



OFFICE OF THE CITY MANAGER

December 12, 2016

TO: Finance/Audit Committee
FROM: Ruthe Holden, Internal Audit Manager
SUBJECT: Internal Audit Quarterly Status Update

Recommendation

This report is for information only.

Background

The Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (Standards) requires the Internal Audit Manager to periodically report to Senior Management and the Audit Committee on the internal audit activity's performance relative to its plan.

As part of the February 22, 2016 presentation to the Audit Committee, Internal Audit staff committed to providing quarterly updates on the status of audits. This quarterly status update to the Audit Committee includes the status of progress to the approved audit plan, discussion of external audits received by the City, status of all open audit recommendations, a summary of fraud hotline issues and the City's updated Fraud Prevention Policy.

Status of the Internal Audit Plan

The Audit Committee approved the Internal Audit Plan for FY2016 (midyear) and FY2017 at the February 22, 2016 meeting. Institute of Internal Auditor's Audit Standard 2010 requires that the Internal Auditor must establish a risk-based Audit Plan that determines the priorities of the internal audit activity, consistent with City goals. The Audit Plan with the status of each audit is included in Appendix A. The completed and in process audits are summarized below:

A. Completed audits:

One consulting engagement was completed in October and the results were issued to Department Directors, Assistant City Manager, and City Manager.

C17-OCM-01 Community Arms Consulting Report: The City Manager requested that the Internal Audit group completed an independent review of

the process surrounding the loss of HOME grant funding allocated to the Community Arms Security upgrades. At the September 12, 2016 City Council meeting, City Council requested that an independent review be completed to discover: 1) why the funding allocation was not committed in time; and 2) how to prevent this from occurring again.

Internal Audit staff found that there were significant gaps in communication and misunderstanding of the agreement terms between Housing Department staff and the management of Community Bible during the two-year process that impacted the decision to not accept the final grant agreement. Additionally, the subrecipient did not receive or send the final grant document to their limited partners for their review and approval until two weeks before the funds expired. Because this type of limited partnership has complex IRS requirements, two weeks was not enough time to evaluate and negotiate the federally funded grant agreement.

While there are no guarantees that will ensure a federally funded agreement with sub-recipients will ultimately get approved and signed prior to the funds expiring, there are several lessons learned from this project that can improve the probability of success in future projects.

The final report is included as Appendix B and has been posted on the City of Pasadena's Internal Audit webpage. The report was also presented in the City Manager's Weekly Newsletter dated October 27, 2016.

B. On-going audits

- a. MGO CPAs completed Phase One of the Fraud Risk Assessment, which reviewed the following departments: Finance, Housing and Career Services, Public Health, Human Services and Recreation, Public Works, and Transportation. Results for all the departments reviewed will be presented to the Audit Committee on December 12, 2016. The City Council also approved the contract with MGO for Phases Two and Three of the Risk Assessment, with Phase Two anticipated to begin reviewing the Water and Power Department for Phase Two in December.
- b. Planning of the Operational Audit of the Accounts Payable Process has been completed and fieldwork is in process, expected to complete this stage by the end of the year. The final report is expected to be complete in January 2017.

External Audits Received by the City

Periodically the City is audited by external agencies such as the County of Los Angeles, U.S. Department of Housing and Urban Development, Los Angeles County Metro and the California State Auditors for compliance to grants and other legislated mandates.

There were three audit reports completed by external agencies that were received during the quarter ended September 30, 2016. This information is detailed in Appendix C. All these reports have been posted on the City of Pasadena's Internal Audit webpage.

Summary of reports issued with findings and corrective action plans and are summarized below. The reports are listed in order of magnitude of risks that their findings represent to the City:

1. U.S. Department of Housing and Urban Development (HUD) Office of the Inspector General (OIG) issued an audit report to the Housing and Career Services Department of the Community Development Block Grant (CDBG) program. The audit found that the City of Pasadena did not always follow documentation requirements and did not ensure that its sub recipients followed conflict-of-interest requirements. There are five recommendations for the first finding that the City did not always follow program documentation requirements and three recommendations for the second finding that the City did not ensure that its subrecipient followed conflict-of-interest program requirements.

The OIG found that \$334,774 in program funds were spent without supporting that these expenses met program requirements and \$48,611 were ineligible program funds resulting from potential unfair competitive advantage for a vendor. The City Manager provided a response to the OIG identifying corrective actions for each of the recommendations in finding one. For finding two, the City has suspended payments to the sub recipient on the project with the potential conflict-of-interest. The City has attached a letter from the subrecipient to provide them with an opportunity to make a statement on the conflict-of-interest finding and is currently waiting for a response from HUD on the subrecipient's statement.

2. Los Angeles County Metropolitan Transportation Authority issued a performance review of Los Angeles County Operators and Metro as the Regional Transportation Planning Entity of the City of Pasadena's public transit program covering the three-year period ending June 30, 2015. California Department of Transportation (Caltrans) provides the guidelines for conducting these reviews. The auditors concluded that the City complies with all Transportation Development Act (TDA) regulations except for one area. The report identified two issues 1) the City did not submit its Cities Financial Transaction and Compensation Reports within the period stipulated by the State Controller and 2) The City issues different data in reports to the Federal Department of Transportation and the State. The City agreed with both of these findings and has implemented corrective actions. The report also identified a functional finding that the City did not agree with, in regards to improving its farebox recovery ratio. The report notes the City is in compliance with TDA requirements, but the auditors believe that the City should achieve the 20 percent farebox recovery without using local subsidies.

The City disagreed with this finding because it is in compliance with State requirements.

3. Los Angeles County Public Health department issued a report on the program review of Contract Number PH-002516-6 Children's Health Outreach with 24 findings related to three grants. Five findings related to timely submittal of invoices and monthly reports, the other 19 findings related to compliance to specific grant requirements. Public Health has committed to complying with the recommendations beginning in July 2016.

Open Audit Recommendations

The open audit recommendation report contains audit recommendations from prior audits where the corrective action has not yet been completed. The September 30, 2016 report contains open recommendations from seven audit reports including 27 open recommendations from the KPMG, Citizen's Task Force and Management Partners recommendations related to enhancing operational and financial oversight.

At the beginning of July 2016, there were 59 open recommendations. During the quarter ended September 30, 2016, 22 recommendations were completed by departments and 33 additional recommendations were added from four reports issued during the quarter:

1. Quadrant/ECIS Consulting Report (C16-OCM-02)
2. US Department of Housing and Urban Development Office of Inspector General Community Development Block Grant Program (2016-LA-1007)
3. LA County Metropolitan Transportation Authority Performance Review of Los Angeles County Operators and Metro as the Regional Transportation Planning Entity – City of Pasadena
4. LA County Public Health Contract PH002516-6 SB18 Children's Health Outreach and SB18 and AB 82 Medi-Cal Renewal Services

One of the recommendations that has been closed this quarter is from the Lance Sol Lunghard, LLP audit of Parking Garages regarding requiring reimbursement of costs for gift cards to ABM employees that were charged as payroll costs. Originally, staff had agreed with this recommendation, however, after further research this quarter, staff found that the City had approved these charges for three years from 2010 through 2013 for \$8,400 each year. In 2014, staff notified ABM that the City would no longer reimburse for these costs. The recommendation was closed this quarter, since there is no further action the City can take to resolve this issue with ABM.

There are 70 open audit recommendations as of September 30, 2016 from the following audits:

# of Open Audit Recommendations	Audit Report
25	Consolidated Matrix of Recommendations made by KPMG, the Citizen's Task Force and Management Partners 2015 reports in regards to steps to enhance Operational and Financial Oversight
6	LSL's 2014 Audit Report on Pasadena Parking Services
5	LSL's 2016 Internal Controls over Financial Reporting and Single Audit Reports
7	California State Auditor's 2016 Report on Residential Building Records
1	US Dept Housing & Urban Development FY2016 On-Site Monitoring Community Development Block Grant Program and Continuum of Care Program (CDGB/COC 2016 On-Site Monitoring)
1	US Dept of Housing and Urban Development CDBG Timeliness Standard Exceeded
4	LA County Public Health Contract No. PH-002221
1	LA County MTA Performance Review of LA County Operators and Metro as the Regional Transportation Planning Entity
1	LA County Public Health Contract No. PH-000809-1 Sch 12 and 13
1	C16-OCM-02 Quadrant/ECIS Consulting Report
10	LA County Public Health Contract PH002516-6 & LA County Public Health Contract PH002516-6 AB82 Medi-CAL Outreach & Enrollment Services & LA County Public Health Contract PH002516-6 SB18 Medi-CAL Renewal Services
8	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)
70	Total

The details on the status of all open audit recommendations are included in Appendix D.

Summary of Fraud Hotline Issues

There were two issues reported to the Fraud Hotline between July 1 and September 30, 2016. Two investigations were completed as of September 30, 2016.

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Based on the complaints received during the quarter, the following departments were asked to investigate and resolve the two new complaints for this quarter:

- Planning– one complaint
- Transportation – one complaint

Attachments: (4)

Appendix A: Progress on Audit Plan

Appendix B: Community Arms Final Report

Appendix C: Matrix of External Reports received by the City as of September 30, 2016

Appendix D Open Audit Recommendations Report as of September 30, 2016

Appendix A: Status of Progress on Internal Audit Plan as of September 30, 2016

Title	Assignment No.	Audit Objective	Area	Estimated Start & Completion Dates	Status
1. Phase 1 of MGO Contract for Fraud Risk Assessment (project started in FY 2016, will finish in FY 2017)	C16-OCM-RA01	Complete a Fraud Risk Assessment for six City departments	Finance Housing & Career Services Human Services & Recreation Public Health Public Works Transportation	November 16, 2015 November 30, 2016	All 6 departments have been completed, Final Report completed, Fraud Training in process
2. Reconciliation Errors between Quadrant Cashiering & ECIS Utility Billing Systems	C16-OCM-02	Consulting Engagement to identify the issues causing numerous errors between Quadrant Cashiering & ECIS Billing systems	Finance Water & Power	March 3, 2016 May 1, 2016	Final Report issued 6/30/16
3. Operational Audit of Accounts Payable Process	A16-FIN-AP03	To evaluate the accounts payable process to determine that vendors are paid timely, duplicate invoices are not paid. Review Special Handling Request Forms to assess process, procedures and actual practices.	Finance: Accounts Payable All other City Departments	April 4, 2016 January 31, 2017	Fieldwork is in process, expected to be completed by end of calendar year
4. IT Audit of Tyler Munis modules General & Application Controls	A17-IT-TM04	Audit implemented Tyler Munis modules to verify general & application controls meet City's risk tolerance.	DoIT Finance	December 2016 June 2017	Not Started Requested for FY2017 budget
5. Operational Audit of Vendor Master File & 1099 reporting	A17-FIN-VMF05	To verify accuracy & completeness of vendor master file & 1099 reporting complies with IRS requirements (KPMG recommendation)	Finance	October 2016 March 2017	Planning has started in November 2016

Appendix A: Status of Progress on Internal Audit Plan as of September 30, 2016

6. Operational Audit of Parking Garage Revenue	A16-TRN-PRK06	To verify accuracy and completeness of parking revenue	Transportation	September 2016 April 2017	Planned Audit Cancelled Requirement to Audit has been included in the Parking Garage RFP that will be issued this fiscal year.
7. Operational Audit of Cash Handling (audit will start in FY 2017 and finish in FY 2018)	A17-FIN-CSH07	To verify that Citywide Cash Handling has strong internal controls and adequate segregation of duties	Finance Fire Human Resources Human Services & Recreation Library Planning Police Public Health Public Works Transportation Water & Power	February 2017 November 2017	Not Started
8. Compliance Audit of PCard/Petty Cash	A17-FIN-PCRD08	To verify that expenditures comply with City Council Goals and City Policies	Finance All Other City Departments	March 2017 July 2017	Not Started Requested for FY 2017 budget
9. Assessment of Compliance to Payment Card Industry (PCI) Standards	A17-IT-PCI09	To verify that the City's third party credit card vendors are in compliance with PCI standards and that the City is complying with PCI standards	Finance Human Services & Recreation Information Technology Planning Transportation Water & Power	December 2016 April 2017	Not Started Requested for FY 2017 budget
10. Phase 2 of MGO Contract Option – for Risk Assessment of Water &	C17-PWP-RA10	Exercise Phase 2 option in MGO Contract to complete Water & Power Risk Assessment	Water & Power	November 2016 October 2017	Not Started, Planning will start in December Requested for FY 2017 budget

Appendix A: Status of Progress on Internal Audit Plan as of September 30, 2016

Power					
11. Continuous Audit of Payroll and Vendor Files	A17-FIN-PVF11	Review Vendor file for fictitious vendors and payroll database for ghost employees	Finance Human Resources	Quarterly reviews beginning in March 2017	Not Started
12. Special Request to Review Community Arms Grant Agreement Process	C17-OCM-01	Evaluate the grant process to determine what occurred and identify improvements to ensure grant money is not deobligated in the future	Housing & Career Services	September 2016 October 2016	Completed



OFFICE OF THE CITY MANAGER

October 25, 2016

TO: Steve Mermell, City Manager

FROM: Ruthe Holden, Internal Audit Manager

SUBJECT: Independent Review of the Community Arms HOME funded Project

Objective and Scope of Work

At your request, the Internal Audit group completed an independent review of the process surrounding the loss of HOME grant funding allocated to the Community Arms Security upgrades. At the September 12, 2016 City Council meeting, City Council requested that an independent review be completed to discover: 1) why the funding allocation was not committed in time; and 2) how to prevent this from occurring again.

To complete our independent review, we reviewed the September 12, 2016 City Council meeting and researched the low-income housing tax credit process and HUD HOME funding requirements. We also held discussions with the Housing and Police departments to understand the history of Community Arms apartments and the HOME funding loan/grant process. We also met with the senior management of Community Bible Community Development Corporation (Community Bible) and talked to the Project Manager to gain their understanding of this two-year process. We analyzed the emails related to the Community Arms rehabilitation project and the draft grant agreement. In addition, we requested and analyzed the Police Calls for Service at affordable housing projects in the City of Pasadena.

EXECUTIVE SUMMARY

HUD HOME Funding Requirements

According to Housing Department staff, HUD allocates HOME funding annually to the City. This funding requires a signed agreement between the City and the sub-recipient within two years from the date the funds are deposited to the City. These funds must be fully expended within four years from the deposit date. On September 12, 2016, Housing Department advised City Council that a signed agreement was required by August 31, 2016 for the Community Arms rehabilitation project, to prevent the Program Year (PY) 2014 HOME funding from expiring.

Low Income Housing Tax Credit Partnerships

The Community Arms, LP was formed to provide funding to Community Arms Apartments using the Low Income Housing Tax Credit (LIHTC) process. Limited partners provide funding for low income housing projects to receive allocations of federal tax credits over a 10-year period. The IRS has a 15-year compliance period with strict requirements and significant penalties for non-compliance, including retroactive and future loss of allocated tax credits. Because of these significant non-compliance penalties, limited partners are granted some veto rights over General Partner management decisions. A graph of Community Arms, LP is included in Attachment A.

Summary of What Happened

In early 2014, Community Bible submitted a \$50,000 grant proposal for Community Development Block Grant (CDBG) funds for security cameras that was subsequently denied by the Northwest Commission in April 2014. Subsequent to that, Housing Department staff proactively approached Community Bible about available HOME funding that could be used for security enhancements and rehabilitation after their initial \$50,000 grant proposal was not approved. There were significant gaps in communication and misunderstanding of the agreement terms between Housing Department staff and the management of Community Bible during the two-year process that impacted the decision to not accept the final grant agreement. For example, even though Housing Department staff provided Community Bible with a term sheet for a loan early on in the process, Community Bible still thought the funding would be in the form of a grant. During the initial two-year period, the project did not move forward as quickly as it should. In addition, the sub-recipient did not receive or send the final grant document to their limited partners for their review and approval until two weeks before the funds expired. Because this type of limited partnership has complex IRS requirements, two weeks was not enough time to evaluate and negotiate the federally funded grant agreement. Details of what occurred are included in Attachment B.

CONCLUSION

Reason Limited Partners Vetoed the Grant

After recent discussions with Community Bible senior management, the following issues impacted Community Arms, LP final decision not to accept the grant.

- 1) The Limited Partners were reaching the end of the 15-year minimum compliance period when they can exit the partnership. IRS requires that LIHTC partnerships remain in place for a 15-year compliance period. Partners typically stay in the partnership for at least the compliance period, so they can ensure all IRS tax credit requirements are adhered to in order to avoid recapture of the allocated tax credits.
- 2) According to Community Bible senior management, when Community Bible approached the Limited Partners in early August 2016 to discuss the proposed City HOME funded loan, the Limited Partners expressed an interest in exiting the partnership before the end of 2016. They had an interest in leaving the partnership while interest rates were still low, because it would enable Community Bible to refinance at a lower mortgage interest rate to fund their exit and some capital improvements on the property. The Limited Partners did not want another loan on the property that could have a negative effect on the refinancing and their exit plans.

As a result of the Limited Partners decision to not accept the loan, Community Bible senior management notified Housing Department staff that they would not be able to sign a loan agreement. In order to still move forward, the Housing Department staff went to City Council to change the agreement to a grant. This occurred two weeks before the HOME funding would expire. The Housing Department staff then provided the grant agreement to Community Bible, who forwarded it to the Limited Partners for their review.

In the final two weeks before the funds expired, the Housing Department staff sent numerous emails to Community Bible requesting the signed agreement and reminding them of the expiring funds deadline. Community Bible senior management stated that they had numerous calls with the Limited Partners requesting their review and approval of the grant agreement. According to Community Bible senior management, the reason the grant was declined, was the grant terms required the City's written approval prior to any change in ownership. Community Bible senior management stated there was not enough time to negotiate changes to the City's grant agreement terms, so the Limited Partners and Community Bible felt that pursuing the exiting strategy was a higher priority for them than agreeing to this grant, with terms that might impact that exiting process. Had this issue been brought up earlier, it is possible that mutually acceptable language could have been crafted to allow the funding to be accepted.

Lessons Learned

While there are no guarantees that will ensure a federally funded agreement with sub-recipients will ultimately get approved and signed prior to the funds expiring, there are several lessons learned from this project that can improve the probability of success in future projects.

1) The Housing Department staff has stated that in the last few years HUD has become stricter in their interpretation of funding eligibility. So the Housing Department staff should request HUD's Los Angeles (LA) office review of eligibility requirements early in the process rather than at the end, to avoid last minute changes of funding allocations. This will help in identifying eligible projects to match to available funding in sufficient time to meet federal time requirements.

2) Adopt formal project management standards, which include:

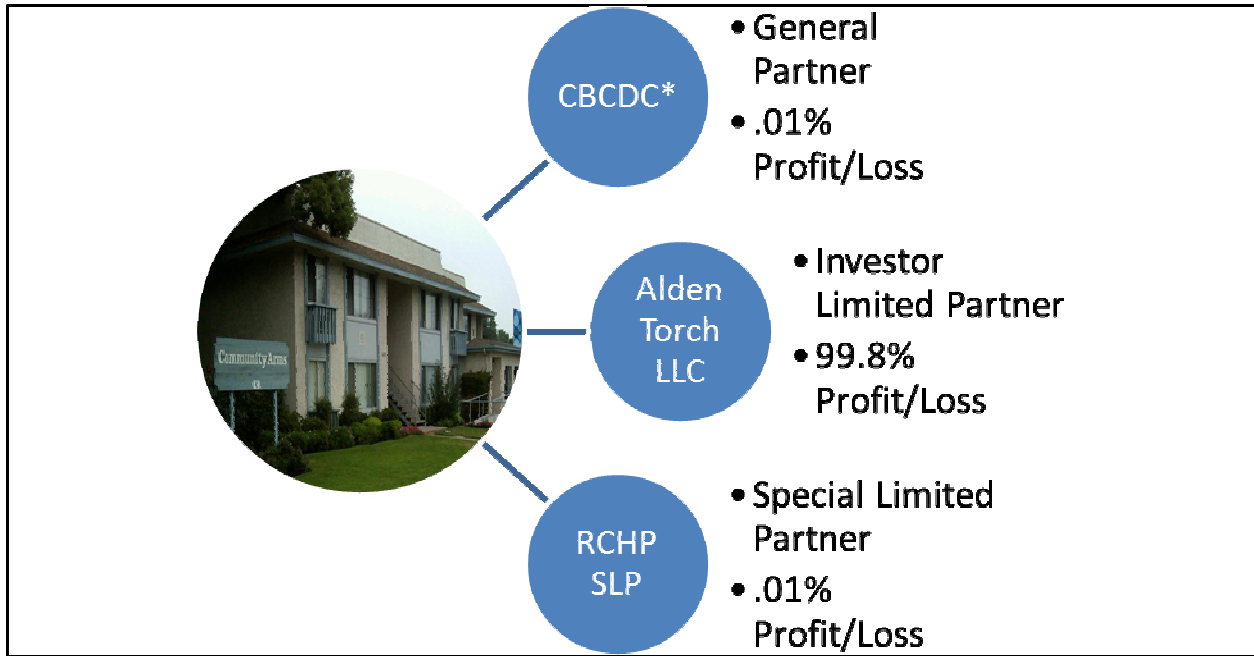
- Written project plan agreed to by all parties
- Provide draft grant/loan agreement terms and conditions at the beginning of the project, rather than at the end, and have the sub-recipient review and agree that the terms and conditions are acceptable.
 - In the case of LIHTC partnerships, require the limited partners review and provide a written agreement that the terms and conditions will not have a negative impact on their partnership.
- Request required underwriting documents to complete the underwriting process up front, verifying the sub-recipient's eligibility early in the process.
- Complete a formal internal project risk assessment for large, complex and/or high risk projects.
 - As part of the risk assessment, identify a "point of no return" for projects with expiring funds. This would be the timeframe, when a project needs to be substituted to avoid losing expiring funding.
 - This risk assessment should be updated throughout the project life cycle and communicated to City's Executive Leadership if the project changes to "yellow" or "red" status.
- Develop clearer, more consistent communication. In recent discussion with Community Bible and Housing Department staff there appears to have been some misunderstandings of key issues including the funding mechanism, terms required to accept the funds, and key deadlines and deliverables.

- Communication is important to a project's success, so establishing a project communication plan at the outset helps to ensure clear, consistent communication occurs throughout the process and can help to mitigate misunderstandings.
 - This plan should include a timeline with all required documents' due dates, as well as identifying roles and responsibilities of all parties.
 - Communication should also include internal escalation when funding is identified to be at risk. This does not guarantee a project's success, but it will ensure that there are little to no surprises, when mandated deadlines are missed.

Conformity Statement

This project is a consulting assignment and is not an audit. This work was conducted in accordance with the Standards of the Institute of Internal Auditors. These Standards encompass such matters as the independence of City of Pasadena's Internal Audit group, objectivity, proficiency of staff, the professional care that staff should exercise, the scope and performance of work activities, and the management of the internal auditing function. Our consulting work included examining, on a test basis, evidence supporting transactions in the operating records and applying other procedures as we considered necessary under the circumstances. It also included assessing the judgments and decisions made by management. We believe that our consulting work provides a reasonable basis for our findings, conclusions, and recommendations.

Attachment A



* Community Bible Community Development Corporation

Attachment B

What Happened

Community Bible Community Development Corporation (Community Bible) originally applied for a \$50,000 Community Development Block Grant (CDBG) in 2014. When their grant application was not approved, Housing and Career Services (Housing) Department staff approached Community Bible about available HOME funds that could be used to upgrade security. After the meeting with Community Bible, Housing Department staff then sent Community Bible a term sheet in April 2014 that included the high-level terms for the security upgrade. The term sheet indicated that it would be a 45-year residual receipts loan in the range of \$815,000 to \$912,000. Based on discussions with Housing Department staff, the original \$50,000 grant scope expanded to include maintenance and repairs and energy efficiency upgrades as well as the security cameras during initial discussions about using HOME funding.

In October 2014, a site visit with Community Arms Property Manager, Police and Housing Department staff occurred. No other documented discussions (ie. emails) with Community Arms about the HOME funded loan occurred until February 2015. According to Housing Department staff, they notified Community Bible of the need to engage a Project Manager and were waiting for Community Bible to contract with a Project Manager, complete a site plan, and proposed scope so the loan could be completed and executed. According to Community Bible, they believed that since they had not heard anything from Housing Department staff for quite a while, that the funds had been allocated to another project.

In August 2015, discussions between Housing Department staff and Community Bible began to discuss the scope of work. Community Bible engaged Masbuild, Inc. as their Project Manager and he began discussing the project with Housing Department staff in August 2015. A second site visit with the Project Manager, Police, Housing Department staff, and Community Arms/Community Bible took place in September 2015. Between September and December 2015, there were multiple emails between Housing Department staff, the Project Manager and Community Arms on completing the proposal and providing the signed Project Manager contract. The draft proposal was sent to Housing Department staff in January 2016.

In March 2016, Housing Department staff went to Education & Technology Committee and City Council with an amended annual plan. Housing Department staff proposed moving the PY14 HOME funding off of the Community Arms project and into the Summit Grove project. Housing Department staff indicated that this was based on their concern about whether the Community Arms agreement would be signed by August 31, 2016. They felt that the Summit Grove project agreement would be more likely to be signed before the funds expired.

Unfortunately, in April 2016, the Los Angeles HUD office notified Housing Department staff that because of Summit Groves financing structure, Summit Grove would not qualify for HOME funding. So Housing Department staff went back to City Council in June 2016 to amend Summit Grove's draft agreement changing the HOME funding to Inclusionary Housing Trust Funds and Housing Successor Low/Moderate Income Housing Asset funds. This change meant that the PY2014 funds now had to be reallocated to Community Arms, the only available HOME funds eligible project.

Also in June 2016, Housing Department staff had discussions with Los Angeles HUD office regarding the eligibility of Community Arms proposed scope of work for HOME funding. HUD notified Housing Department staff in July 2016 that most of the work was eligible under HOME funding, but security cameras were not eligible. Housing Department staff has indicated that in the last several years, HUD's determination of what is eligible under the different funding mechanisms has gotten less flexible in recent years.

In July 2016, Housing Department staff also started the required underwriting process for the loan with Community Arms, LP. Some of the documentation required as part of the underwriting process, caused some concerns regarding the eligibility for HOME funding. These issues were satisfactorily resolved in July 2016.

In early August 2016, Community Bible let Housing Department staff know they were "surprised" that the funding was a loan. Soon after that discussion, Community Bible called Housing Department staff to let them know that they would be unable to accept a loan from the City. Housing Department staff went back to City Council in mid-August 2016 to change the agreement terms from a loan to a grant. The day following the City Council meeting, Housing Department staff sent the full Grant Agreement to Community Bible and requested that they return the signed originals and vendor set up forms quickly because the funds were expiring August 31, 2016. On August 31, 2016, Community Bible called Housing Department senior management to let them know that after discussions with their Limited Partners, they would not be able to sign the grant agreement with the City.

On September 1, 2016, Community Bible sent a letter to Housing Department staff stating that the timing of the grant and additional encumbrances that are attached would not be wise at this time.



Appendix C: Matrix of External Audit Reports Received by the City as of September 30, 2016

Number	Date of Report	Agency Issuing Report	City Department	Report Title	# of Issues
1	June 8, 2016	Los Angeles County Public Health	Public Health	Children's Health Outreach, Enrollment, Utilization, and Retention Services	24 findings
2	June 2016	Los Angeles County Metropolitan Transportation Authority	Transportation	Performance Review of Los Angeles County Operators and Metro as the Regional Transportation Planning Entity – City of Pasadena	2 findings
3	August 21, 2016	US Dept of Housing and Urban Development, Office of Community Planning and Development	Housing and Career Services	City of Pasadena's Housing and Career Services Department's Community Development Block Grant Program	2 findings

SUMMARY

Department	Beginning of Quarter 07/01/16	Added	Completed 7/16	Completed 8/16	Completed 9/16	Total Open Recommendations	In-Progress	Not Started		Delayed
Internal Audit	7				2	5	3	2		
Finance	13	2	2			13	11	2		5
Housing	2	8				10	2	8		
Human Resources	1					1	1			1
DoIt	1					1	1			1
Planning & Community Development	7					7	6	1		6
Public Health	8	19	8	3	1	15	14	1		7
Public Works	1		1			0				
Public Works/Water & Power	1		1			0				
Transportation	8				1	7	8			
Water & Power	10	4	3			11	9	1		5
Total	59	33	15	3	4	70	55	15		25
Corrective Action Delayed - Internal Factor										

Internal Audit

	No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
3	13A	Consolidated Matrix	11/23/2015	13	KPMG 13. Perform operational audit: In addition to conducting periodic regular reviews of processed SHR Forms. We recommend the City perform an operational compliance audit of the SHR Form process to assess the process, procedures and actual practices. The audit should cover activity in recent fiscal years (i.e. the last 3 to 5 years) to determine unusual patterns or trends that may be indicative of fraudulent activity and to identify areas of potential internal control weaknesses.	Internal Audit	13A. The City awarded a contract on October 26, 2015 to Macias Gini & O'Connell, LLP to perform a Fraud Risk Assessment on six of the city's departments. A large part of their work will be to review processes to identify areas of potential internal control weaknesses. The fraud risk assessment work will be completed by October 2016.	Oct-16	In Progress 90% complete
4	25A	Consolidated Matrix	11/23/2015	25	KPMG 25. Perform periodic audits: Perform periodic audits to ensure the appropriateness and timeliness of 1099 reporting – vendors required to receive a 1099 should have been issued one. Mgmt Partners 8. Conduct regular W-9 compliance audits for all current vendors in the accounts payable system.	Internal Audit	25A. The City concurs with this recommendation and will implement audits under the Internal Audit Manager. The City is also conducting a review of previous years to determine if 1099's have been appropriately issued. This current review is still in progress and is anticipated to be completed in early 2017.	Mar-17	Not Started
5	28B	Consolidated Matrix	11/23/2015	28	KPMG 28. Procurement through competitive process: Whenever possible, procurement of goods or services should be made by a competitive bidding/lowest quote process, even when not expressly required, to ensure the most efficient use of City funds.	Internal Audit	When there is a request for goods, services or labor as is defined by the Purchasing Policy and is not exempt from it, the Competitive Process as specified in Section 4.08 of the Pasadena Municipal Code is followed. The use of Purchasing Cards or other procurement methods for these types of payments has or is in the process of being discontinued. The task of implementing contracts for City-wide use to ensure the competitive process is scheduled to be completed by the end of the calendar year 2015. 28B. In addition, the Internal Audit Manager will schedule periodic audits of PCard transactions to evaluate compliance with PCard and other City policies.	May-17	Not Started

Internal Audit

	No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
9	36A	Consolidated Matrix	11/23/2015	36	<p>36. Conduct surprise audits: Department Directors should implement a process of surprise operational compliance audits in connection with the Internal Audit function. Surprise audits can be an important fraud prevention mechanism in deterring potential fraudulent employee behavior. Areas of focus in a surprise should include:</p> <ul style="list-style-type: none"> - Accounts Payable: Audit for fictitious vendors, vendors should be researched to ensure that they exist and represent legitimate organization. Red flags include PO Box addresses, missing required vendor set-up documents, or missing vendor data in the system - Payroll: Audit for ghost employees on City payroll by reviewing payroll report or W-2s for any unfamiliar names to ensure individuals are actual employees. 	Internal Audit	36A. The City concurs with this recommendation. The recently hired Internal Auditor will include this in her work plan.	Mar-17	In Progress 35% complete
11	38A	Consolidated Matrix	11/23/2015	38	<p>KPMG 38. Perform fraud risk assessments: The City should perform periodic reviews to identify instances where circumvention of standard procedures could occur and evaluate whether mitigating controls exist and are effective. Key components to this step include mapping existing controls to prioritized fraud risks, assessing the degree to which particular fraud risks are mitigated by existing controls, and identifying what potential remediating controls are necessary, if any.</p> <p>Task Force 7. The hiring of a vendor to conduct a city-wide fraud risk assessment should also proceed without further delay and the work product should be delivered to the City Manager on an initially confidential basis.</p> <p>8. Future external audits should be conducted on a risk basis with emphasis on fraud detection and prevention.</p>	Internal Audit	38A. An RFP for a Fraud Risk Assessment was issued and 12 proposals were received. On October 26, 2015 the City Council awarded a control to Macias Gini & O'Connell for perform this work. The goal is to have an assessment completed on each city department. The first phase will include the following departments: Public Works; Finance; Human Services and Recreation; Housing; Transportation and Public Health. During her first week the Internal Audit Manager met with MGO to begin work on the first department.	Dec-16	In Progress 90% complete

	Corrective Action No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
2	3C	Consolidated Matrix	11/23/2015	3	KPMG 3. Segregate tasks and duties among employees: The City should establish procedures to ensure UUP program activities are properly segregated among employees, and not concentrated in any one individual. For example, the program manager should not be allowed to approve vendor invoices, submit invoice payment requests, and pick up the printed checks. These duties should be segregated to ensure no employee has the ability to authorize and approve payment of vendor invoices and also have custody of check payments.	Finance	3C. For Utility Reimbursement form which requires the approval from three Departments. Workflow functionality is still being refined in the Munis system for some accounts. In cases where the functionality is not yet set, the transaction is sent by default to the Finance review queue where staff manually routes through the workflow process.	Dec-16	In Progress 80% Complete
5	6C	Consolidated Matrix	11/23/2015	6	Discontinue historical practice of submitting invoice payment requests as reimbursements: Reiterate to Underground Utility Program employees and all Accounts Payable staff that vendors receiving direct payment from the City for work performed on a property are not to be processed as reimbursements, but rather as regular vendors that must go through the regular procurement process and be added to the Master Vendor List prior to receiving payment. Vendors may not bypass the regular procurement process by receiving payments as reimbursements (i.e., a purchase order or contract must be required prior to payment).	Finance	This practice was discontinued immediately. All payment requests related to the Underground Utility Program must be routed through the regular payment and workflow process in the Munis system, which includes setting up the vendor on the Vendor Master list. During the transition period of both the Munis system and the UUP Program to Water & Power, UUP reimbursements for individual property owners continues to use the City of Pasadena Electric System Underground Application For Utility Reimbursement form which requires the approval from three Departments. 6C. Workflow functionality is still being refined in the Munis system for some accounts. In cases where the functionality is not yet set, the transaction is sent by default to the Finance review queue where staff manually routes through the workflow process in Munis.	Dec-16	In Progress 80% Complete
20	19A	Consolidated Matrix	11/23/2015	19	KPMG 19. Update and maintain the Vendor Master List: The Vendor Master List should be continually reviewed, updated, and cleaned-up of inactive suppliers or one-time vendors.	Finance	19A. The City concurs with this statement. Since the vendor list has just been compiled as part of the ERP implementation, a follow-up update has not yet occurred. This regular update has been included as part of the Purchasing Division's regular work plan. VENDOR MAINTENANCE POLICY TO BE DEVELOPED: At or near July 1, and every year at the fiscal turnover, there will be performed annual "maintenance" for the Vendor Master consisting of: <ul style="list-style-type: none"> · A match of all vendors that have not conducted business with the City in the past 5 years as being assigned the status of "inactive" within the system. · The requirements to re-qualify all "inactive" vendor's upon the request to return to active status. · The process of re-qualifying as determined by KPMG Recommendations #16 and #17. · The ability to change status on a vendor should remain solely with the Purchasing staff as was stated in KPMG Recommendation #16 and with those same securities in place. This review will occur no less than annually.	Oct-16	In Progress 80% complete

	Corrective Action No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
39	34A	Consolidated Matrix	11/23/2015	34	<p>KPMG 34. Implement additional internal controls over invoice process: The City should develop embedded internal controls to ensure all invoices processed for payment are legitimate transactions. Examples of internal controls include:</p> <ul style="list-style-type: none"> - Multi-levels of review to ensure adequate supervision of work performed in-house quality control group that conducts testing on random sampling of processed payments - Technology-assisted automated functions that prevents payments of invoices with mismatched, exhausted, and/or expired Purchase Orders, mismatched vendor names and IDs, unauthorized amount thresholds, etc. - Proper segregation of duties between Purchasing and Accounts Payable functions - Glaring discrepancies or suspicious activity with one invoice will trigger in-depth further review of all invoices submitted by the same employee or for the same vendor - Maintain active list of vendors or employees involved with suspicious activities and take extra care when processing invoices related to these parties - Employees should disclose, on an ongoing basis, any personal or financial relationships leading to potential conflicts of interest - Internal audit function should maintain independence and ensure relationships with colleagues do not deter or inhibit them from performing their job duties <p>Task Force 2. Control procedures for the ERP should be developed, documented and monitored. 3. Accounting policies and procedures should be completed for the ERP, as well as for all manual processes, then updated and monitored continuously, with changes made as necessary from time to time. 15. Accounts payable policies and procedures should be reviewed, updated and strengthened, and should include: a. A requirement that there be adequate supporting documentation – no verbal approvals permitted; b. Documentation of adequate diligence regarding payables; and A prohibition against original documents leaving the payables department.</p> <p>Mgmt Partners 9. Ensure that appropriate internal controls, including general controls, application controls, approvals and authorities, are implemented into the new financial information software conversion.</p>	Finance	34A. Working drafts of processes and procedures relative to the Munis System have been developed and are under review. The Task Force received these for review in September 2015. These processes and procedures will work in conjunction with the City's financial policies (eight of which are listed in the next item below) for sound fiscal management.	Dec-16	In Progress 80% complete
41	34C	Consolidated Matrix	11/23/2015	34	see row 39	Finance	34C. The following additional policies are being considered and assembled: -Labor Cost Accounting, Fixed Assets, Capital Projects, General Ledger, Month-End/Year-End, Revenue Review	Dec-16	Not Started
51	46A	Consolidated Matrix	11/23/2015	46	<p>Task Force 13. Information regarding the City's top 100 vendors should be available to the public in dashboard format, with relevant information concerning the services or products being provided vendors and with links to contracts and purchase orders. 14. Vendor purchasing should be tracked on a real time basis and the tracking reports should be publicly available. 16. City financial statements and financial information should be made easier to access and more understandable and readily searchable. 17. Simplified data should be made available, perhaps in the formats of dashboards or graphs, and other forms of "Popular" or "community" financial information should be considered for use by the City. 18. Tools that provide insights into a city's financial health should be utilized and the results made available to the public. 19. The City's Web Site and other places where City financial information is presented should include educational information such as definitions of technical terms to assist the public in interpreting the information.</p>	Finance	46A. The City of Pasadena's Munis system is designed to assist with the gathering and dissemination of information related to vendor activity, purchasing, and other financial information in detailed and summary information. Staff is currently identifying information that can readily be used in dashboards and the more we use the Munis system. As we collect more data in Munis, the built-in dashboard and reporting methods will become more valuable and useful.	Jan-17	In Progress 10% complete

	Corrective Action No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
53	46C	Consolidated Matrix	11/23/2015	46	see row 51	Finance	46C. The City publishes a large number of financial reports currently available on our website, however it was not in one easy to locate place on the city's website. For example the Comprehensive Annual Financial Report, Operating Budget, Budget in Brief, and Quarterly Investment reports are all under the Finance webpage, but the Capital Improvement Program budget in under the Public Works. Staff will publicize the availability of these reports and make this information accessible over a variety of media. A page on the City's website is being compiled that will serve as the central point to disseminate all the financial information above along with new information that is being developed. This singular page will provide greater access to the information by hosting it all in one location that is easy to find.	Dec-16	In Progress 10% complete
54	46D	Consolidated Matrix	11/23/2015	46	see row 51	Finance	46D. Currently the Finance webpage has a section titled Financial overview which does provide a high level overview of the city's reserves, debt, assets versus liability, etc. Expanding on this section to provide enhanced education on financial information is a good suggestion and staff will review as part of the FY 2017 budget process.	Dec-16	Not Started
62	** ICoFR 8 SA 2015-008	LSL Independent Auditors' Report on Internal Controls over Financial Reporting & on Compliance & Other Matters LSL Single Audit Report 6/30/15 (SA)	2/24/2016		A large majority of the City's capital assets and infrastructure are tracked manually using an Excel spreadsheet. This process results in more opportunity for errors to occur, many revisions to the spreadsheet during the audit process, and is not an adequate method to track the large number of assets owned by the City. We recommend that a capital asset tracking and management system be implemented to maintain the City's significant capital assets, and assist in tracking acquisition dates, relating useful lives, and depreciation.	Finance	The City agrees with this recommendation and implemented a new Enterprise Resource Planning system, Tyler Munis, on July 1, 2015. A fixed asset module is part of this system and all assets are being transitioned from the excel spreadsheets to the Tyler Munis system	Nov-16	In Progress - 70% Complete
79	** ICoFR 25 SA 2015-025	LSL Independent Auditors' Report on Internal Controls over Financial Reporting & on Compliance & Other Matters LSL Single Audit Report 6/30/15 (SA)	2/24/2016		The overall financial statement close process for the City is inadequate in order to close the records in a timely fashion.	Finance	The City agrees with this recommendation. This is the first year that the City has not produced its CAFR and related financial reports prior to December 31, 2015. The delay has been due to the implementation of the new Enterprise Resource Planning system and staff vacancies. The City will complete its reconciliations, journal entries and financial reports in a timely manner for Fiscal Year 2016.	Dec-16	In Process 1% complete

	Corrective Action No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
80	** ICoFR 26 SA 2015-026	LSL Independent Auditors' Report on Internal Controls over Financial Reporting & on Compliance & Other Matters LSL Single Audit	2/24/2016		As a result of our audit procedures, we noted that the City had checks on their outstanding checklist that were, in certain instances, in excess of 3 years old. We recommend that the City replenish their cash balance for these stale dated checks and submit them to the State of California in accordance with state escheatment laws for unclaimed property.	Finance	The City agrees with this recommendation and will establish an annual escheatment process for outstanding checks.	Dec-16	In Progress - 50% Complete
81	** ICoFR 27 SA 2015-027	LSL Independent Auditors' Report on Internal Controls over Financial Reporting & on Compliance & Other Matters LSL Single Audit Report 6/30/15 (SA)	2/24/2016		As a result of our audit procedures, it was noted that the City does not reconcile all petty cash accounts to the General Ledger at year-end, and also that there is an excessive amount of petty cash on hand, in excess of \$100,000. We recommend that all petty cash balances are reconciled properly to the GL and that the City reduce the amount of petty cash on hand to a reasonable amount.	Finance	The City agrees with this recommendation and will reconcile all petty cash accounts at year-end. Additionally, the City will reduce or eliminate petty cash counts for departments to reduce the overall exposure.	Nov-16	In Progress - 50% Complete
85	** ICoFR 33 SA 2015-031	LSL Independent Auditors' Report on Internal Controls over Financial Reporting & on Compliance & Other Matters	2/24/2016		The City failed to meet Debt Covenant Reporting requirements for fiscal year ended June 30, 2015.	Finance	The FY15 CAFR was issued after December 31, 2015. The Finance Department is committed to issuing the CAFR by December 31, 2016 for FY16.	Jan-17	In Process 10% complete
** These recommendations were reported on 2 different audit reports issued by LSL. For purposes of this report, they are being tracked as a single recommendation.									

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department/Person Responsible	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Completed, In Process, Not Started)
1	US Dept Housing & Urban Development FY2016 On-Site Monitoring Community Development Block Grant Program and Continuum of Care Program (CDGB/COC 2016 On-Site Monitoring)	5/5/2016	1	<p>IDID Activity 1345 failed to meet HUD's Lead Safe Housing Rule (LSHR) at 24CFR part 35, requirements for homeowner rehabilitation. The City must immediately cease obligating and/or commencing rehabilitation work on pre1978 properties. Within 30 days of receipt of this letter, the City must implement the following steps before funding any additional pre1978 projects under this program:</p> <ol style="list-style-type: none"> 1. Develop and implement policies and procedures that reflect when and how compliance with LSHR will occur, as well as who will be responsible for ensuring compliance. 2. Review all IDIS activities under rehabilitation program(s) over last 5 years and create an inventory of all pre1978 units assisted, listed by address. 3. The inventory shall identify the amount of rehabilitation assistance and a general scope of work. 4. Identify whether any painted surfaces were disturbed and for those that were, whether each was above the de-minimis amount (ref 35.350(d)). <p>Following submission of the policies and procedures and inventory data, HUD will work with the City to determine the appropriate response to each property to bring it into compliance. Such actions will include bringing projects into compliance through testing, mitigation and clearance of lead-based paint hazards in assisted properties.</p>	Housing	<p>To address this finding, the City is going beyond the recommendations and has begun the process to conduct lead-based paint testing on all the properties identified on the inventory. The City has further addressed this finding by implementing corrective actions 1-4. The program guidelines for the housing rehabilitation program have been updated to reflect HUD's requirements regarding Lead Safe Housing Rules. Additionally, the City has created an inventory log of all properties that received housing rehabilitation assistance in the past five program years (2011-2016). The inventory log identifies the property address, if the home was built prior to 1978, a general scope of work, if painted surfaces were above the de-minimis amount, and the associated labor and material cost.</p> <p>To prevent future occurrences, the City will maintain up-to-date copies of required certifications according to HUD regulations.</p>	Oct-16	In-Process 85% complete
12	US Dept of Housing and Urban Development CDBG Timeliness Standard Exceeded	5/12/2016	1	<p>The City did not meet HUD's timeliness standard (no more than 1.5 times the City's annual grant remaining in the Line of Credit Control System) and is currently in violation of the regulatory requirement. The City is now on a one year probationary period during which it must submit a workout plan and quarterly reports that address the City's CDBG timeliness violation.</p>	Housing	<p>The City has modified its CDBG request for proposal evaluation criteria to identify construction projects that are shovel ready. The City has submitted to HUD a milestone schedule/progress report that the City will implement between July 2016 to December 2016. Progress reports will be mailed to HUD starting August 15, 2016.</p>	Dec-16	In-Process 10% complete

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department/Person Responsible	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Completed, In Process, Not Started)
13	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	1A	The City did not always follow program documentation requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to obtain written agreements and support the eligibility of \$284,649 in unsupported costs or repay the program using non-Federal funds.	Housing	The City will execute a written memorandum of understanding (MOU) for the following 3 internal department projects funded by CDBG: 1) El Centro Community Center Rehabilitation; 2) Public Health Dental Clinic Rehabilitation; and 3) Public Facilities Rehabilitation at Jackie Robinson & Victory Park Community Centers. The MOU's will be dated as of an effective date which will cover the periods in which the projects were implemented. Additionally, the City will provide documentation supporting the eligibility of each project.		Not Started *
14	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	1B	The City did not always follow program documentation requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to revise or reclassify the national objectives for the \$38,165 in questioned costs used for the solar panel project or repay the program using non-Federal funds.	Housing	The solar project was entered into the Integrated Disbursement Information System (IDIS) correctly as a Low/Moderate Housing national objective under activity code 14F-Energy Efficiency Improvements which qualifies under the 24 CFR 570.202(b)(4) eligibility citation. The executed agreement in place had an incorrect eligibility citation. The City will amend the agreement to reflect the correct eligibility citation.		Not Started*
15	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	1C	The City did not always follow program documentation requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to support the eligibility of \$11,960 in unsupported costs or repay the program using non-Federal funds.	Housing	The City will obtain documentation to support the cost associated with the \$11,960 in question for the Mental Health Center Restoration project.		Not Started*

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department/Person Responsible	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Completed, In Process, Not Started)
16	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	1D	The City did not always follow program documentation requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to establish and implement program-specific written policies and procedures to ensure that all program expenses and projects comply with program rules and requirements.	Housing	The City is currently waiting for a response from HUD on recently submitted (6/18/16) revised written policies and procedures which ensure program expenses and projects comply with program rules and requirements.		Not Started*
17	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	1E	The City did not always follow program documentation requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to provide training to program staff on program rules and requirements.	Housing	Recently hired City staff has attended a HUD-sponsored training for "Effectiven Management of CDBG Subrecipients" within the last 16 months. Transcripts from the HUD Exchange Learning center will be provided to HUD as confirmation. Additionally, the City's current policy requires that staff attend trainings on CDBG implemntation every 2 years, as they become available.		Not Started*
18	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	2A	The City did not ensure that its subrecipient followed conflict-of-interest program requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to repay the program for \$48,611 in ineligible costs using non-Federal funds.	Housing	The City has suspended all remaining payments to the subrecipient pertaining to its CDBG-funded project. The City has enclosed a letter from the subrecipient to provide them an opportunity to make a statement on this finding of conflict-of-interest. The City will wait for a response from HUD on the enclosed statement.		Not Started*
19	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	2B	The City did not ensure that its subrecipient followed conflict-of-interest program requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to terminate the contract with the subrecipient and stop all remaining payments for the project.	Housing	The City has suspended all remaining payments to the subrecipient pertaining to its CDBG-funded project. The City has enclosed a letter from the subrecipient to provide them an opportunity to make a statement on this finding of conflict-of-interest. The City will wait for a response from HUD on the enclosed statement.		Not Started*

Housing

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department/Person Responsible	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Completed, In Process, Not Started)
20	US Dept of Housing & Urban Development OIG Community Development Block Grant Program (2016-LA-1007)	8/17/2016	2C	The City did not ensure that its subrecipient followed conflict-of-interest program requirements. Recommend that the Director of HUD's Los Angeles Office of Community Planning & Development require the City to establish and implement written policies and procedures and monitor its subrecipients to minimize any future instances of potential conflicts-of-interest that violate program rules and requirements, agreements and the City's own procurement policies and procedures.	Housing	To prevent future occurrences, the City has revised its CDBG policies and procedures to require that each client served by a CDBG funded program, and each agency staff member/director involved with the service delivery of a CDBG-funded project sign a certification stating that conflicts-of-interest do not and will not exist during the implementation of the CDBG-funded program, and 1 year thereafter.		Not Started*
21								*Waiting on HUD's response to Housing's proposed corrective actions.

	Corrective Action No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
1	43A	Consolidated Matrix	11/23/2015	43	<p>KPMG 43. Endeavor to provide new hiring training and refresher training: Provide new hire training programs to newly hired employees and refresher training programs to current employees on a periodic basis to communicate appropriate job responsibilities and process protocols according to the City’s policies and procedures. Although training often times is conducted as on-the-job training, at no point should training be taught based on unwritten historical practices of the department which are inconsistent with the City’s own policies and procedures.</p> <p>Task Force 20. “A commitment to competence” program should be developed and periodic training in functional competence should be required of all employees.</p> <p>22. The Pasadena Code of Ethical Standards should be regularly reviewed, updated and continuously reemphasized. All employees should undergo annual ethics training and annual certification should be required. Vendors and contractors should also certify to their knowledge of the Code and their compliance with it in dealing with the City.</p> <p>Mgmt Partners 3. Conduct training on the new policies and provide regular information updates for all staff that have a role in the underground utility program so that each person understands how they contribute to the intended outcome.</p>	HR	43A. The City is committed to properly training new employees. A new “Onboarding Program” for new hires will be implemented.	Jan-17	In Progress 30% complete
** These recommendations were reported on 2 different audit reports issued by LSL. For purposes of this report, they are being tracked as a single recommendation.									

Information Technology

	No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
4	44A	Consolidated Matrix	11/23/2015	44	Task Force 4. Full implementation of the ERP should be completed as soon as	DOIT	44A. Implementation of the core Financial Modules of the Munis system took place on July 1, 2015. The remaining modules including Human Resources, Payroll and Business License will take place between Spring 2016 and January 2017.	Apr-17	In Progress 69% complete

Planning and Community Development

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
2	2015-134 California State Auditor Residential Building Records	3/24/2016	2	To verify that new property owners are aware of the health and safety concerns at their properties and any corrections they need to make, Pasadena should develop a process to ensure that staff sign the inspection certificates and add them to the City's database.	Planning & Community Development	The City of Pasadena agrees with this recommendation. The Interim Director of the Planning & Community Development Department will issue a memorandum outlining the process for staff to sign inspection certificates and add them to the city's land management system. The City anticipates reporting completion of this item in its scheduled report due at the 60 day interval.	October-16	In Progress 75% complete
3	2015-134 California State Auditor Residential Building Records	3/24/2016	3	To ensure that it can monitor the satisfaction individuals have with the resale record program and that it has a uniform approach for resolving complaints, Pasadena should develop a formal process for tracking complaints received. In addition, it should develop a formal policy that describes how staff should evaluate complaints, and it should document its activities associated with resolving complaints, such as the resolution and the rationale for the resolution. The city should also establish a designated location in its database to record this information.	Planning & Community Development	The City of Pasadena agrees with this recommendation. A process will be developed for staff to note in the City's land management system complaints received and their resolution. The Interim Director of the Planning and Community Development Department will issue a memorandum to inform staff of the process and direct staff to enter complaints into the city's land management system. The City anticipates reporting completion of this item in its scheduled report due at the 60 day reporting interval.	October-16	In Progress 75% complete
4	2015-134 California State Auditor Residential Building Records	3/24/2016	4	Pasadena should develop a formal written procedure for staff to follow up on a property owner's correction of violations. These procedures should identify the following: A. the method in which staff document the database the violations identified during inspections and their actions to bring the property into compliance. In addition, the procedures should identify where within the database these documents should be kept; B. The protocol for ensuring that repeat violations are corrected in a timely manner.	Planning & Community Development	The City of Pasadena agrees with this recommendation. A. The Interim Director of Planning and Community Development will issue a memorandum to inform staff of the method to document violations in land management system. The City anticipates reporting completion of this item in its scheduled report due at the six month interval. B. The City will consider a protocol to address repeat violations. Any formal written procedures will involve input from local stakeholders and if there are any changes to current protocols, the changes will be issued to staff by memorandum from the Interim Director of Planning and Community Development Department. The City will provide progress reports of this item in its scheduled reports.	4A. October 2016 4B. Mar 2017	4A. Not Started 4B. Not Started

Planning and Community Development

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
5	2015-134 California State Auditor Residential Building Records	3/24/2016	5	To ensure that property owners correct violations in a timely manner, Pasadena should do the following: A. Develop a work plan by July 2016 to identify and address its enforcement backlog by April 2017, so that the city is up to date with its enforcement actions, such as issuing notice letters and monitoring property owners' actions to resolve violations. Pasadena's work plan should also include updating the completion status of the violations so unresolved violations can be identified and monitored for subsequent correction. B. Follow through with its enforcement policies, such as issuing notice letters. C. Establish a written process for inspectors to monitor and ensure that property owners correct violations, including accurately identifying the properties that have not obtained necessary permits or have not had required re-inspections performed.	Planning & Community Development	The City of Pasadena agrees with this recommendation. A. The Interim Director of Planning and Community Development will direct staff to identify and develop a work plan by July 2016 to address the backlog by April 2017. B. The Interim Director of Planning and Community Development will issue a memorandum to remind staff of the enforcement policies related to issuing notice letters. The City anticipates reporting completion of this item in its scheduled report due at the 60 day interval. C. The Interim Director of Planning and Community Development will also issue a memorandum with a written process for inspectors to monitor properties needing to correct violations or needing re-inspection. The City anticipates reporting completion of this item in its scheduled report due at the 60 day interval.	5A. October 2016 5B. October 2016 5C. October 2016	5A. In Progress 25% complete 5B. In Progress 75% complete 5C. In Progress 75% complete
6	2015-134 California State Auditor Residential Building Records	3/24/2016	6	To ensure that it conducts its resale record inspections and complete the reports in a timely manner, Pasadena should do the following: A. Establish a process to monitor its ability to meet its established time goals from application date to report issuance, such as developing a reminder report or using an automated feature of its database. Pasadena should also document the date the report is issued on the resale record report and in its database. B. Review its time goals by July 2016 for the resale record program and modify them if necessary, factoring in property owners' expectations and staff resources to complete the reports. If applicable, Pasadena should update its policies and procedures to reflect the revised time goals. C. Pasadena should also establish a method to identify those inspections that have inspection dates requested by property owners.	Planning & Community Development	A. The City of Pasadena agrees with the recommendation to monitor the established time goals. The City's Department of Information Technology is creating a report function to monitor the time from application date to report issuance. The report will be reviewed periodically to monitor the time goal. The City anticipates this item will be completed in April and included in its scheduled report due at the 60 day interval. B. The City of Pasadena respectfully disagrees with the recommendation to review the time goal and modify them if necessary. The current policy and procedures in place related to time goals reflect the dedicated staff resources for this program. C. The City of Pasadena agrees with the recommendation to establish a method to identify inspection dates requested by property owners. The Interim Director of the Planning and Community Development Department will issue a memorandum directing staff to add notes to the city's land management system of property owner requested inspection dates. The City anticipates reporting completion of this item in its scheduled report due at the 60 day interval.	6A. October 2016 6B. N/A 6C. October 2016	6A. In Progress 75% complete 6B. Closed 6C. In Progress 75% complete

Planning and Community Development

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
7	2015-134 California State Auditor Residential Building Records	3/24/2016	7	To ensure that the resale record fees it charges is appropriate, the following should occur: A. Pasadena should finalize its formal fee study by April 2016 that incorporates the actual costs associated with the issuance of a resale records report by dwelling type. B. Pasadena should establish a time frame to periodically determine whether the fees are commensurate with the cost of administering the resale record program. The city should ensure that it retains any documentation used to support its analyses and any subsequent adjustments to fees.	Planning & Community Development	The City of Pasadena agrees with this recommendation. The City of Pasadena also acknowledges it significantly undercharges for the home occupation inspection fee. A. A fee study will be finalized by April 2016 and the city will retain the documentation used to support the analysis. B. The fee is already reviewed annually with City Council adoption of a fee schedule. The city will conduct a cost of service study periodically and will retain the documentation used to support the analysis.	7A. October 2016 7B. October 2016	7A. In Progress 90% complete 7B. In Progress with budget adoption
8	2015-134 California State Auditor Residential Building Records	3/24/2016	8	To ensure that it can demonstrate that its resale record inspectors are qualified, the following should occur: A. Pasadena should develop a process to maintain continuing education attendance records. The city should ensure that staff receive periodic continuing education through internal and external sources to enable them to be current on the building standards code requirements., especially when the requirements are updated. If Pasadena subsequently requires its resale records inspectors to have ICC certifications, it should ensure that staff maintain them in good standing to perform their necessary job functions.	Planning & Community Development	A. The City of Pasadena agrees with the recommendation to maintain continuing education records. The Interim Director of Planning and Community Development Department will issue a memorandum to staff requesting staff provide records periodically to the Department's Management Analyst who will maintain employee continuing education records. The City anticipates reporting completion of this item in its scheduled report due at the 60 day interval. B. The City of Pasadena respectfully disagrees and has no intention of requiring ICC certification for resale records inspectors. If an individual inspector has an ICC certification it will be their personal responsibility to maintain the certification.	8A. October 2016 8B. N/A	8A. In Progress 75% complete 8B. Closed

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
2	LA County Public Health Contract No. PH-002221	5/26/2016	1	Pasadena Public Health (PPHD) provided an After Action report and activation list, however, it did not provide an updated Continuity of Operations plan as a result of the November 2015 Statewide Medical Health Exercise. PPHD will provide listed documentation for this activity or identify the barriers that prevent this activity from being completed and the new plan and timeline for completion.	Public Health	The PPHD COOP is currently under development and will meet the targeted deadline as outlined in the Statewide Medical & Health Exercise After Action Report.	June-17	In Process
4	LA County Public Health Contract No. PH-002221	5/26/2016	3	PPHD did not provide a copy of the updated Mass Prophylaxis Plan. PPHD will provide listed documentation for this activity or identify the barriers that prevented this activity from being completed and the new plan and timeline for completion.	Public Health	By December 31, 2016, the Mass Prophylaxis Plan will be updated with just-in-time training best practices for Finance/Administration and Planning Sections.	December-16	In Process
6	LA County Public Health Contract No. PH-002221	5/26/2016	5	PPHD provided the After Action Report, however, did not provide documentation of the updated security plans for selected Point of Dispensing (POD) site. PPHD will provide listed documentation for this activity or identify the barriers that prevented this activity from being completed and the new plan and timeline for completion.	Public Health	By September 30, 2016, the PHEP Program will have established at least two meetings with the Pasadena Police Department to discuss POD site transportation and security. The meetings will allow the PHEP Program to develop and update Transportation and Security Annex Plans by December 31, 2016.	December-16	In Process
9	LA County Public Health Contract No. PH-002221	5/26/2016	8	PPHD did not provide copies of sign-in sheets and copies of handouts related to donning and doffing training, as well as the training curriculum and resulting analysis from pre and posttest. PPHD will provide listed documentation for this activity or identify the barriers that prevented this activity from being completed and the new plan and timeline for completion.	Public Health	By December 31, 2016, the PPHD Health Officer and/or Epidemiologist will have conducted at least one doffing/donning training for Public Health staff.	December-16	Not Started
11	LA County Public Health Contract No. PH-000809-1 Sch 12 and 13	5/4/2016	1	Staff Development. The contractor could not substantiate continuing education training requirements for staff during the review. This is the same finding as last year.	Public Health	Program Manager will verify that staff has completed training and completed training certifications will be added to staff's personnel files.	October-16	In Process
18	LA County Public Health Contract PH002516-6	6/8/2016	Program Review #1	City shall ensure that staff successfully engage 288 of the target population in SPA 3 through an outreach/in-reach contact. City shall outline programmatic strategies to meet this goal and submit with Plan of Corrective Actions (POCA)	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the First 5 grant. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. Using the CHOI database reports, the Program Coordinator and Community Services Representative responsible for outreach will meet monthly to review monthly numbers and devise strategies to meet the target engagement number of 288.	July-17	In Process

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
19	LA County Public Health Contract PH002516-6 & LA County Public Health Contract PH002516-6 AB82 Medi-CAL Outreach & Enrollment Services & LA County Public Health Contract PH002516-6 SB18 Medi-CAL Renewal Services	6/8/2016	Program Review #2	City shall ensure that outreach activities are conducted as outlined in their outreach protocol and documentation is completed as required in the Scope of Work. City shall review and revise any outreach materials, such as event summaries, sign-in sheets as necessary. Also, City shall provide a detailed explanation regarding not conducting outreach activities and submit with POCA.	Public Health	PPHD will ensure that outreach activities are conducted as outlined by DPH. New staff have been trained on program objectives and daily responsibilities. The Program Coordinator and Community Services Representative responsible for outreach and enrollment will meet monthly to review the prior work's outreach documentation to ensure that protocol is being followed.	July-17	In Process
20	LA County Public Health Contract PH002516-6 & LA County Public Health Contract PH002516-6 AB82 Medi-CAL Outreach & Enrollment Services & LA County Public Health Contract PH002516-6 SB18 Medi-CAL Renewal Services	6/8/2016	Program Review #3	City shall monitor the monthly report numbers for Objective 2.1, Enrollment Applications, to ensure they are on target to meet the Scope of Work (SOW) objective. City shall outline programmatic strategies to ensure that the minimum number of enrollment applications are completed for clients in SPA 3 and submit with the POCA.	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the First 5, AB82 & SB18 grants. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. PPHD will ensure that deliverables are met moving forward. The Program Coordinator and Community Services Representative responsible for outreach and enrollment will meet monthly to discuss progress towards meeting SOW deliverables. Outreach strategies will be developed at the beginning of the year and refined each month to ensure targeted outreach that will result in new enrollment applications. The Program Coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
21	LA County Public Health Contract PH002516-6 & LA County Public Health Contract PH002516-6 AB82 Medi-CAL Outreach & Enrollment Services & LA County Public Health Contract PH002516-6 SB18 Medi-CAL Renewal Services	6/8/2016	Program Review #4	Each month, City is to investigate the enrollment status of 100% of clients who completed applications. City shall capture and monitor this objective's numbers in the monthly report. City shall take steps to monitor enrollment activities, including when and how this task is to be completed by staff. City's staff are to attempt to contact clients at a minimum 3 times via telephone within 90 days after the application is submitted. The attempt date is to be entered in the CHOI data system, as well as the client files. MEDS/AEVS checks or calls to health insurance programs should be made only if staff are unable to contact clients by telephone or in person. City shall provide a detailed explanation regarding not ensuring that 100% attempted contact was made to clients whose applications were assisted or submitted by staff within 90 days after application and submit with POCA. Appropriate documentation shall be entered in client files and data system. City shall run the Enrollment Verification Follow-Up report in the CHOI system on a regular basis to avoid a backlog on client follow-up activities.	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the First 5, AB82 & SB18 grants. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. PPHD will ensure that deliverables are met moving forward. The Program Coordinator and Community Services Representative responsible for outreach and enrollment will meet monthly to review monthly numbers and devise strategies to meet target numbers. The monthly meetings will also be used to check the calendar and discuss clients that need to be contacted for utilization confirmation and ensure that at least three contact attempts are being made within 90 days of application submission. The program coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process
22	LA County Public Health Contract PH002516-6 & LA County Public Health Contract PH002516-6 SB18 Medi-CAL Renewal Services	6/8/2016	Program Review #5	City shall provide a detailed explanation regarding not providing ongoing assistance to a minimum of 130 clients experiencing problems with enrollment, utilizing benefits or retention of services and submit with POCA.	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the First 5, AB82 & SB18 grants. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. PPHD will ensure that deliverables are met moving forward. The Program Coordinator and Community Services Representative responsible for outreach and enrollment will meet monthly to discuss the status of troubleshooting assistance. A mid-year check-in will help to evaluate progress towards meeting the 130 client troubleshooting target. The program coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process
23	LA County Public Health Contract PH002516-6 & LA County Public Health Contract PH002516-6 AB82 Medi-CAL Outreach & Enrollment Services	6/8/2016	Program Review #6 & Program Review #5	Each month, City shall ensure that staff offer utilization assistance and make successful contact with 70% of clients either in person or by telephone at 4-6 months. City shall routinely run 6-month Follow-Up Utilization Report to ensure that clients are contacted and offered utilization assistance between 4-6 months post-enrollment. Additionally, City shall provide a detailed explanation regarding not meeting this objective and submit with POCA.	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the First 5 & SB18 grants. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. PPHD will ensure that deliverables are met moving forward. The Program Coordinator and Community Services Representative responsible for outreach and enrollment will meet monthly to discuss progress towards meeting SOW deliverables and troubleshoot any potential barriers. Monthly CHOI database reports will be examined each month to identify progress towards meeting the 70% target. The program coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
24	LA County Public Health Contract PH002516-6 & LA County Public Health Contract PH002516-6 AB82 Medi-CAL Outreach & Enrollment Services	6/8/2016	Program Review #7 & Program Review #6	City shall ensure that they are on target to meet their goal of offering redetermination assistance to 65% of clients whose applications were assisted or facilitated in Objective 2.1 and were confirmed enrolled. City shall routinely run Objective 4.1 Detail reports to assist in identifying and completing redetermination assistance. City shall outline programmatic strategies to meet this objective and submit with POCA.	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the First 5 & AB82 grants. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. PPHD will ensure that deliverables are met moving forward. The Program Coordinator and Community Services Representative responsible for outreach and enrollment will meet monthly to discuss progress towards meeting SOW deliverables and troubleshoot any potential barriers. Monthly CHOI database reports will be examined each month to identify progress towards meeting the 65% target. The program coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process
25	LA County Public Health Contract PH002516-6 AB82 Medi-CAL Outreach & Enrollment Services	6/8/2016	Program Review #1	City shall ensure that staff successfully engage 152 of the target population in SPA 3 through an outreach/in-reach contact. City shall outline programmatic strategies to meet this goal and submit with POCA.	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the AB 82 grant. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. New staff have been trained and will maintain communication with PPHD Program Coordinator and DPH grant manager. Using the CHOI database reports, the Program Coordinator and Community Services Representative responsible for outreach will meet monthly to review monthly numbers and devise strategies to meet the target engagement number of 152. The Program Coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process
26	LA County Public Health Contract PH002516-6 SB18 Medi-CAL Renewal Services	6/8/2016	Program Review #1	City shall ensure that staff successfully engage 200 of the target population in SPA 3 through an outreach/in-reach contact. City shall outline programmatic strategies to meet this goal and submit with POCA	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the SB 18 grant. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. New staff have been trained and will maintain communication with PPHD Program Coordinator and DPH grant manager. Using the CHOI database reports, the Program Coordinator and Community Services Representative responsible for outreach will meet monthly to review monthly numbers and devise strategies to meet the target engagement number of 288. The Program Coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
27	LA County Public Health Contract PH002516-6 SB18 Medi-CAL Renewal Services	6/8/2016	Program Review #6	City shall ensure that 180 clients of the target population in SPA 3 are provided non-agency redetermination and renewal assistance. City shall monitor the monthly report numbers for Objective 4.2 to ensure they are on target to meet the SOW objective. City shall outline programmatic strategies to ensure that the minimum number of clients needing assistance with completing their renewal and redetermination documents is met and submit with POCA.	Public Health	For the first half of FY 15-16, PPHD had a staffing shortage for the SB 18 grant. Without staff for several months, target numbers were out of reach. As of March 2016, the program is fully staffed and making steady progress to meeting program deliverables. PPHD will ensure that deliverables are met moving forward. The Program Coordinator and Community Services Representative responsible for outreach and enrollment will meet monthly to discuss progress towards meeting SOW deliverables and troubleshoot any potential barriers. Monthly CHOI database reports will be examined each month to identify progress towards meeting the 65% target. The program coordinator will maintain communication with the DPH grant manager each month to ensure steady progress.	July-17	In Process

Transportation

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
T.1	LSL Pasadena Parking Services	9/24/2014	9/24/14-1.1	City develop one universal contract with Parking Contractors that would require the implementation of a specific Parking Access and Revenue Control System, thus eliminating the use of multiple systems being used by vendors. In addition, we recommend that the system and its data is visible in the City in real-time	Transportation	<p><i>We concur with the recommendation and will include provisions for this at the next opportunity.</i></p> <p><i>T.1a Obtaining seats for Plaza Las Fuentes and OPMD garages to see PARCS data in real time by end of FY16</i></p> <p><i>T.1b Scheduling garage operator contract expirations to streamline under one contractor moving forward. - Resolved by 12/2018</i></p> <p><i>T.1c Implement universal PARCS in 5 (and possibly 8) garages by end of FY18</i></p>	<p>T.1a Jun-2016</p> <p>T.1b Nov-2016</p> <p>T.1c Nov-2016</p>	In Progress 75 % complete

Transportation

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
T.3	LSL Pasadena Parking Services	9/24/2014	9/24/14-1.3	City create one consistent and standard contractual agreement for parking management services	Transportation	<i>We concur with the recommendation and will include provisions for this at the next opportunity.</i>	Nov-16	In Progress 70 % complete
T.11	LSL Pasadena Parking Services	9/24/2014	9/24/14-9.2	City consider reducing the number of manned booths and increasing the number of automated machines. These automated machines will increase the integrity of information by reducing the risk of human error. In addition it will solidify certain supervisory controls such as approval for lost tickets or promissory notes.	Transportation	<i>We concur; we are developing plans to modify our operations and equipment within the structure.</i>	Nov-16	In Progress 65 % complete

Transportation

No.	Audit Report	Date Issued	Recommendation No.	Description of Recommendation	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status (Complete, In Progress, Not Started)
T.18	LSL Pasadena Parking Services	9/24/2014	9/24/14-13.1	City require OPMD to contact the service company for ZEAG to separate lost tickets from manually entered tickets.	Transportation	<i>We concur; we are developing plans to modify our operations and equipment within the structure.</i>	Nov-16	In Progress 65 % complete
T.23	LSL Pasadena Parking Services	9/24/2014	9/24/14-17.1	City should consider reducing its reliance on human operated booths and increasing the number of automated machines	Transportation	This will be addressed with the universal PARCS implementation by the end of FY18. We are in the process of pursuing an RFI that will guide our RFP process which will be completed in FY17.	Nov-16	In Progress 65 % complete

Transportation

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T.29	LSL Pasadena Parking Services	9/24/2014	9/24/14-22.1	City contact ABM and require reimbursement for costs such as gift cards to employees that were charged as payroll costs.	Transportation	<i>We will confer with the City Attorney's office on this recommendation</i>	Dec-16	In Progress 75% complete
36	LA County MTA Performance Review of LA County Operators and Metro as the Regional Transportation Planning Entity	6/30/2016		The City should improve the consistency of data reported internally as well as to external entitites.	Transportation	Going forward, the Finance & Transportation departments will develop a process to ensure consistency in data reported by each department in their respective reports.	Jan-17	In Progress 10% complete

Water and Power

No.	Audit Report	Date Issued	Recommendation No.	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
2	IC Consolidated Matrix	11/23/2015	1	Water & Power	1C. Written Policies: Public Works and Water & Power will jointly complete a dynamic document by end of the fiscal year based on lessons learned from the Hill Avenue UUP. An estimated \$25,000 in support services will be needed to complete this assignment.	October-16	W&P: In Progress 70% complete PW: In Progress 100% complete
3	IE Consolidated Matrix	11/23/2015	1	Water & Power	1E. Evaluate Reimbursement Allowance: No change is recommended at this time. Staff will reevaluate potential changes following completion of Management Partners Recommendation #4.	January-18	In Progress 50% complete

Water and Power

	No.	Audit Report	Date Issued	Recommendation No.	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
6	2C	Consolidated Matrix	11/23/2015	2	Water & Power	2C. As part of the original KPMG recommendation a need for increased project analytical review was identified not only for undergrounding but for overall CIP analysis. As the program transitions to Water & Power (PWP), they will seek an additional FTE in FY2016 budget cleanup report. An estimated additional \$150,000 in labor and/or support services for PWP Finance.	December-16	In Progress 50% complete
7	3D	Consolidated Matrix	11/23/2015	3	Water & Power	3D. Appropriate segregation of duties is being carefully considered in the design of the ultimate process with the migration of the UUP from Public Works to Water & Power.	October-16	In Progress 30% complete
8	6B	Consolidated Matrix	11/23/2015	6	Water & Power	6B. During the transition period of both the Munis system and the UUP Program to Water & Power, UUP reimbursements for individual property owners continues to use the City of Pasadena Electric System Underground Application For Utility Reimbursement form which requires the approval from three Departments.	October-16	Not Started
5	43E	Consolidated Matrix	11/23/2015	43	Water & Power	43E. All impacted departments have reviewed Management Partners' process maps and list of recommendations with staff involved in the UUP so that everyone understands complete program and various roles.	September-16	PW: Completed W&P: In Progress 30% complete

Water and Power

No.	Audit Report	Date Issued	Recommendation No.	Department Responsible for Corrective Action	Corrective Action	Agreed To Corrective Action Date	Disposition Status
9	50A Consolidated Matrix	11/23/2015	50	Water & Power	50A. Recommendations presented to the Municipal Services Committee on October 13, 2015. Staff will return to the Committee in January 2016 with additional information requested.	August 2016 for MSC, November or December 2016 to City Council	In Progress 70% complete
10	50B Consolidated Matrix	11/23/2015	50	Water & Power	50B. Recommendations presented to the Municipal Services Committee on October 13, 2015. Staff will return to the Committee in January 2016 with additional information requested.	August 2016 for MSC, November or December 2016 to City Council	In Progress 70% complete
12	C16-OCM-02 Quadrant/ECIS Consulting Report	6/30/2016	2	Water & Power	PWP department agrees and will institute recommendation	November-16	In Process 50%