



Status Report on Implementation of Office of City Auditor Recommendations as of December 2013

April 30, 2014

Seattle Office of City Auditor

Status Report on Implementation of Office of City Auditor Recommendations as of December 2013

Status Report of Audit Recommendations

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

Scope

Since 2010, we have tracked 350 recommendations contained in 38 audit reports issued from January 2007 through December 2013¹.

This report describes the status of 119 recommendations as follows:

- 80 recommendations reported as “pending” from our previous follow-up report², and
- 39 new recommendations contained in our 2013 audit reports³.

We did not report on the implementation status of 231 of the 350 recommendations we tracked because as of our previous follow-up report, their status was categorized as either “implemented” or “no further follow-up planned”. For details on the 231 recommendations not included in this report, please see [this report](#).

Methodology

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

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

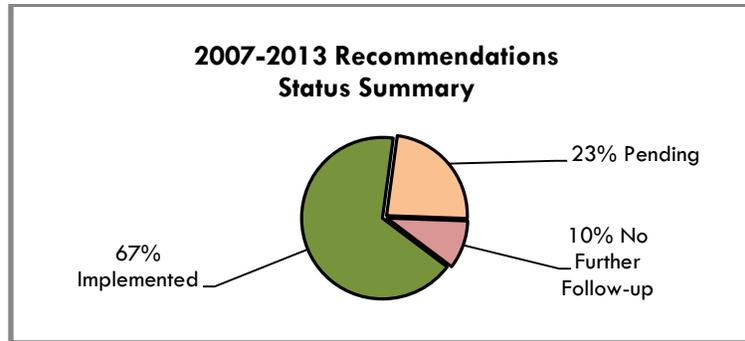
¹ See Appendix A.

² Status Report on Implementation of Office of City Auditor Recommendations as of October 2012, published February 7, 2013 (<http://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/20130207FINALREPORTREQREPOST20140428.pdf>).

³ Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013), Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013), Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013).

Summary and Results

We tracked 350 recommendations contained in 38 audit reports issued from January 2007 through December 2013. As shown in the chart below, as of December 31, 2013, 67 percent (234 out of 350) were implemented, 23 percent (82 out of 350) were pending, and 10 percent (34 out of 350) 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 has been met (i.e., with an alternative approach), or 2) concluded that it is in the process of being implemented and we see no barrier to its full implementation.



Pending

We categorized a recommendation as pending when its implementation is in process or is uncertain, and additional monitoring to ensure its completion is warranted. In some cases, implementation requires City Council/Mayoral decision(s).⁴



No Further Follow-up Planned

We categorized a recommendation for “no further follow-up planned” when it met one of the following conditions:

1. The recommendation is no longer relevant.
2. The recommendation’s implementation is not feasible due to factors such as budget and/or staffing limitations, contractual issues, etc.
3. The audited entity’s management does not agree with the recommendation and is not planning to implement the recommendation.
4. The recommendation was considered by the City Council but not adopted.

In this report, we categorized recommendation items #223, 227, and 259, as “no further follow-up planned”. For these three recommendations, the audited entity’s management does not agree with the recommendation and is not planning to implement it (i.e., condition #3, above).

⁴ Please note that in our previous recommendation follow-up reports, we had a designation of “Follow-up Not Yet Due” within the category of pending. This was intended to allow at least six months to a year to elapse before we followed up on a recommendation to give an auditee adequate time to implement the recommendation. For this report, we eliminated this designation because we did not wait six months to a year; instead, we followed up on all recommendations for audit reports issued through December 2013.

Status of Audit Recommendations as of December 31, 2013

The following table lists the December 2013 status of 119 recommendations reported as “pending” from our previous February 2013 follow-up report (80 recommendations) and new recommendations (39 recommendations) contained in our 2013 audit reports added to our tracking database.

Report Title (publication date)	Recommendation # ⁵	Description	Status as of October 2012	Status as of December 31, 2013	2013 Update Comments
Seattle Municipal Court (SMC) Accounts Receivable and Revenue Recovery, Internal Controls Review (January 4, 2007)	6	Time-payment research functions are inefficient and not properly supported by the Court's information system (MCIS).	Pending	Pending	SMC reported that the time-pay module in MCIS is expected to be ready for implementation in May 2014.
Seattle Public Utilities (SPU) Billing and Accounts Receivable (AR) – Drainage Fees, Internal Controls Review (February 8, 2007)	13	Drainage fee updates/adjustments to customer accounts are made only once a year by King County, and not when property changes actually occur.	Pending	Pending	SPU is currently reviewing this audit issue.
	14	Property tax statements (which include drainage fees) marked “return to sender” are not researched and resolved by King County.	Pending	Pending	SPU is currently reviewing this audit issue.
	16	Delinquent drainage accounts aren't tracked, researched, or pursued by SPU or King County until they are three years past due.	Pending	Pending	SPU is currently reviewing this audit issue.
	17	King County estimates of the interest paid on delinquent drainage fees may result in underpayments to SPU.	Pending	Pending	SPU is currently reviewing this audit issue.
	21	SPU's memorandum of agreement (MOA) with King County for drainage billing and collection services requires updating.	Pending	Pending	SPU is currently reviewing this audit issue.
	22	SPU may wish to re-evaluate whether it is beneficial to continue outsourcing drainage fee administration functions.	Pending	Implemented December 2013	SPU reported they completed an evaluation of whether to bring drainage billing in-house and decided to continue to use King County to administer drainage billing and collections.
Seattle's Special Events Permitting Process: Successes and Opportunities (January 31, 2008)	77	The Special Events Office in collaboration with the Special Events Committee should consider developing annual or semi-annual voluntary orientation sessions for new permit applicants.	Pending	Implemented May 2013	The Office of Economic Development's Special Events Office, in conjunction with the Washington State Liquor Control Board, the Revenue & Consumer Protection Division in the City of Seattle's Finance and Administration Services Department, and the Seattle Fire Marshall's Office, held its first orientation session for new permit applicants on May 17, 2013 at City Hall (Bertha Landes Room). The event drew 78 attendees with 55 of them completing the post-event survey responding to questions about the effectiveness of the event and suggestions for improvements. The OED Special Events Office reported that their goal is to hold the event annually.
Seattle Public Utilities (SPU) Revenue Cycle Audit - Transfer Stations, Internal Controls Review (February 14, 2008)	88	Procedures require improvements to minimize losses from customers who leave the transfer station without paying (i.e., skip-outs).	Pending	Implemented June 2013	SPU reported they eliminated the problem with skip-outs (i.e., exit without payment) at the new South Transfer Station by configuring the station so all customers now pay upon exit. The North Transfer Station is now closed for construction and when the new station is opened, it will also be configured so that all customers pay upon exit.
Management of City Trees (May 15, 2009)	163	The City should adopt new tree regulations for tree protection on private property.	Pending	Pending	The Department of Planning and Development reported that the Urban Forestry Management Plan was adopted at the end of 2013. The next phase will be to finalize a proposal for new tree regulations and forward it to the City Council in 2014.
	164	The Department of Planning and Development (DPD) needs to conduct an analysis to determine resource needs for implementing the new tree regulations.	Pending	Pending	DPD reported that the implementation timeline has shifted to 2014.
Efficiencies Audit: Parking and Traffic Ticket Processing (December 15, 2009)	194	The Seattle Police Department (SPD) should convert from paper to electronic traffic tickets.	Pending	Pending	According to SPD, it received a grant in 2013 to purchase equipment for SPD traffic enforcement staff to implement electronic ticketing as part of the State of Washington SECTOR program (State of Washington Program for Electronic Ticketing and Collision Reporting). SPD Traffic Patrol Officers will be trained in May 2014 on electronic ticketing, which SPD expects to start soon thereafter.
Seattle Public Utilities (SPU) Revenue Cycle Audit – Water (Retail and Wholesale) Internal Controls Review (March 1, 2010)	201	Controls are not adequate to ensure customers are billed or refunded in a timely manner for remaining amounts due or owed from guaranteed deposits for new water connections work.	Pending	Implemented June 2013	SPU implemented the Director's Rule that bases pricing of new taps and other services on standard charges and eliminates the need for refunds and additional billing.

⁵This number is the recommendation's assigned number in our tracking database.

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Follow-up Audit of Workers' Compensation: Return-to-Work Program (June 15, 2010)	209	Departments should create quarterly reports on multiple claims so that department directors focus on this issue.	Pending	Implemented December 2013	The Personnel Department reported that City departments now have direct access to the Workers Compensation claim system and can generate management reports directly.
	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	Pending	The Workers' Compensation Unit (WCU) is developing a Citywide policies and procedures manual that is expected to be finalized by the third quarter 2014. Additionally, new training for Return-to-Work Coordinators will also be provided by the WCU Supervisor and the Law Department's Workers' Compensation Attorney during the third quarter 2014.
City of Seattle Anti-Graffiti Efforts: Best Practices and Recommendations (July 28, 2010)	219	The City Council and Mayor should develop clear policy statement on graffiti, establish clear directives about who in the City is authorized, responsible, and accountable for anti-graffiti efforts and develop specific outcome goals.	Pending	Pending	The City Council plans to consider this recommendation in 2014.
	220	The City Council and Mayor should require City departments to gather baseline data before new policies and procedures are implemented.	Pending	Pending	The City Council plans to consider this recommendation in 2014.
	221	The City Council and Mayor should require an annual physical inventory to evaluate the effectiveness of the City's efforts.	Pending	Pending	The City Council plans to consider this recommendation in 2014.
	223	Amend SMC 12.A.08.020 to add a clause stipulating the elements that should be included in calculating restitution for violations of the code.	Pending	No Further Follow-up Planned	<p>According to the Seattle City Attorney's Office (CAO): "The City of Seattle prevailed at the State Supreme Court on this matter (City of Seattle v. Fuller, 177 Wash 2d. 263, 2013). The Supreme Court held that Seattle Municipal Court does have authority to enter restitution against criminal defendants. Currently the City Attorney's Office has tabled the amendment to Seattle Municipal Code 12A.08.020.... No further action is anticipated for this project."</p> <p>The City Attorney's Office also provided us with data on graffiti cases with dispositions entered in 2012 and 2013. Based on this information, we found that, in 2012-13, restitution was paid in 26 percent of the cases. In 36 percent of the cases, restitution was not requested and in 31 percent, there was no victim response. For the remaining 7 percent, restitution was not paid for other reasons. The median restitution paid for a graffiti violation case in 2012-13 was \$418.</p> <p>The City Attorney's Office and the Seattle Police Department (SPD) may want to explore why such a small percent of graffiti victims request restitution – i.e., is it that the cost of abatement is low or are they unaware they have a right to it?</p>
	224	Have parking enforcement officers and other City employees photograph and report graffiti.	Pending	Pending	<p>In 2012, we reported that SPD's graffiti detective believed a system that allows the public to photograph and report graffiti via the Internet would be more effective than having Parking Enforcement Officers (PEOs) do so. To that end, the graffiti detective was developing a formal proposal that would allow the public to use SPD's current online reporting system, Coplogic, to upload photos of and report graffiti vandalism.</p> <p>As of December 2013, we understand that SPD's Coplogic System is now programmed to allow for this use but the function has not been activated. SPD's graffiti detective told us that giving the public the ability to report graffiti online by uploading photographs would provide SPD with a better data set to work with on graffiti cases and could also save patrol officer time.</p>

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City of Seattle Anti-Graffiti Efforts: Best Practices and Recommendations (July 28, 2010), continued	227	Develop diversion program that is effective for graffiti offenders.	Pending	No Further Follow-up Planned	According to the City Attorney's Office, their Criminal Division "continues to prosecute graffiti cases using the sentencing guideline implemented in Fall 2012. SPD's Graffiti Detective remains an ally in these prosecutions helping to identify repeat offenders and hold them accountable. At this time, no new programs are planned for the Criminal Division. The City Attorney's Office will continue to review and analyze these cases as well as the effectiveness of the new sentencing guidelines. In the future, it may help to review the City's annual efforts and costs on graffiti clean-up to determine what areas are most frequently targeted. However, such a project would need assistance from Seattle Public Utilities and the Parks Department."
Indigent Defense Services Follow-up and 2010 Audit (December 15, 2010)	237	The Seattle Municipal Court should continue to work with the City Budget Office, and the Department of Finance and Administrative Services (FAS) to address several issues related to the process of determining eligibility, the collection of defendants' public defender costs, and determining whether recovering costs from defendants who are found not guilty or whose case is dismissed, like King County does, is a viable option.	Pending	Pending	According to the City Budget Office, FAS reported that its target implementation date is in 2014.
	238	The department responsible for collecting payments from defendants who can pay a portion of their costs should report to the City Council quarterly on the amount the City collects from those payments.	Pending	Pending	According to the City Budget Office, FAS reported that its target implementation date is in 2014.
Seattle Public Utilities (SPU) Revenue Cycle Audit – Wastewater: Internal Controls (April 11, 2011)	244	SPU wastewater rates are high compared to similar municipalities.	Pending	Pending	SPU reported they began discussions with King County in 2013, and are now expanding those discussions to include other sewer collection agencies contracted with King County, to re-negotiate the wastewater treatment agreement with the County. SPU has identified their objectives for this re-negotiation process that will be pursued with the County and the other contract agencies. SPU estimates this re-negotiation process and the creation of the resulting contract will take until at least 2015.
	245	There are issues with King County's sewer processing rates that are resulting in somewhat higher wastewater charges for SPU customers.	Pending	Pending	SPU reported they began discussions with King County in 2013, and are now expanding those discussions to include other sewer collection agencies contracted with King County, to re-negotiate the wastewater treatment agreement with the County. SPU has identified their objectives for this re-negotiation process that will be pursued with the County and the other contract agencies. SPU estimates this re-negotiation process and the creation of the resulting contract will take until at least 2015.
	251	High strength industrial waste (HSIW) discharge volumes used by SPU for billing purposes are self-reported by industrial commercial customers to King County, and there is little verification of these volumes.	Pending	Implemented June 2013	SPU reported that its staff checked into this issue and determined that there is an adequate verification system in place. SPU explained that: 1) they track volume via metered water consumption and provides those volumes to King County and that King County receives wastewater discharge volumes from customers and King County periodically checks SPU-reported consumption against customer metered and reported wastewater, 2) customers face potential King County and federal enforcement for submitting false data, 3) King County calculates high strength discharges based on annual biochemical oxygen demand and total suspended solids levels, and 4) Seattle Municipal Code 21.28 codifies the system by which SPU provides water consumption data to King County and then bills and collects King County's High Strength Industrial Waste charges.
	252	Contaminated stormwater volumes used by SPU for billing purposes are for the most part self-reported by industrial commercial customers to King County and verification of these volumes is limited.	Pending	Pending	SPU reported that its Utilities Services Management Branch (USM) is working on resolving these issues.
	253	There is no procedure to ensure that all contractors are billed by SPU for construction site dewatering.	Pending	Pending	SPU is currently working with King County to develop a program that will accurately and timely provide SPU with a list of all construction sites to be billed for discharge. There is currently no target date for the completion of this work.

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Seattle Public Utilities (SPU) Revenue Cycle Audit – Wastewater: Internal Controls (April 11, 2011), continued	254	Contractors self-report construction site wastewater discharge volumes to SPU for billing purposes and there is almost no verification of these volumes.	Pending	Pending	SPU is currently working with King County to develop a program that will accurately and timely provide SPU with a list of all construction sites to be billed for discharge. With this list SPU could make sample selections to test the accuracy of reported discharges. There is currently no target date for the completion of this work.
	255	Many contractors make late payments on SPU's construction site wastewater charges.	Pending	Pending	SPU is currently working with King County to develop a program that will accurately and timely provide SPU with a list of all construction sites to be billed for discharge. With more timely data on construction sites responsible for discharge, SPU will be able to track and bill contractors for all charges and associated late fees. There is currently no target date for the completion of this work.
	256	SPU has problems with delinquent inactive accounts that result in uncollectable accounts of over \$1 million.	Pending	Implemented December 2013	SPU reported that the amount of delinquent inactive accounts continues to decrease as new tenant accounts are no longer opened and older amounts of debt are being applied to identified owner accounts. SPU plans no further action as they anticipate inactive account debt to continue to diminish over time.
	257	There are problems with SPU's contract with King County for sewer processing services and related authoritative wastewater guidance.	Pending	Pending	SPU reported they began discussions with King County in 2013, and are now expanding those discussions to include other sewer collection agencies contracted with King County, to re-negotiate the wastewater treatment agreement with the County. SPU has identified their objectives for this re-negotiation process that will be pursued with the County and the other contract agencies. SPU estimates this re-negotiation process and the creation of the resulting contract will take until at least 2015.
City of Seattle Anti-Litter Efforts (April 19, 2011)	259	Consider modifying SMC 21.36.425A and B to replace the volume reference (1 cubic foot) with a qualitative standard to require property owners to clean-up and remove all litter that accumulates on their own property and adjacent rights-of-way.	Pending	No Further Follow-up Planned	The Office of City Auditor explored with the Law Department the possibility of amending the Seattle Municipal Code to remove the bottom limit (i.e., 1 cubic foot) for the regulation of litter so that any amount could be enforced at the determination of the Seattle Public Utilities (SPU) Director. The Law Department suggested amending the code to use a qualitative standard or term such as "any". The Office of City Auditor raised Law's suggestion with SPU for consideration. SPU responded that they are against changing the one cubic foot limit because: 1) SPU believes there should be a quantified minimum standard because it is a clear standard; substituting a standard, such as "any", is unclear and becomes open to more subjective and potentially selective enforcement, and 2) SPU believes the one cubic foot limit is an adequate standard to enforce; enforcement of smaller amounts of litter is cost-prohibitive and according to SPU, the costs would need to be addressed by the General Fund.
	260	Work with Metro Transit to develop a plan for ensuring continued availability of litter receptacles at bus stops when bus shelters are removed and replaced with canopy bus zones.	Pending	Implemented October, 2013	The Department of Planning and Development reported that in October 2013, the Seattle Department of Transportation (SDOT) in partnership with King County Metro, completed a 10% level concept design for transit zone improvements for the four blocks along Third Avenue between Stewart and University Streets where refuse receptacles are included in each transit zone. SDOT reported between March and June 2014, the east side of the block between Stewart and Pine Streets (the "Macy's block") will be rebuilt according to the design recommendations. Completion of a 30% design level for the remainder of the corridor will follow in mid-late 2014, expanding the four block area of this study to the entire transit mall along Third Avenue between Denny Way and Jackson Street, with plans that will include refuse receptacles in the transit zones.
	262	SDOT should determine the magnitude of the costs for providing post-special event street sweeping services for free and consider whether to charge event organizers for this service.	Pending	Implemented March 2013	In March 2013, SDOT decided to continue to not charge for street sweeping after the Torchlight Parade. The department continues to implement its policy to charge for post-event clean up after special events to areas that are not on a scheduled sweeping route.

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City of Seattle Anti-Litter Efforts (April 19, 2011), continued	264	Consider curb-to-curb street sweeping to increase street sweeping efficiency and ticketing of illegally parked cars, which could both ensure that streets are clear and help offset the costs of this service.	Pending	Pending	SDOT reported it continues to work with SPU to evaluate the benefits and challenges of establishing parking restrictions for street sweeping, with a decision on the use of parking restrictions expected within the next several years. Currently, the discussion has been expanded to explore the feasibility of a residential street sweeping program and the associated parking restrictions in residential areas. The timeline for implementing residential sweeping is several years in the future, possibly 2019, provided there are not funding issues.
Promising Practices in Risk Management (June 22, 2011)	266	Because we found that the City's draft Enhanced Loss Control Procedures (ELCP) reflect the risk management industry's most promising practices, we recommend that the City adopt these new policies for a trial period and periodically evaluate their effectiveness and revise them accordingly.	Pending	Pending	<p>The City's Risk Manager and his staff have made significant progress implementing this recommendation. For example: the Risk Management Advisory Group met twice in 2013; the Principal Risk Analyst reviews all incurred losses over \$100,000 and plans to meet with departments individually starting in 2014 to review their historical loss data; and ten Root Cause Analyses (RCAs) and Feasible Corrective and Preventative Action Plans (F-CAPAs) have been conducted. In addition, of the three barriers to implementation Risk Management faced in our last follow up report, two have been or are being addressed:</p> <ol style="list-style-type: none"> 1. Loss of data analyst – has been addressed. The Department of Finance and Administrative Services (FAS) now has a full-time Insurance Operations Manager and Data Analyst on staff. 2. Compatible information technology (IT) systems to track claims and settlements – in process. The City Attorney's Office planned move to the Envision database, the same one FAS uses, is scheduled for completion by third quarter 2014. <p>The third barrier, getting all departments on board – remains a challenge. In fact, some department officials told FAS that without a clearer mandate from the Seattle City Council and/or the Mayor, it will remain difficult for them to make this area a priority, given the competing needs for their time, staff, and resources. Additionally, departments have little incentive to prioritize risk prevention because their claims and settlement losses come out of the citywide Judgment and Claims Subfund, not their operating budgets (with the exception of SPU and SCL).</p>
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.	Follow-up Not Yet Due	Pending	In fall 2013, SPD hired a crime analyst to serve as the Data-Driven Program Manager. He is nearly done with a strategic plan for SPD crime and data analysis. This plan, once adopted, will guide the department's data analysis efforts. We will check back in one year to report on implementation of the strategic plan.
	269	SPD should prioritize the continuity and skill level of staff and leadership.	Follow-up Not Yet Due	Implemented October 2013	SPD's new Data-Driven Program Manager occupies a permanent, civilian position. This should provide needed continuity to the training and functioning of the sworn crime analysts who rotate in and out of precinct crime analysis positions. He plans to automate essential, priority crime analysis reports, which will also serve to standardize the continuity of the crime analysis function in the department.
	270	SPD should optimize the use of its software tools.	Follow-up Not Yet Due	Pending	SPD's Data-Driven Program Manager is finalizing a strategic plan for data-driven policing, including crime analysis. The strategic plan will guide the decisions about software purchases to optimize priority crime analysis and data analysis functions. Once decisions are made about the best software for SPD's purposes, the Data-Driven Program Manager will be able to provide consistent training in the use of the selected tools. We will check back in one year to report on implementation of the strategic plan.

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How Can Seattle Crime Analysis Rise to the Next Level? (January 10, 2012), continued	271	SPD should maximize report automation and self-service opportunities.	Follow-up Not Yet Due	Pending	SPD's Data-Driven Program Manager is conducting an analysis to determine essential, frequently-used reports. Once these are identified, he will work to automate them. We will check back in one year to report on implementation of the strategic plan.
Seattle Police Department's In-Car Video Program (June 20, 2012)	273	Ensure that the City personnel responsible for procuring both the new in-car video recording hardware and software and new patrol vehicles prioritize technology and equipment that enable officers to reliably create and retain in-car video recordings.	Follow-up Not Yet Due	Pending	Implementation of this recommendation will be reviewed as part of our 2014 audit of SPD's public disclosure request process.
	274	Develop a standard electronic request form that lists all the information the Video Unit needs to conduct an efficient search.	Follow-up Not Yet Due	Pending	Implementation of this recommendation will be reviewed as part of our 2014 audit of SPD's public disclosure request process.
	275	Facilitate locating all the video recordings that were made for a specific event. One option is for SPD to obtain or enable in-car video software that automatically records GPS data for patrol vehicle location when a recording is made. This would provide Video Unit staff with a more precise set of data to search for video. It would also allow them to identify all videos recorded at a particular location, date, and time.	Follow-up Not Yet Due	Pending	According to SPD, in April 2013, they began deploying the new version of COBAN In Car Video (ICV) system. The upgrade to the existing system was completed at the end of September 2013, so 95 percent of all SPD vehicles had the ability to locate video using GPS coordinates by late September of 2013. We will verify the implementation of this recommendation as part of our 2014 audit of SPD's public disclosure process.
	276	Explore giving COBAN database access to staff in additional SPD units, such as the Public Disclosure Unit, the Office of Professional Accountability, and the OPA Civilian Auditor, as well as the City Attorney's Office. Such access should be accompanied by appropriate training, supervision, and security controls to ensure that the recordings are handled with due care. Expanding database access to other SPD units and the City Attorney's Office would: 1) streamline the process of finding video recordings, thereby expediting responses to public disclosure requests and subpoenas, and 2) reduce the Video Unit's workload, allowing its staff to work on high priority requests or other tasks, such as obtaining copies of surveillance videos or visiting precincts to maintain and repair in-car video equipment.	Follow-up Not Yet Due	Pending	Implementation of this recommendation will be reviewed as part of our 2014 audit of SPD's public disclosure request process.
	277	Direct the Video Unit to develop a simple, uniform system for recording the receipt of and work performed on each request, including the following information: 1) Date request received, 2) Source of request and requestor (e.g., Public Disclosure Unit, requestor's name), 3) Date database search conducted, 4) Number and type of searches conducted (e.g., searched this officer number for this date and time), 5) Search results, by individual search (i.e., found, not found), 6) Date response sent to requestor, and 7) Content of response (i.e., number of videos sent, identifying data for each video).	Follow-up Not Yet Due	Pending	Implementation of this recommendation will be reviewed as part of our 2014 audit of SPD's public disclosure request process.
Information Technology Security and Risk Assessment of the Seattle Department of Transportation's Traffic Management Center and Control System (July 5, 2012)	278	The Office of City Auditor will work with the Chief Information Security Officer to conduct a follow-up review in 12 months to track the Traffic Management Center's progress on moving up the cyber security management capability scale.	Follow-up Not Yet Due	Pending	The Acting Chief Information Security Officer has reviewed a report from the system vendor that updates status on remediation efforts. It appears good progress is being made. The remaining findings should be addressed by the vendor by first quarter 2015, will be reviewed at that time, and reported on accordingly.
Evidence-Based Assessment of the City of Seattle's Crime Prevention Program (September 6, 2012)	279	SPD should conduct a rigorous review of three programs (School Emphasis Truancy and Suspension Reduction Program, the School Emphasis Program, and the Proactive Gang Program) that appear to resemble programs in other jurisdictions that have been found to worsen crime rather than prevent it (i.e., "backfire effect"). SPD should compare these programs to those studies in the research to examine purpose, methods, procedures and performance measures and identify possibilities for adjusting these three current programs to incorporate methods that demonstrate stronger positive outcomes.	Follow-up Not Yet Due	Pending	Evaluations of two programs with potential backfire effects, School Emphasis Officers and Street Outreach, are included in the scope of work for the program evaluation of the Seattle Youth Violence Prevention Initiative. This evaluation is currently being conducted by the Office of City Auditor with a completion timeframe of fourth quarter 2014.
SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012)	280	SPU should create written policies and procedures, including a Water Main Extension program manual, that document management's roles and responsibilities for the oversight of water main extension projects, and that establish necessary controls to mitigate risks noted in this audit.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.

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SPU Water Main Extensions: Internal Controls Review and Fraud Risk Audit (September 7, 2012), continued	281	<p>SPU should create written policies and procedures, including the appropriate controls to ensure that all water main extension work is performed under current contracts. Such policies and procedures should:</p> <ol style="list-style-type: none"> 1) Specify who should periodically review the project contract agreements to ensure that they are properly updated, 2) Define when this review should occur, and 3) Specify how this review will be documented. <p>SPU should enforce Provision 3A in the contract by reconciling the difference between the estimated charges and actual costs, and either bill or refund the developer as appropriate. If SPU wants this provision to apply only to Time and Materials charges and not to Standard Charges, they should clarify the contract language to reflect this.</p>	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	282	SPU should create written policies and procedures and appropriate controls to ensure that required project approvals are obtained on all water main extension projects. The policies and procedures should specify who should approve and sign off on water main extension work, and how this approval should be documented (e.g., a project close-out form).	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	283	SPU should define in its current policies and procedures surrounding Water Availability Certificates (WACs), CS-101, who is authorized to issue WACs and how WAC approval and issuance should be documented.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	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.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	285	SPU should implement written policies and procedures to ensure that all calculations of customer charges are independently reviewed. This could be accomplished by documenting the new SPU policy requiring the Supervising Civil Engineer to review customer charge estimates. The procedures should also specify how the Civil Engineer's review should be documented, and the process that should be followed if the estimates need to be revised (e.g., whether additional authorizations are needed, and if so, from whom?).	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	286	SPU should strengthen its current policies and procedures by incorporating controls to help ensure that all expected revenues from water main extension projects are recorded and tracked for eventual billing in the SPU AR system, and deposited by the City's Treasury unit into the City's bank account. For those contracts for which SPU did not receive full payment but did complete the work, SPU should attempt to collect any funds that are still due.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	287	SPU should consider having SPU Cost Accounting verify deposit of customer payment before Capital Improvement Program (CIP) numbers are set up. In addition, SPU should consider having SPU Field Operations verify with SPU Cost Accounting that a customer payment has been deposited before project work is started.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	288	SPU should strengthen its written policies and procedures by incorporating appropriate controls that prohibit acceptance of customer payments by the Project Manager and field personnel and clearly communicate this policy to customers in the contract.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	289	SPU's written policies and procedures should document what critical project documents need to be retained for the project record (i.e., in the water main extension program manual). It would be helpful if a unique project identifier (e.g., CIP number) is noted on all critical project documents.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.

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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.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	291	SPU should establish written procedures incorporating internal controls to help ensure that all water main extension projects are accurately coded.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	292	SPU should document appropriate controls to ensure that access to all IT systems is appropriately segregated (i.e., so that individuals do not have access rights beyond what is appropriate for their position). SPU should have procedures to ensure that staff are granted IT access rights based on their business needs. In addition, SPU should ensure that access to IT systems is modified appropriately when employees are transferred to other parts of SPU, and review system access rights for all personnel at least annually.	Follow-up Not Yet Due	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
City of Seattle Multifamily Tax Exemption (MFTE) Program (September 19, 2012)	293	We recommend that the City examine the relevance, attainability, and measurability of each ordinance goal governing the MFTE program and when necessary, that it modify the goals to ensure they are measurable and achievable and have performance targets and timeframes. Applicable ordinance requirements and the Office of Housing (OH) Director's Rules should be linked to achieving specific goals. OH should work to achieve ordinance goals, as stated in its MFTE 2011 Status Report to the City Council, rather than the three policy goals stated in the MFTE 2010 Status Report, which may conflict with the ordinance goals.	Follow-up Not Yet Due	Pending	
	294	The City should consider whether stimulating construction is an appropriate MFTE program goal, which can be measured and assessed for compliance.	Follow-up Not Yet Due	Implemented December 2013	We are categorizing this recommendation as "implemented" because the recommendation was to <u>consider</u> the policy issue, which occurred during a discussion at the City Council's Housing, Human Services, Health and Culture Committee in December 2013. Implementation of the action stated within the recommendation will require the City to make a policy decision.
	295	The City should consider whether it wants to limit the number of Residential Targeted Areas where MFTE housing can be built to areas that have made little progress in meeting their residential growth targets and could benefit from housing, economic development and revitalization. For example, the City could limit the MFTE program to Residential Target Areas that have achieved 35 percent or less of their residential growth target.	Follow-up Not Yet Due	Implemented December 2013	We are categorizing this recommendation as "implemented" because the recommendation was to <u>consider</u> the policy issue, which occurred during a discussion at the City Council's Housing, Human Services, Health and Culture Committee in December 2013. Implementation of the action stated within the recommendation will require the City to make a policy decision.
	296	If the City wishes to ensure that MFTE housing is provided to low and moderate income households only, we recommend that it consider requiring tenants of MFTE affordable units to re-qualify for their housing either annually or every two years. If a tenant no longer qualifies, the ordinance could require that the property owner provide another unit to a qualifying tenant at the required rental rate.	Follow-up Not Yet Due	Implemented December 2013	We are categorizing this recommendation as "implemented" because the recommendation was to <u>consider</u> the policy issue, which occurred during a discussion at the City Council's Housing, Human Services, Health and Culture Committee in December 2013. Implementation of the action stated within the recommendation will require the City to make a policy decision.
	297	We recommend that the City improve, clarify, and document tenant eligibility requirements and income verification processes to ensure that the program is meeting its goal to serve Seattle's workers and low to moderate income households who have difficulty finding affordable housing within the City as specified by Area Median Income (AMI) requirements.	Follow-up Not Yet Due	Implemented December 2013	Throughout 2013, the Office of Housing (OH) documented various procedures, including a set of frequently asked questions related to tenant eligibility and income verification.
	298	The Office of Housing (OH) should conduct audits of the income verification documents submitted to the properties by tenants to determine if the annual property certification reports are accurate. Alternatively, OH could collect income verification documents from the property managers in addition to the annual certification reports so that it could verify the accuracy of the tenant income information contained in the certification reports.	Follow-up Not Yet Due	Pending	OH established an audit protocol and conducted some test audits in 2013. 2014 OH audits will take place in 2014.
	299	OH should clarify its Director's Rule regarding verification of tenant income to specify what documentation is expected from the prospective tenant and the circumstances in which a residential screening report provided by property management is acceptable.	Follow-up Not Yet Due	Implemented December 2013	Throughout 2013, OH documented various procedures, including a set of frequently asked questions related to tenant eligibility and income verification.

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City of Seattle Multifamily Tax Exemption Program (September 19, 2012), continued	300	OH should establish and document a structured process to request corrective action from properties that do not meet program requirements (e.g., submitting annual property certification reports, providing the appropriate number of affordable units to the targeted population, verifying tenant income reported by property management on annual property certification reports) or impose various types of penalties (including withdrawal of the MFTE tax exemption).	Follow-up Not Yet Due	Pending	OH is compiling existing procedures and developing new procedures for multiple aspects of the program. The procedures will be documented into a single manual in 2014.
	301	The City should eliminate requirements that do not serve to advance the program's goals, and simplify others to make program administration and oversight less cumbersome. For example, the requirement that properties submit a tenant application form for affordable units does not appear to serve any purpose and some properties met this requirement by submitting the tenant application for market rate units. Another example is requiring different sized units to qualify under different affordability levels. Rather than requiring studios to be affordable at or below 65% of Area Median Income (AMI), one bedroom units at or below 75% of AMI, and 2 or more bedrooms at or below 85% of AMI, the City should consider using the same affordability level to facilitate improved compliance, reporting and oversight of this requirement.	Follow-up Not Yet Due	Implemented December 2013	Throughout 2013, OH improved the program's efficiency and will continue to do so in 2014. Regarding the example to eliminate the affordable unit tenant application form, in the audit we found that the lack of an affordable unit application form did not prevent OH from granting MFTE applicant approval. Since then, OH has determined that an affordable unit tenant application form would be helpful to them now that they have begun to conduct site visits and that the form will not place an undue burden on developers who are applying for the tax exemption. With regard to the second example, related to affordability levels, in the audit we found that having different affordability levels was confusing and difficult for property owners to implement, track, and report compliance to OH. However, the City Council demonstrated their commitment to the existing affordability model by considering an additional affordability level for three bedrooms as part of several proposals to improve the MFTE program.
	302	OH should increase the use of automation in the application, final certificate of tax exemption, and MFTE annual property certification report processes. For example, MFTE applications and applications for final certificates of tax exemption could be submitted electronically, so applications are deemed completed only when all the required information and documentation is provided. Electronic submission would also provide the actual submittal/completion date, which could be compared with the issuance date of the building permit based on DPD electronic information rather than relying on the subjective interpretation of OH staff.	Follow-up Not Yet Due	Implemented September 2013	<p>The dates that MFTE applications are submitted and deemed completed by OH are key to determining whether an applicant qualifies for the tax exemption. Likewise the timely submission of a property owner's MFTE annual report is a condition of receiving the tax exemption because it allows OH to certify that they are meeting affordable housing requirements.</p> <p>We believe this recommendation would institute important internal controls to the application and annual certification processes that ensures MFTE applicants are consistently and systematically meeting City requirements and that property owners are providing the minimally required number of affordable housing units for the tax exemption property owners receive.</p> <p>To address our recommendation, OH staff now compares date-stamped MFTE applications to electronic Department of Planning and Development records concerning building permit issuance. In addition, OH has upgraded its business practices to include a final certificate checklist so that applications are deemed completed only when all the required information is provided in lieu of an automated system, which has been deferred due to limited staff and competing priorities. The MFTE annual property certification report is addressed in recommendation 305.</p>
	303	OH should clarify and update its status reports to the City Council, and report on actual data, if it is available, rather than estimates. This should include providing actual tax exemption impacts from the King County Department of Assessments, and the actual number of qualifying tenants living in affordable units.	Follow-up Not Yet Due	Pending	Throughout 2013, OH, the Department of Finance and Administrative Services, and the City Council spent an estimated 200 staff hours attempting to confirm the County's capacity to provide actual data on prior projects' impacts on revenue collections and the resulting amount of shifted tax burden. OH believes it now has access to improved Seattle property assessment information and plans to include this information in its 2013 year-end MFTE report to City Council, which will be published in 2014.
	304	OH should include in its status reports to the City Council information on the number of affordable units that remain vacant in each MFTE property for six months or more during the reporting year.	Follow-up Not Yet Due	Pending	Because data on vacancies are collected annually, (through each active property's annual report to OH), OH has agreed to report vacancy information with its future annual reports rather than quarterly to the City Council.

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City of Seattle Multifamily Tax Exemption Program (September 19, 2012), continued	305	OH should standardize and automate the annual property certification report form used by property managers to report compliance with program rules regarding tenants, to facilitate the accurate, timely completion of the forms. Automating annual property certification reports with information provided by OH on income and rent maximums would improve their accuracy. Automated reports using a spreadsheet would facilitate comparing maximum rent and income levels to actual rent and income levels.	Follow-up Not Yet Due	Pending	During 2013, OH upgraded the Excel spreadsheet that serves as the annual property certification report. However, OH believes that additional automation is desirable, likely through a web-based application. This project is anticipated for late summer 2014, in time for the 2014 Annual Report to the City Council.
	306	OH should improve program oversight by conducting independent audits or reviews of the MFTE application and final certificate of tax exemption processes to determine if they were in compliance with program rules.	Follow-up Not Yet Due	Implemented December 2013	OH has implemented new procedures, including detailed management review of all applications, agreements, conditional certificate applications, and final certificate applications.
	307	The City should consider including language in Seattle Municipal Code Chapter 5.73 requiring OH to do periodic audits of the tenant income eligibility documents.	Follow-up Not Yet Due	Implemented December 2013	The City Council's December 11, 2013 consideration of various program changes did not include this item. However, OH independently established an audit process (see recommendation 298).
	308	The City should modify its agreements with MFTE properties to extend the time that the properties are required to retain income eligibility documents from one year to six years from termination of the tenants' rental agreements. This will ensure that the agreements with MFTE properties are consistent with State law and the City's document retention schedule and document compliance with the City's MFTE program for six years rather than one year.	Follow-up Not Yet Due	Pending	OH, the City Clerk, and the City Auditor's Office will meet to address this recommendation in Second Quarter 2014.
	309	The City should consider charging an administrative fee to MFTE property owners to cover the cost of automating reports and improving program oversight.	Follow-up Not Yet Due	Pending	The City Council may address this recommendation in its 2014 review of the MFTE program.
	310	As part of the MFTE annual property certification reporting process, property managers should provide the square footage and rents of their properties' affordable and market rate units. Using this information, OH should evaluate properties for compliance with the "substantially proportional to the configuration" element of the ordinance by ensuring that affordable units are substantially the same size as market rate units and that tenants of MFTE affordable units are not being charged more on a square footage basis than market rate units. Furthermore, the "substantially proportional to the mix and configuration" requirement should be clearly defined by ordinance.	Follow-up Not Yet Due	Pending	The Office of Housing disagrees with this recommendation. It believes the existing Seattle Municipal Code language does not provide sufficient clarity for program administrators to require that MFTE set-aside units provide comparable square footage as non-MFTE units. We categorized the implementation status as "pending" because the City Council's 2014 review of the MFTE program may include considerations related to the size of units, as well as their configuration.
	311	OH should work with the King County Department of Assessments to ensure the correct properties in Seattle are receiving the correct amount of MFTE tax exemptions.	Follow-up Not Yet Due	Implemented August 2013	The Office of Housing is now receiving King County data regarding properties receiving MFTE tax exemptions and the start and end dates of those exemptions. The data also shows the amount of tax that MFTE properties will be required to pay when the tax exemption period expires. The data also allows OH to determine whether the properties are receiving the correct amount of MFTE tax exemption by comparing OH and King County data against what is listed on the King County Assessor's website.
Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013)	312	SCERS should establish and document all elements of the retirement benefit estimate and calculation processes. SCERS management should review the current methodology with the SCERS Board of Administration, resolve any conflicts between current practices and the Seattle Municipal Code or the Board's intentions, and create formal policy and procedure documents for staff.	N/A	Pending	According to SCERS' Chief Financial Officer, SCERS is working with a consultant to document their retirement benefit estimate and calculation processes. Once their practices are fully documented, SCERS will initiate a policy and procedure review by the SCERS Board of Administration. The Office of City Auditor will verify SCERS' work on this recommendation during our next audit recommendation follow-up cycle.
	313	The SCERS Board of Administration should regularly review SCERS documented procedures; with the assistance from legal counsel, the Board should interpret aspects of the Seattle Municipal Code that are vague or conflicting for managers and staff; and the Board should approve SCERS formal policy and procedure documents.	N/A	Pending	
	314	SCERS should identify the critical data needed to calculate retirement benefits and work with information technology staff to improve access to this information. This process could involve querying other data systems than are currently in use by SCERS, or creating new reports or formats in current data systems.	N/A	Pending	According to SCERS' Chief Financial Officer, SCERS has transitioned the retirement database to an Oracle platform, thereby making electronic data more accessible to both staff and management. The Office of City Auditor will verify SCERS' work on this recommendation during our next audit recommendation follow-up cycle.

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Seattle City Employees' Retirement System (SCERS) Retirement Benefit Calculations (August 8, 2013), continued	315	SCERS management and the SCERS Board of Administration should consider implementing an approach to calculating members' service credits that simplifies both the data required and the process itself.	N/A	Pending	
	316	SCERS should improve the calculation worksheets so they: a: Comply with current program rules and processes, b: Require completion of each step of the calculation process, c: Facilitate calculations by automating as many steps as possible, and d: Are protected against accidental errors or edits. This process should include creating master copies or templates of the worksheets that are used by all staff, cannot be accidentally changed, and are based on the current methodology. SCERS management should regularly review worksheets to ensure they match current program rules and processes.	N/A	Pending	
	317	SCERS should explore possibilities to reduce the number of worksheets used for each individual calculation. One option is to coordinate the fields between the worksheets and the Milliman Benefit Calculator to reduce data entry of member data. Additionally, SCERS should consider relying on the Calculator to estimate and calculate retirement benefits. However, before this decision and regularly thereafter, SCERS should ensure the accuracy of the Calculator is fully tested.	N/A	Pending	According to SCERS' Chief Financial Officer, SCERS has linked their calculation worksheets with the Milliman Calculator. The Office of City Auditor will verify SCERS' work on this recommendation during our next audit recommendation follow-up cycle.
	318	SCERS should implement a process through which SCERS staff document the sources of data, the details of manual calculations, any interpretations or decisions made during the calculation process, and quality reviews or supervisory review of all analysis. Documentation of supervisory review should include, at a minimum, the date and the initials of the reviewer. One option is to add "comment" fields to the calculation worksheets or to create a standard "cover sheet" document to each physical file in which staff can document their work and its review.	N/A	Pending	
	319	SCERS should create a master record for each member that includes key member information, such as membership date, amount of buy backs, and time loss during specific periods. The master record would record data after it was researched and verified so it is accessible for future estimates or calculations. Options for implementation include an electronic record or a basic paper "cover sheet" for each physical file.	N/A	Pending	
	320	SCERS should consider a one-time update of all member data to capture the key information described in Recommendation 8 ⁶ . To minimize the total work involved, such a project should be planned in coordination with plans to implement a new data system.	N/A	Pending	
	321	SCERS should strengthen the management of the retirement benefit calculation function. Improvements should include ensuring the function continues to receive the level of oversight and support currently provided by the interim SCERS finance manager and implementing the internal controls necessary for management to address new and long-term challenges and reduce the risk of errors, fraud, or abuse.	N/A	Pending	
Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013)	322	Define the Utility Services Group (USG) New Taps Process in Sufficient Detail and Segregate Backup Functions: Assign the backup function now performed by the financial analyst to other personnel whose duties are not incompatible, or alternatively, design compensating controls to mitigate the risk.	N/A	Implemented June 2013	SPU reported that, effective June 25th, 2013, the financial analyst who performs cash reconciliations is no longer the backup for receiving customer payments. Currently there are two Utility Service Representative positions that now fill this role with a Management System Analyst (MSA) as a backup. Compensating controls have been put in place for when the MSA has to fill in as a backup.
	323	Define the USG New Taps Process in Sufficient Detail and Segregate Backup Functions: Complete and finalize all policies and procedures relating to new taps, particularly those affecting financial controls such as cash handling, billing approval, and authorization to create new taps service orders. Policies and procedures should include sufficient detail to ensure that all aspects of cash handling and order authorization are addressed, activities are appropriately segregated, reconciliation processes are complete and understood, critical functions are monitored, and position titles are identified in the assignment of responsibilities. At a minimum, all policies and procedures should be approved and signed by the USG Manager and the Utilities Services Team Division Director.	N/A	Implemented December 2013	SPU reported that they have completed a set of procedures to adequately address this audit recommendation.
	324	Strengthen Controls for New Taps Work Initiated Outside of USG: SPU management should implement written policies and procedures that define the roles and responsibilities of each division in the new taps process: Utility Services Group (USG), Project Management and Engineering Division (PMED), Project Services Division (PSD), and Drinking Water Division (DWD). The agreements should be signed, at a minimum, by division directors. Personnel in each division should be thoroughly trained in the policies and procedures to help ensure compliance.	N/A	Implemented February 2014	SPU reported that procedures have been written to document the rights and responsibilities of groups outside the Utility Services Group in regards to New Taps. A Director's Memo was issued to relevant personnel detailing these rights and responsibilities.

⁶ Recommendation 8 is listed as Recommendation 319 in this follow-up report.

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Seattle Public Utilities: New Water Services (Taps): Internal Controls Review and Fraud Risk Audit (September 24, 2013), continued	325	Strengthen Controls Over Creation of the New Taps Service and Work Orders: SPU management should implement additional controls to mitigate the risk of creating unauthorized Maximo work orders for new taps work. A procedure should be established for USG to periodically reconcile Maximo new taps work orders to CCSS new taps service orders, for example, monthly. This would ensure that all Maximo work orders have corresponding CCSS service orders.	N/A	Pending	SPU is currently finalizing a reconciliation process between Maximo work orders and CCSS service orders. This reconciliation should be completed by the 2nd quarter of 2014.
	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.	N/A	Pending	This recommendation will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014.
	327	Restrict User Access to New Taps Database Applications: Re-design user access to the database with the appropriate user access restrictions to effectively segregate duties, or alternatively, develop compensating controls to mitigate the risks.	N/A	Pending	SPU reported that resolution of this issue will be addressed during the implementation of SPU's new Development Services Office, currently scheduled to open in late 2014. This office will handle all developer construction projects involving changes to the City's water infrastructure.
	328	Restrict User Access to New Taps Database Applications: Document the system structure, rules, and security access for each of the databases. Provide for backup support of the databases in the event of a system malfunction.	N/A	Pending	SPU reported that documentation of this system is currently in production and expected to be completed by the 3rd quarter of 2014.
	329	Restrict User Access to New Taps Database Applications: Design and document manual processes that maintain effective duty segregation.	N/A	Implemented December 2013	SPU reported that they have completed a set of procedures to adequately address this audit recommendation.
	330	Strengthen Controls Over the New Taps Tracking Spreadsheet: Designate a backup person to maintain the spreadsheet whose duties are compatible with this function and provide the necessary training.	N/A	Implemented August 2013	SPU reported that a Senior Management System Analyst, whose duties are compatible for being a backup, has been designated and trained to maintain the spreadsheet.
	331	Strengthen Controls Over the New Taps Tracking Spreadsheet: Move the spreadsheet to a secured department drive.	N/A	Implemented August 2013	SPU reported that the spreadsheet has been moved to a secured folder which requires specific read/write access only, and is restricted to only a limited number of employees who need access. The Utility Services Group Manager has sole discretion over granting access to this folder.
	332	Strengthen Controls Over the New Taps Tracking Spreadsheet: Document how the spreadsheet is used and the mechanics behind maintaining it.	N/A	Implemented December 2013	SPU reported the spreadsheet mechanics and procedures have been documented.
	333	Strengthen Controls Over the New Taps Tracking Spreadsheet: Consider the following options to resolve the CIDS download problem: 1) download service order data directly from CCSS rather than from CIDS, 2) implement a reconciliation process between CIDS and CCSS after the download to ensure the data is complete, or 3) eliminate the "bugs" in the CIDS download process.	N/A	Implemented March 2014	SPU reported that a reconciliation between the Customer Information Database System (CIDS) and the Consolidated Customer Service System (CCSS) has been implemented. The reconciliation is included in the New Taps Tracking Spreadsheet and is updated regularly.
	334	Strengthen Controls Over the New Taps Tracking Spreadsheet: Password-protect the spreadsheet.	N/A	Implemented August 2013	SPU reported that the spreadsheet has been moved to a secured folder which requires read/write permission to access. Use of a spreadsheet password is no longer necessary.
Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013)	335	The Seattle Office for Civil Rights (SOCR) should establish and report outcome-based performance measures that are viewed as objective and beneficial to complainants and respondents; SOCR should gather information about its performance by requesting complainants and respondents to complete a customer satisfaction survey on their experiences with the enforcement process.	N/A	Implemented December 2013	In November 2013, SOCR implemented a customer satisfaction survey for respondents and complainants regarding the enforcement process. In December 2013, SOCR established new performance measures using case age, settlements, and appeals, rather than using number of cases filed and cases closed per month.

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Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013), continued	336	SOCR's business liaison should involve businesses at the earliest point possible in policy development and rule making. The liaison should also have knowledge of and experience with the issues faced by small to medium size businesses that may rely on SOCR for technical advice more than larger businesses.	N/A	Implemented July 2013	<p>In summer 2013, SOCR hired a business liaison with extensive Paid Sick and Safe Time Ordinance and employment anti-discrimination knowledge, and experience investigating SOCR cases.</p> <p>The business liaison developed and is implementing a comprehensive outreach plan that focuses on increasing (1) community collaboration, (2) awareness, and (3) compliance. The plan directs the business liaison to provide direct assistance to the entire Seattle business community with emphasis on small to medium employers, and immigrant and refugee business owners.</p> <p>SOCR also hired a consultant to conduct outreach to small and medium sized immigrant and refugee-owned businesses. SOCR is also providing technical assistance to businesses concerning Americans with Disabilities Act (ADA) questions.</p>
	337	SOCR should maintain separation between its policy and enforcement sections.	N/A	Implemented October 2013	In October 2013, the SOCR director removed policy work from the enforcement unit to create separation between enforcement, outreach and engagement, and policy work. The Outreach and Engagement unit's business liaison position, rather than enforcement staff, provides training and assistance to businesses.
	338	SOCR's enforcement unit should increase its use of automation to help further standardize its investigative process and increase its appearance of objectivity.	N/A	Pending	SOCR is working with the Department of Finance and Administrative Services (FAS) to consider enhancements to Martin (SOCR's case management information system) to further automate and standardize its investigative process and manage case information.
	339	SOCR should document that all respondents will be provided with proposed findings and another opportunity to settle the case before SOCR issues a final determination.	N/A	Pending	This recommendation would require changes to the City's civil rights ordinances.
	340	Consider the following policy options to increase the perception of independence and impartiality: 1) Change the membership requirements of the SHRC and/or the Appeals Panel specified in the Seattle Municipal Code to ensure a broader array of community constituents are always represented, 2) Require that the SHRC commissioners who serve on the Appeals Panel serve as a quasi-judicial body and refrain from advocacy activities, 3) Create a quasi-judicial appeals panel separate from the Seattle Human Rights Commission, 4) Eliminate SHRC's participation in the Hearing Examiner's public hearings of discrimination charges filed by the City Attorney.	N/A	Pending	SOCR and the Seattle Human Rights Commission (SHRC) created an appeals workgroup made up of SHRC commissioners and SOCR staff to discuss the next steps to address these recommendations.
	341	SOCR should consider automating its intake screening process to determine which complaints meet prima facie standards.	N/A	Pending	SOCR reported it is working with FAS to consider enhancements to Martin (SOCR's case management information system) to further automate and standardize its investigative process and manage case information. SOCR hired a permanent intake civil rights analyst to streamline and standardize the intake screening process.
	342	SOCR should conduct further research on automated case processing systems used by other jurisdictions and consider increasing its use of automated systems.	N/A	Pending	SOCR reported that it plans to contact other jurisdictions and conduct further research on automated case processing systems for possible Martin case management improvements.
	343	Consider the following to streamline processes: 1) allow the SOCR Director to reconsider cases that have been appealed to allow the submission and consideration of new evidence. If a No Cause determination remains, the claimant could appeal the Director's determination to the Seattle Human Rights Commission. 2) modify the appeals rules that specify which cases the SHRC Appeals Panel will address by clarifying that the grounds for an appeal based on the adequacy of the investigation means that new evidence or evidence not considered in the investigation would call into question a SOCR No Cause determination. 3) have the Chair of SHRC and SOCR's Director jointly decide whether appeals should be heard by the Appeals Panel. If there is disagreement, then the SHRC Chair's decision would prevail and the appeal would be heard by the Appeals Panel.	N/A	Pending	SOCR and SHRC created an appeals workgroup made up of SHRC commissioners and SOCR staff to discuss the next steps to address these recommendations.
	344	Consider whether the Appeals Panel should remand cases only when SOCR's No Cause Determinations are not supported by a preponderance of the evidence, or when relevant material facts were not considered that would possibly result in a different outcome (i.e., the investigation was not adequate).	N/A	Pending	SOCR and SHRC created an appeals workgroup made up of SHRC commissioners and SOCR staff to discuss the next steps to address these recommendations.

Report Title (publication date)	Recommendation # ⁵	Description	Status as of October 2012	Status as of December 31, 2013	2013 Update Comments
Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013), continued	345	The Seattle Human Rights Commission (SHRC) should consider options for increasing the continuity of membership among Appeals Panel members.	N/A	Pending	SOCR and SHRC created an appeals workgroup made up of SHRC commissioners and SOCR staff to discuss the next steps to address these recommendations.
	346	Consider providing SHRC Appeals Panel members with HUD and EEOC-sponsored training.	N/A	Pending	The SHRC Chair attended the U. S. Department of Housing and Urban Development (HUD) training in December 2013. Additional U. S. EEOC (Equal Employment Opportunity Commission) and HUD sponsored training sessions for SHRC appeals panel members are planned for 2014.
	347	SOCR should revise its mission statement to emphasize the importance of stakeholders' participation and education in the prevention and elimination of discrimination in Seattle. SOCR should receive input from stakeholders representing Seattle's diverse population.	N/A	Pending	The new SOCR Director has begun the process of office-wide strategic planning and will be working in conjunction with a consultant to renew SOCR's mission statement, which will emphasize stakeholder participation, including businesses and other community partners, and make its commitment to education and prevention explicit.
	348	SOCR's Business Liaison position should be used to increase SOCR's advocacy and outreach efforts geared towards prevention.	N/A	Implemented December 2013	The business liaison uses traditional and innovative strategies for reaching the business community, including ongoing relationships with employers and business groups, participation in community events, alliances with national and local enforcement agencies and policy groups, and partnerships with other City of Seattle departments. SOCR's support for employers includes personalized technical assistance, free trainings upon request, and an evolving range of outreach materials. Other outreach strategies include the use of media, participation in resource fairs, and on-going networking, mailings, etc. The business liaison also continually analyzes the impact of laws to inform policy recommendations for outreach, increased compliance and potential ordinance and/or rule revisions. The liaison is assisted by other staff, including the Public Information Officer and Senior Policy Analyst. These team members work closely together to support the department's business outreach efforts.
	349	SOCR's outreach plan should include strategies for its outreach staff to establish partnerships with the business community, analyze respondent information to more effectively target outreach efforts, and focus on prevention through education of potential respondents.	N/A	Implemented March 2014	SOCR reported that it has internally partnered with the Seattle Office of Economic Development (OED) to provide employer trainings; the Office of Immigrant and Refugee Affairs (OIRA) to enhance SOCR's efforts to reach the immigrant and refugee community; and the Department of Finance and Administrative Services (FAS) to increase employer awareness through the business licensing process of the Paid Sick and Safe Time (PSST) Ordinance, the Job Assistance Ordinance (JAO), and anti-discrimination laws. Externally, SOCR is building relationships with large (e.g., Seattle Chamber; American Payroll Association; Foster, Pepper law firm, etc.) and smaller (e.g., Seattle Chinese Chamber, Pacific Associates, etc.) business organizations and is forming coalitions with enforcement agencies and advocacy groups across the country (e.g., San Francisco Office of Labor Standards Enforcement [OLSE], the Center for Law and Social Policy [CLASP], etc.). To identify the most effective areas for outreach, the business liaison is tracking complaints by industry codes, responding to customer tips and feedback, and analyzing technical assistance inquiries. For example, the business liaison is currently working on a new employer training premised upon the fact that over 70% of employers involved in enforcement of PSST and JAO have modified their policies to achieve compliance. The training, "PSST & JAO: Is your business getting it right?" will focus on common mistakes, enforcement trends, and tips for best practices. The goal is to provide training that responds to the employers' needs, not a template training that only addresses the basics. The first training will be presented in partnership with OED and WorkSource. SOCR will later offer this training to the American Payroll Association (tailored to their needs) and quarterly to the public.

Report Title (publication date)	Recommendation # ⁵	Description	Status as of October 2012	Status as of December 31, 2013	2013 Update Comments
Review of City of Seattle's Civil Rights Enforcement and Outreach (November 20, 2013), continued	350	SOCR should resume producing its annual report to demonstrate its performance in preventing discrimination, conducting outreach, educating both potential claimants and respondents, and enforcing the laws when it finds that discrimination occurred.	N/A	Pending	SOCR reported it will publish its 2013 annual report by April 2014.

Appendix A

We reviewed the status of recommendations from the following 38 audit reports issued between January 2007 through December 2013:

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