Events Office reported that it has initiated a Special Events Customer Relationship Management project/proposal using the Accela solution, which has been reviewed by the Accela program team and the Seattle Information Technology Department (ITD) for cost and resource estimates. This project will be on a listing of proposals to move forward to the City Budget Office for consideration for the 2019-2020 budget.</p> <p>The Seattle Police Department reported that it agrees that a multi-departmental application would benefit the special events process and that it will participate in developing and implementing this technology solution if the City is interested in pursuing it.</p>
	590	SEO should update their policies and procedures to ensure permit fee billing and payment handling procedures include an adequate level of segregation of duties. (Report Recommendation 16)	<b>Pending</b>	<p>The Special Events Office (SEO) reported that it is currently reviewing policies and procedures related to permit fee billing and payment handling and segregation of duties. The Special Events Office billing and payment process is currently being integrated into the City’s Summit portal, and SEO is working with the integration project manager on several updates to the Summit platform required to satisfy this recommendation.</p>
	591	A staff member or manager who does not process payments should reconcile SPECTRE to Summit monthly. (Report Recommendation 16)	<b>Pending</b>	<p>The Special Events Office (SEO) reported that billing and payment handling procedures are currently being integrated into the City’s Summit billing/payment portal as part of the Citywide 2018 reimplementation process. This will align permit billing and payments with other City departments’ processes. If this conversion does not result in compliance with the recommendation, SEO will work with the Department of Finance and Administration’s Treasury unit to identify appropriate staffing segregation to be compliant with City standards.</p>
	592	SEO should improve its enforcement of the requirement to pay special event permit fees 30 days before the event. (Report Recommendation 17)	<b>Pending</b>	<p>The Special Events Office (SEO) reported that billing and payment process is currently being integrated into the City’s Summit billing/payment portal as part of the Citywide 2018 reimplementation process. SEO is identifying process improvements to better enforce the 30 days in advance payment requirement.</p>
	593	SEO should follow the City’s standard policy for handling delinquent debt and assessing late fees or interest charges for delinquent police services debts. (Report Recommendation 17)	<b>Pending</b>	<p>The Special Events Office reported that it is identifying process improvements to be in compliance with the City’s standard policies for delinquent debt, interest charges, and late fees.</p>

Report Title (publication date)	Rec # <sup>4</sup>	Description	Status as of December 31, 2017	2017 Update Comments
Special Events – Police Staffing and Cost Recovery (December 13, 2017), continued.	594	<p>SPD should update and enforce its special event payroll policies and procedures, including those addressing payroll time coding, management approvals, and timekeeping functions. SPD should implement controls to ensure:</p> <ul style="list-style-type: none"> <li>a. Regular time worked for special events is coded to the event,</li> <li>b. Time is coded to the accurate event code, including time for                             <ul style="list-style-type: none"> <li>i. multiple events held on the same day,</li> <li>ii. large Seattle Center events/festivals</li> </ul> </li> <li>c. Special event time is entered only by SPD Payroll staff.</li> </ul> <p>(Report Recommendation 18)</p>	<b>Pending</b>	<p>The Seattle Police Department (SPD) reported that it is interested in updating its payroll policies and procedures. All overtime hours for an event are tracked by special event number. When an employee is working on regular time, their timesheet reflects the regular workday. SPD currently does not code its regular time on timesheets to the special event. The documentation for the special event (i.e., Event Summary Forms) records the personnel that are involved in an event and the hours spent on the event. Sometimes this event time includes regular time, as well as overtime, but the recording of regular time has not been consistent across SPD.</p> <p>Until SPD implements a workforce scheduling technology solution (see recommendation #584, report item #11), it does not plan to begin tracking all regular time worked for special events.</p>
	595	<p>Event-level reporting should be produced regularly by SPD and distributed to key special events decision makers in SPD, SEO, Seattle Center, and the City Budget Office. This reporting should match police fee revenues to police event expenses because the relationship of the costs of staffing events to the fees received could affect decisions about managing costs. Reports should include hours worked (including overtime and regular time), wages paid, number of staff or shifts worked, and comparative information from prior years. (Report Recommendation 19)</p>	<b>Pending</b>	<p>The Seattle Police Department (SPD) reported there is reporting now at the event-level that is distributed to SPD management (i.e., Sergeants and above) and the City Budget Office. The SPD Budget and Policy Analyst will develop reporting that can be shared with the Special Events Office.</p>

## Appendix A

We reviewed the status of recommendations from the following 56 reports our office issued from January 2007 through December 2017:

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)

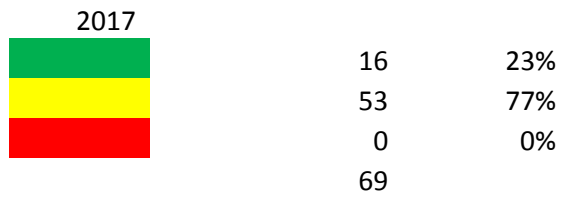
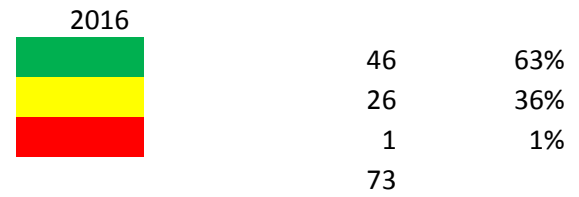
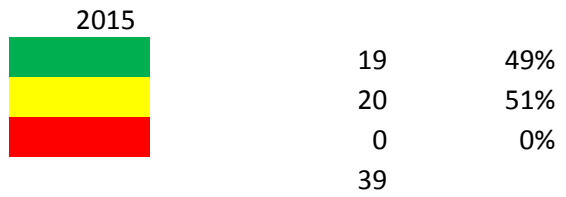
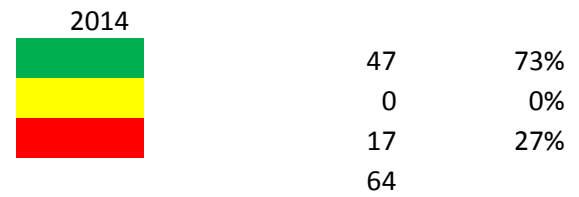
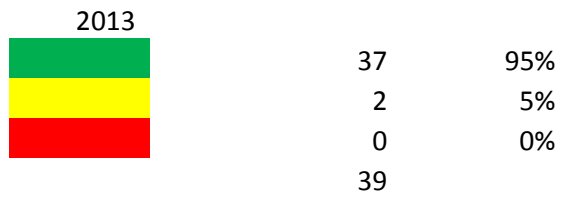
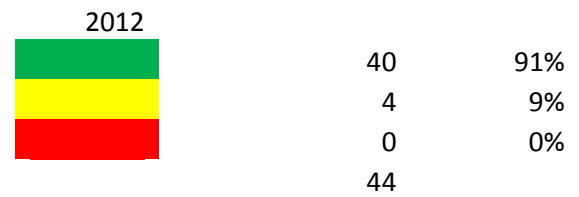
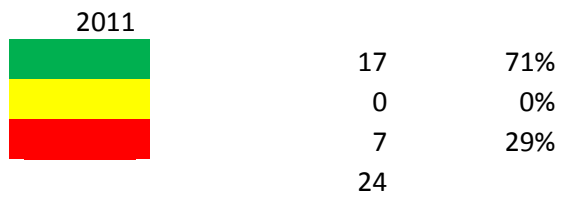
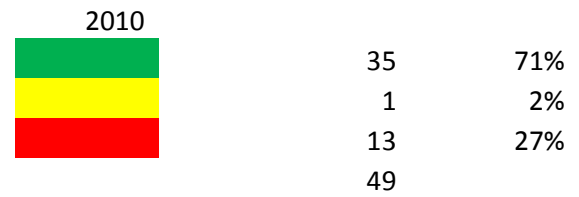
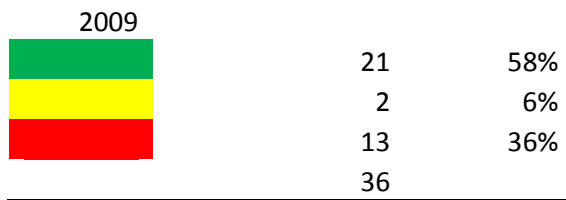
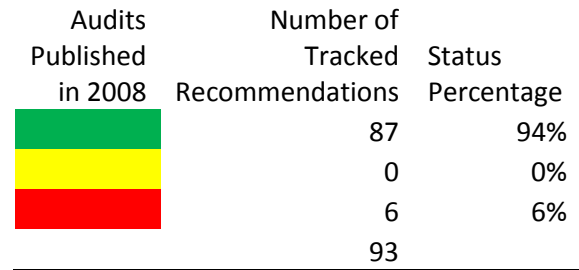
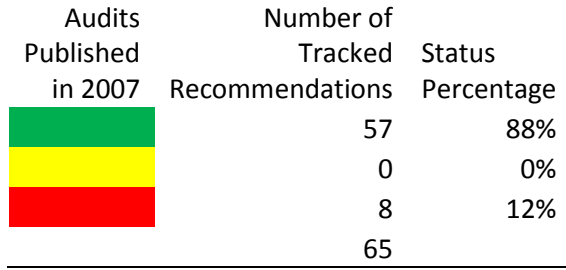


Status Report on Implementation of Office of City Auditor Recommendations as of December 2017

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)
45. Audit of the Seattle Police Department's Public Disclosure Process (March 16, 2015)
46. Process Evaluation of Seattle's School Emphasis Officer Program (September 22, 2015)
47. The City of Seattle Could Reduce Violent Crime and Victimization by Strengthening Its Approach to Street Outreach (October 14, 2015)
48. Department of Parks and Recreation's Oversight of Lease and Concession Agreements (December 10, 2015)
49. Seattle Police Department Overtime Controls Audit (April 11, 2016)
50. Audit of Services the Metropolitan Improvement District Provides in Belltown (June 8, 2016)
51. Seattle City Light Billable Services Audit (August 10, 2016)
52. Audit of New Customer Information System (NCIS) Implementation (April 10, 2017)
53. Audit of Seattle's Incentive Zoning for Affordable Housing (April 13, 2017)
54. Review of Hate Crime Prevention, Response, and Reporting in Seattle (September 20, 2017)
55. Assessment of the Seattle Municipal Court Resource Center (October 12, 2017)
56. Special Events – Police Staffing and Cost Recovery (December 13, 2017)

## Appendix B

The following charts show the implementation status of recommendations by year of audit report publication.



## Appendix C

### Office of City Auditor Mission Statement

#### Our Mission:

To help the City of Seattle achieve honest, efficient management and full accountability throughout City government. We serve the public interest by providing the City Council, Mayor and City department heads with accurate information, unbiased analysis, and objective recommendations on how best to use public resources in support of the well-being of Seattle residents.

#### Background:

Seattle voters established our office by a 1991 amendment to the City Charter. The office is an independent department within the legislative branch of City government. The City Auditor reports to the City Council, and has a four-year term to ensure her/his independence in deciding what work the office should perform and reporting the results of this work. The Office of City Auditor conducts performance audits and non-audit projects covering City of Seattle programs, departments, grants, and contracts. The City Auditor's goal is to ensure that the City of Seattle is run as effectively, efficiently, and equitably as possible in compliance with applicable laws and regulations.

#### How We Ensure Quality:

The office's work is performed in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. These standards provide guidelines for audit planning, fieldwork, quality control systems, staff training, and reporting of results. In addition, the standards require that external auditors periodically review our office's policies, procedures, and activities to ensure that we adhere to these professional standards.