THE CITY OF SAN DIEGO

MEMORANDUM

DATE: November 7, 2011

TO: Kevin Faulconer, Chair, Audit Committee

FROM: Tony Heinrichs, Director, Public Works Department

SUBJECT: Past Due Audit Recommendations

We believe we are now in partial or full agreement with 23 of the audit's 24 recommendations. Our primary disagreement with 4 of the auditor's recommendations had to do with our desire to avoid a new layer of red tape in the creation of a new office and the impact of increased bureaucratic costs on a General Fund still looking for balance. We are centralizing responsibility for CIP delivery within the Public Works Department, and will continue to seek any additional organizational adjustments to improve delivery, maximize efficiencies, and increase accountability. The CIPRAC Charter will be amended to adopt many of the CIP Audit recommendations. In all of this effort to improve CIP oversight, the general fund must not be impacted nor should an additional layer of management/review be created that would resulting in slowing down projects and/or increasing cost

The ERP Development Team, Business Office, Comptrollers, CIPRAC, and Public Works Department are responsible for Recommendations 1 thru 24 under the 11-027 Audit, Capital Improvement Program. The following is the status of the recommendations:

Recommendation #:

15. Complete. Client Departments have assigned liaisons for their Capital Improvement Projects. Also, maintaining liaison assignments is the responsibility of each CIPRAC member.

The remaining twenty-two (22) Audit 11-009 Recommendations are being implemented and have not passed their due dates.

Please note no agreement has been reached on recommendation number 5.

Tony Heinrichs
Director

cc: Jay M. Goldstone, Chief Operating Officer
Wally Hill, Assistant Chief Operating Officer
Amy Benjamin, Director of Council Affairs
Ken Whitfield, Comptroller
Debra Bond, ERP Support Director
James Nagelvoort, Acting Assistant Director. Public Works