

OFFICE OF THE CITY AUDITOR

City and County of Honolulu
State of Hawai'i



Audit Recommendations Status Report April 2004 to July 2010

A Report to the
Mayor
and the
City Council of
Honolulu

Report No. 11-04
May 2011

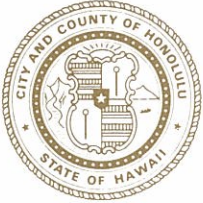
Audit Recommendations Status Report April 2004 to July 2010

A Report to the
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Submitted by

THE CITY AUDITOR
CITY AND COUNTY
OF HONOLULU
STATE OF HAWAII

Report No. 11-04
May 2011



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CITY AND COUNTY OF HONOLULU
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EDWIN S.W. YOUNG
CITY AUDITOR

May 23, 2011

The Honorable Nestor Garcia, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Council Chair Garcia:

Our office has completed its Audit Recommendation Status Follow-up for recommendations made between April 2004 and July 2010. The objective of this informational review was to determine how many audit recommendations were completed (C), resolved (R), in-process (I), not-started (N), or should be dropped (D). This report was requested by the Honolulu City Council.

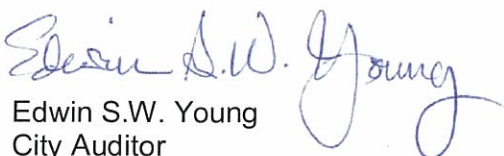
The review was conducted between July 2010 and April 2011. During the review, our team reviewed information, analyzed data, and discussed the status of the audit recommendations with the departments and agencies responsible for implementing the audit recommendations.

Our review covered 272 audit recommendations. The results of our review indicated that 146 recommendations (54%) were completed, 10 recommendations (4%) were resolved, and 67 recommendations (25%) were in-process. Of the remaining recommendations, 37 (13%) were dropped and 12 (4%) were not started. The attached draft report contains more information regarding each specific recommendation, the status of each recommendation; management comments and actions related to the recommendations; an update on the latest management actions planned; and, as applicable, the expected date for completing the outstanding recommendations.

A management response was not required for this report. However, we are available to meet with you and your staff to discuss the review results, provide more information, or to answer any questions. If you have any questions regarding the report, please call our auditor-in-charge, Wayne Kawamura, at 768-3138 or me at 768-3130.

We wish to express our appreciation for the cooperation and assistance provided us by the staffs of the Office of the Managing Director and all the staffs of the many departments, agencies, and commissions that assisted us during this review.

Sincerely,


Edwin S.W. Young
City Auditor

c: See attached distribution list

Honolulu City Council
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**Audit Recommendation Status Follow-up Report, April 2004 to July 2010
Summary**

Report No.	Page No.	Audit Report Title	Month Issued	Status					
				C	R	I	N	D	TOTAL
04-01	1	Review of the Department of Enterprise Services' Efforts Toward Fiscal Self-Sustainability	Apr 2004	5	0	5	0	2	12
04-02	4	Review and Assessment of the Department of Planning and Permitting's One-Stop Permit Centers	Jun 2004	4	0	3	0	0	7
05-01	6	Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices	Mar 2005	6	0	0	1	0	7
05-02	8	Audit of Selected Management Issues of the Honolulu Liquor Commission	Apr 2005	7	0	5	2	1	15
05-03	13	Audit of the City's Road Maintenance Practices	Jun 2005	3	1	9	2	1	16
05-04	18	Review of the Costs of the City's Brunch, on the Beach, Sunset on the Beach and Rediscover O'ahu Programs	Jun 2005	5	0	0	0	1	6
06-01	20	Audit of Selected City Information Technology Controls	Jan 2006	7	0	2	0	0	9
06-02	23	Audit of the City's Personal Services Contract Practices	Feb 2006	6	4	0	0	4	14
06-03	26	Audit of the City's Debt Service Practices	Feb 2006	3	0	0	0	5	8
06-05	28	Audit of the City's Executive Staff's Out-Of-State Travel	Jul 2006	7	0	0	0	0	7
06-06	30	Audit of the Neighborhood Board System	Aug 2006	18	1	2	0	4	25
06-07	35	Audit of Selected Management Issues at the Honolulu Board of Water Supply	Oct 2006	11	1	0	0	4	16
07-01	38	Audit of the City's Abandoned and Derelict Vehicle Program	Apr 2007	14	1	0	0	3	18
07-02	41	Audit of the Hanauma Bay Nature Preserve Fund	Jun 2007	0	0	11	0	0	11
07-03	44	Audit of the Tennis Complex of the Central O'ahu Regional Park	Jul 2007	5	0	9	0	0	14
07-04	47	Audit of the Honolulu Police Department Patrol Officer Staffing Practices	Aug 2007	7	0	2	1	0	10
07-05	50	Audit of the City's Management of Unilateral Agreements in Affordable Housing	Sept 2007	9	0	1	0	4	14
08-01	53	Audit of the City's Planning, Design, and Construction of Skateboard Park Facilities	Jun 2008	0	0	5	0	0	5
08-02	55	Audit of the City's Electricity Costs, Consumption, and Management	Jul 2008	4	1	1	4	0	10
08-03	58	Audit of the City's Synagro Contract	Aug 2008	6	0	0	0	0	6
08-04	60	Audit of the 2003-04 Mililani Curbside Recycling Pilot Project	Oct 2008	0	0	0	0	4	4
09-01	61	Audit of Select Management Practices of City-Owned Vehicles Under the Jurisdiction of the Department of Facility Maintenance	Oct 2009	6	1	8	0	1	16
09-02	64	Audit of the Department of Transportation Services' Honolulu High-Capacity Transit Corridor Project	Oct 2009	7	0	0	0	2	9
10-01	66	Audit of the Honolulu Fire Department's Fire Code Inspection Program for High-Rise Residential Buildings	Apr 2010	6	0	1	0	0	7
11-01	68	Audit of the Honolulu Police Department's Utilization of the 800 Megahertz Telecommunications System	Aug 2010	1	0	3	2	0	6
		TOTALS		146	10	67	12	37	272
		PERCENTAGE		54%	4%	25%	4%	13%	100%

C = Completed; **R** = Resolved; **I** = In Process; **N** = Not Started; **D** = Dropped

Review of the Department of Enterprise Services' Efforts Toward Fiscal Self-Sustainability (Report 04-01, Issued April 2004)

Report Summary: The objectives of the audit were to assess the departments' efforts to achieve fiscal self-sustainability and the management of its concession and revenue-generating contracts. Report 04-01 was completed in response to City Council Resolution 03-198, *Requesting the City Auditor to Conduct a Review of the Economy and Efficiency of Certain Executive Department Activities*.

Of the 12 recommendations, 5 were completed (C), 5 are in process (I), and 2 were dropped (D).

Recommendation	Status	Comments
<p>1. The director of the Department of Enterprise Services (DES) should:</p> <p>a. establish a long-term fiscal sustainability plan that incorporates all initiatives into a comprehensive plan. The plan should unify its various efforts so that it can make purposeful progress toward accomplishing its mission.</p> <p>This plan should:</p> <ul style="list-style-type: none"> • clearly identify whether all of its operating costs and departmental expenses, such as debt service, will eventually be fully funded by the department; • address the department's financial goals and fiscal constraints that balance the needs of the public, non-profit, and commercial activities; • identify goals and objectives to reduce the need for the General Fund subsidy for the department's Golf Fund and Special Events Fund; and • incorporate evaluation to assess progress and take corrective action when needed; 	<p>I</p>	<p>The director agrees with the recommendation to develop a long-term fiscal sustainability plan – starting with the process of revising the department's current mission statement to more accurately align its fiscal revenue and expense scenarios, and to be self-supporting on a fiscal operating basis, with its community-based purposes (i.e., to manage and market services and facilities for the use and benefit of the public, and to support cultural and educational opportunities).</p> <p>ESTIMATED COMPLETION DATE: December 31, 2011</p>

Recommendation	Status	Comments
<p>b. develop an effective plan to enforce contract compliance with non-compliant concessionaires and limit the City's financial losses if a concessionaire begins to accumulate arrears. Also needed is an effective strategy to terminate contracts of non-compliant concessionaires;</p>	I	<p>Improvements to the overall management of city concessions have been ongoing starting in 2008 with reorganizing concession management functions and filling two staff positions. The department has not started on a plan but is meeting in cooperation with other city support service agencies to more accurately identify, track disposition, and resolve issues at city concession sites. The department has been working through past and current concession management issues, and plans to develop written policies and procedures relating to solicitation and evaluation of concession vendor proposals, duties related to the administration and management of concession services, and monitoring compliance with contract provisions.</p> <p>ESTIMATED COMPLETION DATE: December 31, 2011</p>
<p>c. continue and expand recent efforts to reduce the accounts receivables backlog to ensure that fees and rent are paid to the city in a timely manner;</p>	I	<p>See Recommendation a. In addition, the department reports that they are reassessing and delineating duties required to strengthen the control processes between agencies to better monitor concession rent payments.</p> <p>ESTIMATED COMPLETION DATE: December 31, 2011</p>
<p>d. comply with city finance policy for billing, collections, and follow-up on accounts receivable. It should also include procedures to track rental payment due dates and overdue payments;</p>	C	<p>Operational changes include working more closely with the Department of Budget and Fiscal Services (BFS) treasury staff. BFS maintains a payment tracking system and provides payments, receivables, delinquencies, and monitoring information to DES to improve its monitoring over concessionaires and compliance with city policies.</p>
<p>e. comply with city policy requiring open competitive bidding for awarding city concession contracts and better scrutinize sole-source contract requests;</p>	C	<p>DES submits specifications and scope of work of concessionaires to BFS purchasing as required by law.</p>
<p>f. cease the practice of awarding city concession revenues to non-city organizations. It should also ensure that all city concession contracts require all revenues to be deposited in the city treasury;</p>	D	<p>DES reports no city concession revenues were awarded to non-city organizations. All concession contract revenues are deposited in the city treasury.</p>

Recommendation	Status	Comments
g. the department should not allow concessionaires to operate city concessions until written contracts are executed;	I	Current departmental policy is to issue month-to-month permit with the previous contract stipulations until a new contract is executed. ESTIMATED COMPLETION DATE: December 31, 2011
h. establish policies and procedures for the management of its concession contracts and ensure that official contracts are safeguarded from loss; contract files should be organized in a consistent manner, site visits should be documented, a chronology of key events, agreements, and problems should be maintained; concession information maintained elsewhere should be noted in the concession contract file;	I	Improvements have been made such that contracts are safeguarded from loss in an organized manner, with relevant information provided and location of concession information maintained elsewhere noted to file. ESTIMATED COMPLETION DATE: December 31, 2011
i. obtain a copy of the official Beach Stand #3 concession contract for the department's concession files; and	C	Copy located.
j. establish a procedure to provide emergency contact information to city personnel co-located with city concessions.	C	The Concession Management Specialist maintains a list of emergency contact information.
2. The director of budget and fiscal services should: a. locate the official copy of the Beach Stand #3 concession contract and ensure that concession contract files have official copies of all official contracts; and	C	Copy located.
b. ensure that the Department of Enterprise Services provides accurate information and appropriate justification on future requests to award sole-source concession contracts.	D	DES reports not awarding sole source concession contracts. Revocable permits are issued to continue operation if no bid solicitations are received, and bids are re-solicited.

**Review and Assessment of the Department of Planning and Permitting's One-Stop Permit Centers
(Report 04-02, issued June 2004)**

Report Summary: The objectives of the audit were to review and assess the impact of the Department of Planning and Permitting's One-Stop Permit Centers on the building permit process. Report 04-02 was completed in response to City Council Resolution 03-198, *Requesting the City Auditor to Conduct a Review of the Economy and Efficiency of Certain Executive Department Activities.*

Of the 7 recommendations, 4 were completed (C) and 3 are in process (I).

Recommendation	Status	Comments
<p>1. The Department of Planning and Permitting (DPP) should expedite an objective evaluation and development of a plan to assess and address the personnel issues that accompany its permit centers and building permit processing. This should include, but not be limited to:</p> <p>a. reviewing and identifying the minimal qualifications and job duties necessary to determine proper classification for permit counter clerks;</p>	C	The Department of Planning and Permitting (DPP) worked with the Department of Human Resources and DPP's consultant KMH LLP to reclassify the permit intake clerk series as a building permit technician series.
<p>b. determining proper staffing levels necessary to provide improved application processing service; and</p>	C	DPP established staffing levels necessary to provide improved application processing service, and continues to recruit and fill despite budgetary constraints.
<p>c. developing appropriate training programs to assist and guide staff in the performance of their jobs.</p>	C	DPP worked with its consultant to develop comprehensive permit checklists for applicants, which are also used as staff training aids. The department has developed PermitPal, a software program to provide basic permit information to the public, which is also used to train new employees.

Recommendation	Status	Comments
<p>2. The department should conduct an objective evaluation of the Honolulu Permit Center and develop a plan to implement operational improvements. The plan should include targeted goals; specific operational improvements to personnel, workflow, and processes; technological support; and customer service. Any plan should include provision and methodology to evaluate and assess performance.</p>	I	<p>DPP has initiated a continuous improvement initiative and is implementing the recommendations of its consultant's business process reviews and strategic planning.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p>
<p>3. The department should identify, evaluate and justify the resources needed to effectively operate one-stop permit centers at both the Honolulu and Kapolei facilities. The department should ensure administration's support for the resources necessary to support those goals. Evaluation mechanisms should be integrated into the process as a means to measure progress.</p>	I	<p>DPP has tried streamlining processes and customer service initiatives to provide added support for staffing shortfalls. It also has used the internet, consultant studies, and technological upgrades and improvements to enhance customer service and department performance in permitting operations. The department is working to develop a managerial position in the Kapolei Hale permit center. See item 1b for staffing and recruitment.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p>
<p>4. The department should develop, implement, and enforce clear guidelines, checklists, or other instructions for both staff and applicants to follow in the building permit application process. Once clear criteria and guidelines are established, the department should ensure that staff apply and enforce applicant requirements and that applicants have access to adequate information to ensure submission of properly completed building permit applications.</p>	C	<p>DPP developed a plans checklist which is available on the department website.</p>
<p>5. The department should clearly identify actual departmental expenses that can be linked to building permit fees and justify their relationship to building permit fees to support its efforts to secure the necessary resources to fully implement its re-engineering efforts.</p>	I	<p>DPP is proposing a comprehensive change to Revised Ordinances of Honolulu Chapter 18, Building Code, to include improvements in how permit fees are calculated and collected.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p>

**Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices
(Report 05-01, Issued March 2005)**

Report Summary: The objectives of the audit were to review and evaluate whether the city's sole source, emergency, and professional services procurement practices comply with state and city procurement laws, rules and procedures. At that time, information regarding the number and dollar amount of these types of procurements was limited. The audit was conducted pursuant to the city auditor's authority to self-initiate audits.

Of the 7 recommendations, 6 were completed (C) and 1 is not started (N).

Recommendation	Status	Comments
<p>1. The city's chief procurement officer should:</p> <p>a. require the city to procure goods and services through competitive means that meet the agency's need and saves taxpayers' money. Improper anti-competitive practices such as unnecessary use of brand names, desire to continue working with the same vendor, or claims that no other vendors exist, must cease. Restrictive brand name specifications should be used when only one product will meet the specified need. Requests for sole source and exempt procurement lacking proper written justification should be rejected. Aesthetic preferences should not be the driving factor behind sole source procurement. Procurement specifications must be prepared with the best interests of the city. Identifying performance requirements such as durability, as well as identifying the entire quantity to be purchased will encourage competition and better prices for the city;</p>	C	<p>Purchasing division of the Department of Budget and Fiscal Services is required to act in the public's interest, encourage competition, and act as fiduciaries and trustees of the public's money. They report being diligent in reviewing for the cautioned items in the recommendation, particularly when they are not necessary to meet agencies' needs, costs, or other relevant functional or operational concerns.</p>
<p>b. ensure that sole source procurement approvals comply with the state procurement code and city policy, and seek advice and clarifications from the State Procurement Office regarding appropriate justifications for sole source procurements. Moreover, require compliance with the city's debt and financial policies when purchasing equipment with capital improvement program (CIP) funds thereby restricting improper uses and unnecessary additions to debt service;</p>	C	<p>The division reports seeking the counsel and review of the State Procurement Office. Exempt procurements are used as appropriate. Equipment purchases are reviewed to prevent using CIP funding.</p>

Recommendation	Status	Comments
c. initiate the practice of electronically posting the city's sole source, emergency, and exempt notices, agency justification forms, and awards, even though it is not required by law;	C	The division reports all procurements are posted on the department's website.
d. ensure that approvals granted for emergency procurement meet the statutory requirements of a threat to health, safety, welfare or life. Also, more attention is needed to ensure that errors and missing information in the city's official emergency procurement files are corrected in a timely manner;	C	The division reports making departments justify their emergency procurements in health, safety, and welfare terms.
e. take into consideration the limited protections provided when purchase orders are used versus the safeguards in formal contracts to ensure that the city's interests are protected. When purchase orders are used, the city should seek guarantees for the work when procuring goods, services, or construction for emergency procurements; and	C	The division considered the recommendation and tries to ensure protection of city interests no matter the purchasing form.
f. ensure that the Department of the Corporation Counsel complies fully with the electronic posting procedural and documentation requirements for awarding professional services contracts. In addition, it should also provide the required documents to the purchasing division for the city's official procurement files.	C	The division implemented changes city-wide to ensure compliance with posting and filing requirements.
2. The city's managing director should inform and require city agencies to comply with the city charter requirement that authorizes the city auditor's full, free, and unrestricted access to city employees and agency records during an audit.	N	The current administration has been apprised of this recommendation.

Audit of Selected Management Issues of the Honolulu Liquor Commission (Report 05-02, Issued April 2005)

Report Summary: The objectives of the audit were to review and assess the organizational structure of the Honolulu Liquor Commission in meeting its responsibility to implement the provisions of Chapter 281, Hawai'i Revised Statutes, and the personnel management practices of the Honolulu Liquor Commission. Report 05-02 was completed in response to City Council Resolution 03-223, *Requesting The City Auditor To Conduct An Audit Of The Honolulu Liquor Commission*.

Of the 15 recommendations, 7 were completed (C), 5 are in process (I), 2 are not started (N), and 1 is dropped (D).

Recommendation	Status	Comments
1. The Honolulu Liquor Commission should: <ul style="list-style-type: none"> a. work proactively with the administrator to adopt specific goals and objectives for job performance, which are subsequently used to evaluate and assess the administrator's performance; 	C	The 2010 revision of the commission's strategic plan has provided for a process to evaluate administrator and agency performance.
<ul style="list-style-type: none"> b. direct the administrator to: <ul style="list-style-type: none"> 1) ensure that a thorough, consistent, and documented training program is developed and provided to new commissioners, and that existing commissioners are routinely updated and kept current with responsibilities and duties; 	C	The agency has created a Commissioner's Manual which addresses pertinent rules and regulations; roles and responsibilities; and is used as a training document. Commissioners also attend annual conferences for liquor industry regulators.
<ul style="list-style-type: none"> 2) establish an appropriate timeframe for the proposed reorganization plan. Any reorganization plan should include clear description and identification of duties of the proposed senior management team, including descriptions of the qualifications of persons to hold the positions; and 	I	The agency is currently pursuing a major reorganization initiative to become more effective and to meet its strategic and operational priorities. ESTIMATED COMPLETION DATE: To be determined.
<ul style="list-style-type: none"> 3) take all necessary steps to fill the deputy administrator position; 	C	Assistant administrator was appointed in April 2006.

Recommendation	Status	Comments
c. ensure that, as part of its oversight responsibilities, senior management implements effective, open management and communication practices and that the commission develop procedures to independently evaluate managements' implementation efforts;	C	The 2010 strategic plan addresses open management and communications practices, and how implementation efforts should be evaluated.
d. assess whether effective administrative oversight of the commission necessitates the creation of an adjudication board separate from the commissioners;	I	Remains under consideration. The commission has implemented pre-adjudication process and hearing-waived violations to streamline the adjudication process in the interim. ESTIMATED COMPLETION DATE: To be determined.
e. consider proposing charter amendments to, at a minimum, re-classify the administrator to the excluded class. Similar evaluation should also be considered for the deputy administrator position;	C	As of November 2, 2010, a city charter amendment passed to allow the Liquor Commission the ability to hire and fire its Administrator and Deputy Administrator at-will.
f. study the feasibility of transferring the liquor enforcement investigatory responsibilities to the Honolulu Police Department; and	D	In discussion with the police department, both parties agreed that it would be best to maintain the agency as is. Both pledged to work together to improve public safety and license regulation.

Recommendation	Status	Comments
<p>g. work with the Department of Budget and Fiscal Services (BFS) to have the Internal Controls Division to conduct a thorough review of the commission's processes and practices relating to:</p> <p>1) auditing of licensees, and</p> <p>2) allocation and utilization of funds received from liquor violation fines.</p>	I	<p>ESTIMATED COMPLETION DATE: To be determined.</p> <p>The agency further defined its licensee auditing function in the 2010 revision of the strategic plan. The agency has experienced difficulty in recruiting and retention in this area, resulting in diminished auditing capability.</p> <p>The revised strategic plan prioritizes requesting and monitoring for improved accounting of fine monies by BFS. BFS is no longer keeping portion of fine monies as administrative expense.</p>
<p>2. The liquor commission administrator should:</p> <p>a. work proactively with the liquor commissioners to identify and fill necessary vacant staff positions. This should include, but not be limited to: filling vacant positions, removing administratively imposed freezes on vacant positions necessary for effective operations, and actively pursuing the necessary fee adjustments to support proper staffing of the commission. The administrator must actively pursue both of these issues to the city administration and the city council;</p>	I	<p>The agency has prioritized filling vacancies in accordance with agency and strategic plan priorities. However, the agency has been subject to vacancy cutbacks and is unable to fill certain positions.</p> <p>ESTIMATED COMPLETION DATE: To be determined.</p>

Recommendation	Status	Comments
<p>b. ensure that the administrative directives and other appropriate policies and procedures are reviewed and updated. This should include:</p> <ol style="list-style-type: none"> 1) procedures and protocols for investigator actions that are clearly defined and routinely followed; 2) a clear rationale and program for selection of licensees to be audited, a plan to achieve full review of licensees is implemented, and necessary resources secured to achieve these objectives; 3) clearly identified staff duties and responsibilities; and 4) clear guidelines, requirements, minimal acceptable requirements of licensee applications and supporting documents, and provided to all licensee applicants, investigators, commissioners, applicants and others involved in the license process; 	I	<p>ESTIMATED COMPLETION DATE: To be determined.</p> <p>Procedures and protocols revision in progress.</p> <p>The revised strategic plan prioritizes provision of consistent, comprehensive, and reliable auditing of licensees to ensure compliance. The agency acknowledges that the auditing function is currently not staffed to meet the objective.</p> <p>Staff duties and responsibilities have been clearly identified and given priority in the revised strategic plan.</p> <p>The revised strategic plan has prioritized the establishment of clear requirements for the evaluation of license applicants and timetables for processing; inspection and compliance checks; and updating licensee data.</p>
<p>c. implement, with review and approval of the commissioners, an internal affairs review process; and</p>	C	<p>The revised strategic plan has prioritized the creation of an independent internal affairs function or programs assurance branch.</p>
<p>d. work with the commissioners and Department of Budget and Fiscal Services to ensure that budget preparation guidelines and criteria realistically reflect the commission's fiscal self-sustainable position.</p>	C	<p>The agency has prioritized obtaining the necessary resources to achieve plan objectives. It has obtained approvals for license fee increases, and tracks and accounts fine monies in accordance with HRS Chapter 281.</p>

Recommendation	Status	Comments
3. The mayor should ensure that: <ul style="list-style-type: none"> a. nominees, during the nomination and confirmation process of liquor commissioners, understand and accept the workload and ethical obligations that are implicit in the commissioner role; and 	N	The current administration has been apprised of this recommendation.
<ul style="list-style-type: none"> b. a quick and thorough review follows upon any questions concerning the behavior of appointed commissioners. 	N	The current administration has been apprised of this recommendation

**Audit of the City's Road Maintenance Practices
(Report 05-03, Issued June 2005)**

Report Summary: The objectives of the self-initiated audit were to review and assess the city's road maintenance and repair program practices.

Of the 16 recommendations, 3 were completed (C), 1 is resolved (R), 9 are in progress (I), 2 are not started (N), and 1 is dropped (D).

Recommendation	Status	Comments
<p>1. The department should:</p> <p>a. assess the status of vacant positions and pursue funding for those positions identified as essential;</p>	C	<p>The Department of Facility Maintenance (DFM) has made the assessment and reports an increase in division vacancies, which is now between 38 and 40 percent, including 6 of 8 district superintendent positions. The department is working with the administration to fill positions.</p>
<p>b. implement web-based technology for educating the public about road maintenance issues and soliciting pothole complaints;</p>	C	<p>The department has implemented web pages and created new forms to educate the public and receive pothole complaints.</p>
<p>c. develop a technology integration plan with other appropriate city and state agencies that utilizes GIS programming;</p>	I	<p>The Division of Road Maintenance (division) has coordinated with the Department of Information Technology (DIT) and the Department of Planning and Permitting (DPP) since 2007 to phase in work order and pavement management system solutions to enhance its operations.</p> <p>ESTIMATED COMPLETION DATE: 2014/2015</p>
<p>d. draft, maintain annually, and report to the council, the cumulative road maintenance backlog, identifying both street miles and costs;</p>	C	<p>The division has developed the capability to maintain data on and report graphically (e.g., overall; by district) on the maintenance backlog, street condition, miles and costs. It reports annually and provides customized reports as requested.</p>

Recommendation	Status	Comments
e. improve its record retention system; and	I	<p>Related to its information technology improvement efforts, the division is reviewing its use of records in its operational process, and attempting to electronically incorporate data into its systems where possible.</p> <p>ESTIMATED COMPLETION DATE: 2014</p>
f. keep an accurate account of the worker-hours and dollars spent on non road-related activities.	D	<p>The major factor for the non-road related activities was the department's support of previous mayoral initiatives such as brunch and sunset on the beach. These program activities are no longer supported by DFM.</p>

Recommendation	Status	Comments
<p>2. The division should:</p> <p>a. adopt key industry best practices for its road maintenance program that:</p> <ol style="list-style-type: none"> 1) secures dedicated funding; 2) adopts a pavement management system; 3) executes a pavement preservation program focusing on long-term maintenance; 4) establishes customer-focused performance measures in road treatment decisions and output measurements; and 5) implements cost-benefit analysis in maintenance applications; 	I	<p>ESTIMATED COMPLETION DATE: 2014</p> <p>The department has annually pursued an increased level of funding for road rehabilitation projects through the city's CIP.</p> <p>The division has adopted a pavement management system (PMS) utilizing MicroPaver, and has been working with DIT and DPP since 2007 to implement the PMS in its operations, with additional enhancements in progress.</p> <p>Consolidated with 2a.2). The division is working towards executing a pavement preservation program as part of the PMS and work order system applying management analysis of the data and applying findings to program pavement maintenance, resurfacing and reconstruction projects. A pilot program involving slurry seal to preserve pavement was implemented with the Department of Design and Construction (DDC) last year.</p> <p>As part of the pavement preservation programming, road resurfacing and reconstruction projects, updated roadway assessments are performed and underground utility providers are contracted to minimize project conflicts and improve pavement longevity.</p> <p>The work order system will assess costs involved with the work performed and PMS will help indicate cost-benefit results for maintenance and repair projects to help determine best use of rehabilitation funding.</p>

Recommendation	Status	Comments
<p>b. draft and implement a plan, and work with the administration and council, to eliminate <i>poor</i> industry practices such as:</p> <ol style="list-style-type: none"> 1) reduced or postponed maintenance; 2) hiring and wage freezes; 3) cancelled or temporary resurfacing; 4) operating outmoded or hard-to-maintain equipment; and 5) adoption of the <i>worst first</i> pavement maintenance philosophy that allows pavement to deteriorate before action is taken; 	I	<p>Consolidate recommendation item series 2b with recommendation item series 2a which recommends adoption of best practices, as a solution to eliminating <i>poor</i> industry practices. Coordinate 2b(1), 2b(3), and 2b(5) with DDC. Coordinate 2b(2) with the Department of Budget and Fiscal Services (BFS).</p> <p>ESTIMATED COMPLETION DATE: 2014</p>
<p>c. prioritize and consistently conduct an annual pavement condition survey;</p>	I	<p>The road maintenance division conducts daily pavement condition surveys. Due to increased complexity of the surveys needed for the PMS, current/future surveys may take longer than two years to complete unless added staff resources are provided. To perform annual pavement condition survey, DFM recommended a staff of four (two additional). The estimated completion date includes performing current survey and obtaining added staff resources for annual survey pending approvals.</p> <p>ESTIMATED COMPLETION DATE: 2013</p>
<p>d. develop a comprehensive work order system;</p>	I	<p>Also see 1c.</p> <p>ESTIMATED COMPLETION DATE: 2014</p>
<p>e. draft policies and procedures for road maintenance applications; and</p>	I	<p>This recommendation item requires consolidation as a supportive supplemental measure to the best practices, operations, and planning recommendations in progress above at 2a and 2b.</p> <p>ESTIMATED COMPLETION DATE: 2014</p>

Recommendation	Status	Comments
f. conduct in-house road resurfacing.	R	The department has considered the recommendation. The road maintenance division performs in-house road resurfacing for locations where contract resurfacing projects are not scheduled and roadway condition warrants resurfacing. The division also provides thin overlay (1") as a first aid repair to provide a smoother road pavement when the projected resurfacing project is delayed or to address community complaints. Typically, the in-house road resurfacing has been about 50-60 lane miles per year. DDC contracts out the majority of city road resurfacing projects.
3. The mayor should: a. ensure that the Department of Facility Maintenance has adequate resources to fulfill its mission to maintain city roads;	I	The city is pursuing adequate resources for the department to maintain city roads.
b. ensure that the Department of Design and Construction has adequate resources to program road resurfacing and reconstruction projects; and	I	The city is pursuing adequate resources for DDC to program road resurfacing and reconstruction projects.
c. seek a practical solution to issues regarding disputed road ownership.	N	The current administration has been apprised of this recommendation.
4. The managing director should review and develop updated record keeping guidelines for city agencies and submit recommendations to the council for adoption.	N	The current administration has been apprised of this recommendation.

**Audit of the Costs of the City's Brunch on the Beach, Sunset on the Beach and Rediscover O'ahu Programs
(Report 05-04, Issued June 2005)**

Report Summary: The objectives of the self-initiated audit were to determine the city's total costs for the programs. Incomplete reports and repeated inquiries from the city council resulted in uncertainty regarding the total cost of these programs.

Of the 6 recommendations, 5 recommendations were completed (C), and 1 was dropped (D).

Recommendation	Status	Comments
<p>1. The Office of the Managing Director should:</p> <p>a. provide the city council and the public a complete and accurate reporting of the city's brunch, sunset and rediscover expenditures;</p>	C	The program has been downsized and restructured with protocols and oversight provided by the offices of the managing director, economic development and special events and permitting. The managing director is to report on the programs' expenditures. Previous costs were reported.
<p>b. establish policies and procedures for participating agencies to identify, capture, track and report city's expenditures for brunch, sunset and rediscover programs;</p>	C	Policies and procedures have been established and accessible to all city employees as Subject No. 630, <i>Brunch on the Beach, Sunset on the Beach, and Rediscover O'ahu</i> , Administrative Directives Manual.
<p>c. monitor agencies' compliance with those policies and procedures;</p>	C	See 1a and 1b.
<p>d. ensure that agencies comply with the record retention guidelines and safeguard program documents and reports, including the transition period between outgoing and incoming city administrations; and</p>	C	See 1a and 1b.
<p>e. establish policies and procedures to identify, retain and safeguard financial records and related documents for brunch, sunset and rediscover programs.</p>	C	See 1a and 1b.

Recommendation	Status	Comments
2. The Department of Budget and Fiscal Services should establish accounting methods and procedures for departments and agencies to completely and accurately identify, capture, track, and report brunch, sunset and rediscover expenditures.	D	According to Administrative Directives Subject 630, the responsibility is with the departments involved.

**Audit of Selected City Information Technology Controls
(Report 06-01, Issued January 2006)**

Report Summary: The objectives of the self-initiated audit were to review and assess the adequacy of selected general information security controls employed by the Department of Information Technology (DIT) such as backup and recovery, physical and environmental controls, and service continuity/contingency planning.

Of the 9 recommendations, 7 were completed (C) and 2 are in process (I).

Recommendation	Status	Comments
<p>1. The department should:</p> <p>a. develop a comprehensive IT security plan that includes but is not limited to the creation of a functional management plan and an ongoing assessment process to ensure evaluation of the plan;</p>	C	Security policies were redrafted and are applied city-wide, which includes management and assessment criteria.
<p>b. seek funding to facilitate a citywide risk assessment, including business impact and business continuity/resumption analysis;</p>	I	<p>The project has been assigned to the Department of Emergency Management (DEM). The Continuity of Operations Plans (COOP) for the departments have been completed by the DEM. Once COOP plans are distributed, DIT will hold follow-up meetings with each department to further refine and detail out their recovery needs.</p> <p>ESTIMATED COMPLETION DATE: June 2012</p>
<p>c. clarify authority and lines of responsibility for citywide security management by appropriately revising key planning documents and policies, and working with the mayor and city agencies to resolve coordination, management, and oversight issues;</p>	C	See 1a. The department has revised key documents and policies in coordination with the other departments and the administration to resolve oversight and management issues.

Recommendation	Status	Comments
<p>d. improve security for the data center by seeking funding for improved physical and environmental controls, and manage data center access to more accurately reflect actual access needs;</p>	C	<p>As part of city wide access controls and monitoring systems (ACAMS) project, physical access controls at certain city facilities have been improved, and access needs are evaluated for access privileges. Physical controls have been designed for the Fasi Municipal Building (FMB), environmental services support and transit services sites.</p>
<p>e. seek ways to further improve routine backup and recovery practices by acquiring funding for upgrading technology or media, and developing appropriate guidelines or other awareness programs to enhance backup and recovery effectiveness;</p>	C	<p>Backups are performed as prescribed by database administrators, and also scheduled prior to special updates. Backup and recovery is done for the new enterprise resource planning system (C2HERPS), implemented in February 2010, and for other new equipment and initiatives.</p>
<p>f. pursue an appropriate funding program for disaster recovery planning and required supporting elements, and provide an appropriate level of authority and priority to the disaster recovery function within the department; and</p>	I	<p>Consolidated with recommendation 1b. The department has been able to build its disaster capability in Kapolei by allocating the necessary resources as additional equipment and functions are added to the city. DIT will continue to explore other sources of funding, including Federal funds via the Department of Homeland Security. DIT has addressed the level of authority issue by creating an excluded manager position at the branch chief level within the Operations Division. The primary function of this position is the coordination of all IT Disaster Recovery related activities within DIT and the city.</p> <p>ESTIMATED COMPLETION DATE: June 2012</p>
<p>g. coordinate and seek agreements from external departments and agencies regarding supporting elements and services related to physical controls and disaster recovery planning.</p>	C	<p>See 1d for discussion of physical controls. See 1b for discussion of disaster recovery planning. The department reports that cooperation among the departments has improved significantly. As noted above, DEM has provided the leadership in developing Continuous Operations plans. Additionally, the Department of Design and Construction is in the process of improving the facilities at the FMB and Kapolei Hale.</p>

Recommendation	Status	Comments
<p>2. The mayor should:</p> <p>a. ensure the department receives the appropriate budgeting consideration for physical and environmental control priorities, improvements to backup and recovery, and disaster recovery planning; and</p>	C	Previous actions implemented the improvements recommended, such as ACAMS, updating backup and recovery practices, and obtaining funding for disaster recovery planning.
<p>b. facilitate and guide discussions between the department and other city agencies to ensure proper coordination in support of physical and environmental controls and disaster recovery planning requirements.</p>	C	Prior administrations formed oversight committees and participated in the Honolulu Urban Area Work Group to address disaster preparedness issues, including disaster recovery, and controls improvements recommended.

**Audit of the City's Personal Services Contract Practices
(Report 06-02, Issued February 2006)**

Report Summary: The objectives of the self-initiated audit were to review and assess the city's personal services contract practices. This audit provides information and analysis on the justification for personal services contracts intended to assist the council in evaluating executive budget requests and determining appropriations, as personal services contracts are not reflected in departments' position counts.

Of the 14 recommendations, 6 were completed (C), 4 are resolved (R), and 4 are dropped (D).

Recommendation	Status	Comments
<p>1. The Department of Human Resources should:</p> <p>a. ensure executive departments and agencies use personal services contracts judiciously in accordance with the directives and intent of the Revised Charter of Honolulu, Revised Ordinances of Honolulu, and department policies and procedures;</p>	C	The Department of Human Resources (DHR) tries to ensure departments use personal services contracts properly according to the requirements and guidance provided by the law, policies and procedures, and administrative directives, including providing counseling and training.
<p>b. ensure requesting agencies provide complete and accurate information before certifying all requests for employer-employee contracts;</p>	C	The departments are responsible for information in the requests. DHR reviews justifications before certifying personal services contracts.
<p>c. ensure its quarterly reports of personal services contracts provide complete and accurate information, and that errors are corrected;</p>	C	Since the implementation of the City and County of Honolulu Enterprise Resource Planning System (C2HERPS), data input is performed by the agencies while DHR staff perform the audit function. This helps ensure complete and accurate information.
<p>d. include supplemental analysis of personal services contracts information in its quarterly reports to the council and public;</p>	R	Reporting requirements completed pursuant to Resolution 97-319. DHR also reports providing supplemental information in response to councilmember ad hoc requests.

Recommendation	Status	Comments
e. report additional information with its quarterly reports, including total cost of contracts, number of contracts previously awarded to a contractor, and number of times a contract position has been renewed;	R	See 1d. Information is provided to DHR in the personal services contract requests, and can be reported on an ad hoc basis.
f. assert its authority to review and approve personal services contracts;	C	The department reports asserting its authority to review and approve personal services contracts.
g. require executive departments and agencies to report the minimum and maximum salaries of existing employees serving in the same or similar capacity to the position being requested as a personal services contract, at the time of the contract request;	R	The department considers salaries of comparable employees when reviewing a personal services contract. The pay for a contract is the lowest rate or it must be justified why higher pay is warranted, which is subject to DHR review and approval.
h. require executive departments and agencies to submit official academic and professional credentials that ensure contractors meet class specifications for their appointments, especially when awarding contracts that exceed established compensation limits or positions that have no established compensation limits;	R	The departments ensure contractors are able to perform the job. Requests for higher compensation require written justification and is subject to DHR review and approval.
i. require executive departments and agencies to conduct formal, written evaluations of employees hired on personal services contracts whenever practicable; and	D	The department does not find this recommendation to be necessary or feasible to implement.
j. direct executive departments and agencies to continue requesting to fill long-term personal services contracts permanently or through limited-term civil service appointments, as appropriate.	C	DHR reports working with the departments to staff permanently prior to using personal services contracts. After the audit, the managing director instructed departments that personal services contracts are not be used long term instead of filling civil service positions.
2. The Department of Budget and Fiscal Services (BFS) should: a. report information regarding all employer-employee contracts within 30 days following the end of each fiscal year as required in Section 2-30.4, ROH;	D	Due to an advisory opinion regarding Sect. 2.30, Revised Ordinances of Honolulu, DHR reports on personal services contract information quarterly to the city council following Resolution 97-319.

Recommendation	Status	Comments
b. report additional annual information including the total cost of personal services contracts, salaries and fringe benefits, and funding sources;	D	See 2a.
c. post public notice of requests to enter into personal services contracts at least seven days before final approval of the request as required by Section 2-30.3, ROH; and	D	See 2a.
d. cease using personal services contract status to make retroactive payments to former city employees and develop an alternative method.	C	The department reports that the necessary adjustments have been resolved with protocols and controls in the C2HERPS system, and personal services contract status is not used to make retroactive payments.

**Audit of the City's Debt Service Practices
(Report 06-03, Issued February 2006)**

Report Summary: The objectives of the self-initiated audit were to review and assess the city's debt service practices.

Of the 8 recommendations, 3 were completed (C) and 5 are dropped (D).

Recommendation	Status	Comments
<p>The Department of Budget and Fiscal Services (BFS) should:</p> <ol style="list-style-type: none"> consider obtaining the services of an independent professional municipal debt organization to formally evaluate, in-depth, the city's current debt management program, practices, organization, resources, and staffing to develop an action plan with recommendations for a comprehensive, unified debt management program that addresses the city's overall fiduciary interests; 	D	BFS has considered the recommendation, and reports that discussions and planning have occurred within the department and other departments to ensure that the city's overall fiduciary obligations are met.
<ol style="list-style-type: none"> establish a formal succession plan to ensure that staff members supporting the current debt managers receive cross-training in debt management functions so the city's interests are not jeopardized should either manager leave city employment; 	D	The department indicates that there are collective bargaining issues and vacancy issues which prevent the implementation of this recommendation item.
<ol style="list-style-type: none"> develop and take steps to issue an annual report on all of the city's debt for the city council and taxpayers; 	C	There is a statutory requirement to annually report this information. The department's last report was in 2010.
<ol style="list-style-type: none"> establish practices to accurately identify and scrutinize low dollar value equipment purchases by city agencies and report on the city's compliance with the city's debt policy; 	C	The department reviewed and revised its practices to ensure compliance with the debt policy and review low dollar value equipment purchases.
<ol style="list-style-type: none"> reconsider the city's use of underwriters as financial advisors due to the potential conflict of interest between clients like the city, which sells bonds, and the underwriter's investors, who buy them; 	D	The department has considered the recommendation, and does not find it practical or cost-effective to implement.

Recommendation	Status	Comments
6. reconsider its procurement practices, which have consistently resulted in selecting the same underwriting and bond counsel firms;	C	The department has considered its procurement practices. It provided examples of how it procures underwriting and bond counsel firms, and demonstrated the limited qualified candidates available to provide the service required.
7. consider competitively selecting an independent financial advisor to represent only the city's interests in bond sales transactions. The advisor could independently assess the feasibility and cost-benefit of using the competitive bond sales method compared to the current practice of negotiated bond sales; and	D	The department has considered the recommendation, and does not find it practical or cost-effective to procure a financial advisor as recommended.
8. make use of established training by independent, nationally recognized municipal finance and debt organizations such as the Government Finance Officers Association as sources for formal debt and finance training and professional development.	D	The department has sought training on the investment only. Only the chief has received training due to staff vacancies.

**Audit of the City's Executive Staff's Out-of-State Travel
(Report 06-05, Issued July 2006)**

Report Summary: The objectives of the self-initiated audit were to review and assess out-of-state travel reporting by city executive staff for accuracy and completeness in accordance to city policies and procedures. City Council Resolution 04-384 requested that the city auditor investigate the sources and financing of a former mayors' travel.

All 7 recommendations were completed (C).

Recommendation	Status	Comments
<p>1. The managing director should:</p> <p>a. review and modify administrative directives as needed to ensure existence of clear policies and procedures necessary for accurate, consistent and timely reporting, accounting and documentation of executive out-of-state travel;</p>	C	Official travel policies have been revised in the Administrative Directives Manual to account for reporting, accounting, and documentation of out-of-state travel.
<p>b. work with the Honolulu Ethics Commission to ensure the proper identification of gifts and compliance with gift disclosure requirements, including gifted personal travel;</p>	C	Guidelines have been established in administrative directive for the acceptance of gifts to the city and specific offers of travel and lodging for training.
<p>c. establish a clear policy on use of first/business class accommodations for executives;</p>	C	Approval guidelines are established in the Department of Budget and Fiscal Services' (BFS) Policies and Procedures Manual.
<p>d. ensure that all outstanding executive travel reports at BFS are resolved and properly accounted for and reported;</p>	C	Travel policies relating to reporting requirements and delinquent completed travel reports have been incorporated in administrative directive. There were no outstanding completed travel reports at the time of our review.
<p>e. ensure that the IRS taxability requirements are met for any outstanding executive travel reports;</p>	C	Consolidated with recommendation 1d pertaining to outstanding executive travel reports.

Recommendation	Status	Comments
f. implement procedures to ensure that executive travel-related reports and documents are properly tracked and monitored for complete, accurate, and timely completion; and	C	All travel related documentation is entered into the city's document and record tracking system. See also operational changes in recommendation 1d.
g. work with the city council to implement personal travel-related gift acceptance and disclosure requirements that ensure monitoring and accountability controls.	C	Consolidated with revised guidelines in recommendation 1b.

**Audit of the Neighborhood Board System
(Report 06-06, Issued August 2006)**

Report Summary: The objectives of the audit were to determine whether the neighborhood board system is fulfilling its mission, and review and assess the neighborhood board system's operations. Report 06-06 was completed in response to City Council Resolution 04-387, *Requesting a Performance Audit of the Neighborhood Board System*.

Of the 25 recommendations, 18 were completed (C), 1 was resolved (R), 2 are in process (I), and 4 were dropped (D).

Recommendation	Status	Comments
1. The mayor should: <ul style="list-style-type: none"> a. establish a city-wide sunshine law training program as required by city ordinance; 	R	The neighborhood commission office has held periodic sunshine law workshops open to members of all city boards and commissions in 2006, 2007, and 2009.
<ul style="list-style-type: none"> b. consider separating the neighborhood commission and neighborhood commission office from the managing director's office and administratively attaching it to another executive branch agency; and 	I	Current administration is in the process of evaluating what is working with the neighborhood board system. The administration will consider the recommendation, but is inclined to not disturb the system without more information.
<ul style="list-style-type: none"> c. work with the city council to introduce a charter amendment proposal that would collectively attach the neighborhood commission, neighborhood commission office, and neighborhood boards to another executive agency, and designate the neighborhood commission as the appointing authority for the executive secretary. 	I	See 1b.

Recommendation	Status	Comments
<p>2. If the neighborhood commission and neighborhood commission office remains under the managing director's office, the managing director should:</p> <p>a. annually review and evaluate the neighborhood board system's operations;</p>	C	The managing director conducts ongoing review of the neighborhood commission and office.
<p>b. implement operational changes as appropriate, which do not conflict with the neighborhood plan; and</p>	C	Needed operational changes are implemented as they are identified.
<p>c. clarify neighborhood commission office staff roles in supporting the neighborhood commission and neighborhood boards.</p>	C	The neighborhood commission office has updated position descriptions. It also reports reinforcing staff's roles and responsibilities in supporting the system in neighborhood assistant and monthly staff meetings.
<p>3. The neighborhood commission should:</p> <p>a. amend the neighborhood plan to include measurable goals and objectives;</p>	D	The neighborhood commission concluded that the plan is not an appropriate place for measurable goals and objectives, since civic participation and governmental interaction cannot be accurately measured.
<p>b. ensure that neighborhood plan review requirements are met;</p>	C	The neighborhood commission meets plan review requirements during the consideration of its business at monthly meetings (e.g. considering proposed amendments to the neighborhood plan).
<p>c. implement a formal review and reporting process of neighborhood boards annually;</p>	D	The neighborhood commission and office considered the recommendation and concluded it is impractical and unnecessary.
<p>d. comply with the neighborhood plan's complaint process provisions;</p>	C	The revised neighborhood plan has a new complaints/review process and the neighborhood commission and office follows up on all complaints.

Recommendation	Status	Comments
e. amend the neighborhood plan to provide penalties or consequences for violations of neighborhood plan requirements, where appropriate and enforceable;	C	The 2008 plan expanded and detailed the sanctioning ability of the neighborhood commission. The Ewa neighborhood board was suspended for two months by the commission for multiple order and decorum violations under the new plan.
f. coordinate with the neighborhood commission office to establish a plan that encourages more people to run in neighborhood board elections; and	C	The candidate recruitment plan is revised after every election.
g. improve internal review process to ensure that all documents and activities meet sunshine law public notice and content disclosure requirements.	C	Supervisors review all agendas and minutes prior to distribution to assure sunshine law requirements are met.
<p>4. The executive secretary should:</p> <p>a. establish a formal training program to:</p> <ol style="list-style-type: none"> 1) ensure that neighborhood board commissioners and board members meet all legal requirements, to include keeping an accurate training log; and 2) ensure neighborhood commission office staff receive initial skills training and recurrent training on such topics as note taking, drafting minutes, neighborhood plan, parliamentary procedures, <i>Robert's Rules of Order</i>, and other pertinent skill areas; 	C	<p>The neighborhood commission office has kept a log of all workshop attendees and issues certification letters for participation in its training sessions.</p> <p>Neighborhood commission office staff is periodically trained on these subjects and concepts are reinforced at weekly staff meetings. Staff also receive workshop training from the Department of Human Resources in areas relevant to their job duties.</p>

Recommendation	Status	Comments
<p>b. establish controls over neighborhood boards not utilizing their budgets effectively that include:</p> <ol style="list-style-type: none"> 1) penalties or consequences for boards that go over-budget; 2) requiring justifications from boards that do not expend publicity funds; and 3) adjusting future board budgets to better match board needs; 	D	<p>Dropped for reasons noted in items b.1) – b.3).</p> <p>The neighborhood commission office monitors budgets and informs them they must recess if operational funds will not cover their expenses. Boards going over budget has not been an issue.</p> <p>The neighborhood commission office encourages boards to use their publicity funds, but cannot force their use.</p> <p>The neighborhood commission office reports that there have been no instances where board operational funds have not been adequate to cover expenses.</p>
<p>c. document board budget formation and allocation, justify funds, and report methodology to the city council;</p>	C	<p>This process is the standard practice of budget hearings before the city council.</p>
<p>d. ensure that board expenses are paid from the proper accounts;</p>	C	<p>The department reports that they are careful to ensure board expenses are paid from proper accounts. Refreshment funds have been eliminated.</p>
<p>e. work more closely with neighborhood boards in establishing budgets;</p>	C	<p>Neighborhood boards are sent a worksheet each year to prepare the commission office budget. Board budgets do not fluctuate year to year.</p>
<p>f. coordinate with the neighborhood commission to establish a plan that encourages more people to run in neighborhood board elections;</p>	C	<p>The neighborhood commission participates in the development of a candidate recruitment strategy after each election.</p>
<p>g. coordinate with the neighborhood boards to ensure that board vacancies are properly noticed on meeting agendas and action taken at board meetings; and</p>	C	<p>The neighborhood assistants and supervisor review agendas before filing.</p>

Recommendation	Status	Comments
h. improve internal review process to ensure that all documents and activities meet sunshine law public notice and content disclosure requirements.	C	Supervisory review is performed by the neighborhood commission office on all agendas and minutes prior to distribution. If an agenda does not appear compliant, the appropriate neighborhood board chair is informed.
5. Neighborhood board chairs should: a. coordinate with the neighborhood commission office to ensure that board vacancies are properly noticed on meeting agendas and action taken at board meetings;	C	Neighborhood board chairs have regularly listed vacancies on monthly meeting agendas. The neighborhood commission office does check agendas so that vacancies are listed and filled in a timely manner.
b. ensure that board members receive sunshine law training and maintain a certification file;	D	The neighborhood commission office concluded it is not the responsibility of neighborhood board chairs to ensure that members of their board receive appropriate training.
c. ensure that board members follow all neighborhood plan requirements including order and decorum, parliamentary procedures, and sunshine law requirements; and	C	The neighborhood commission office reports that board chairs strive to make sure that board members are in compliance. Board members are offered training workshops on these items prior to installation.
d. ensure that board meeting minutes and agendas meet sunshine law public notice and content disclosure requirements.	C	Neighborhood board chairs are assisted by the neighborhood commission office and strive to produce agendas and minutes that comply with sunshine law requirements.

**Audit of Selected Management Issues at the Honolulu Board of Water Supply
(Report 06-07, Issued October 2006)**

Report Summary: The objectives of the audit were to review human resources initiatives and practices and determine the impact of personnel changes on the organization; evaluate planning and outcome of significant business development project; and determine the adequacy of resources devoted to the program for maintenance, repair and replacement of water distribution facilities. The audit was conducted pursuant to the city auditor's authority to self-initiate audits.

Of the 16 recommendations, 11 were completed (C), 1 was resolved (R), and 4 were dropped (D).

Recommendation	Status	Comments
<p>1. The Board of Directors for the Honolulu Board of Water Supply (BWS) should:</p> <p>a. establish policies and guidelines for evaluating the manager and chief engineer's performance and refrain from awarding bonuses to the deputy manager;</p>	C	The board of directors has met with the manager and chief engineer to establish a process for annual performance evaluations. Since 2005, no bonuses have been awarded to the manager and chief engineer or the deputy manager.
<p>b. conduct annual written performance evaluations of the manager and chief engineer based on the board's overall policy objectives;</p>	C	The board meets regularly with the manager and chief engineer in executive session to establish performance expectations and goals.
<p>c. request regular status reports on reengineering efforts, including resources expended and any process improvements or efficiencies achieved as a result;</p>	C	The Multi-Skilled Worker (MSW) program is now an established program and internal evaluations of the program's effectiveness occur every six months. Supplemental agreements to ensure the continuity of the MSW program have been executed with appropriate union representation.
<p>d. assess the extent to which the BWS has provided the directors necessary and sufficient information before, during and after such activities to carry out its fiduciary responsibilities to the island's ratepayers regarding BWS' business activities;</p>	C	Updates on budget-to-actual figures, profit and loss statements, investment reports, bond ratings, and other financial data are presented to the board of directors at every meeting.

Recommendation	Status	Comments
e. establish overall policies pertaining to business activities, investments, analysis, and oversight of business activities;	D	The agency has abandoned its prior efforts to expand into business development activities and has focused its efforts on the core function of providing potable water to ratepayers.
f. require the manager and chief engineer to report on its plans to implement sufficient controls to safeguard the agency's resources and ratepayers' interests in future business activities;	D	The BWS is no longer pursuing business development activities.
g. require the manager and chief engineer to provide status reports on the implementation of the proposed maintenance management system and progress toward proactive repair and replacement of existing water infrastructure; and	C	In 2007, the Computerized Maintenance Management System (CMMS) was implemented in the entire Field Operations Division. It is used as a fully integrated work process and analytical tool. CMMS allows managers to continually monitor work and program efficiency metrics including the ability to be proactive with the agency's preventative maintenance program.
h. require the manager and chief engineer to report variances between amounts budgeted for repair and replacement compared with actual expenditures, and the estimated impact on the number of water main breaks.	C	Updates and budget-to-actual figures, profit and loss statements, investment reports, bond ratings, and other financial data are presented to the board of directors at every meeting.
<p>2. The manager and chief engineer of the Honolulu Board of Water Supply should:</p> <p>a. establish a human resources plan that systematically provides continued feedback on efficiencies resulting from human resource initiatives and innovations to stabilize the organization;</p>	C	In 2006, the Human Resources Office (HRO) began to capture human resources activity data and began to annually publish the HRO annual report which analyzes and assesses the success or need for improvement of its various programs. Additionally, since 2006, the HRO published bi-annual workforce planning reports to assist managers and supervisors with succession planning. Both reports are posted on the BWS intranet.

Recommendation	Status	Comments
b. clarify official position descriptions and responsibilities for EMP chiefs and create specific evaluation criteria to document eligibility for bonuses;	D	Since 2005, no bonuses have been awarded to the EMP officers, so no criteria were developed.
c. address potential duplication of official duties and responsibilities between EMP chiefs and executive-management-level staff;	C	There is no duplication of duties between EMP officers and excluded managers.
d. finalize official organization charts to reflect actual personnel functions;	C	Reorganization was initiated in 2006, but is being reassessed as a result of the completion of the BWS conditional assessment. Currently, BWS leadership is developing its strategic implementation plan as well as a revised organizational structure to ensure that all three components are mutually aligned.
e. clarify the purpose of the business development office, with respect to the BWS' core responsibilities, develop specific guidelines for evaluating business opportunities, and for incorporating feasible business activities into the larger organization;	D	BWS is no longer pursuing business development activities.
f. establish and monitor cost centers for business development projects to facilitate reporting on each business development project and report performance to the board of directors on a regular basis;	R	See 2e. The agency noted the Honouliuli Recycled Water Facility operations are maintained by the BWS in compliance with legal obligations contained in a consent decree, and are carefully monitored to ensure fiscal responsibility.
g. monitor the implementation of the computerized maintenance management system to ensure that it leads to proactive repair and replacement of existing water infrastructure; and	C	The CMMS system has been fully implemented into the work processes of the Field Operations Division. The report function in CMMS has allowed the MSW program to continually monitor work metrics to improve program efficiencies.
h. assess and annually report whether projects included in the Six-Year (FY2005-06 to FY2010-11) Capital Program Prioritization Plan are progressing in efforts to reduce the number of water main breaks.	C	Assessment of the <i>BWS Six-Year Capital Program</i> , including prioritization of projects is completed annually. Additionally, the BWS has implemented an interim capital projects tracking method and a monthly capital procurement to-do list, both of which will eventually be replaced with a computerized project management system.

**Audit of the City's Abandoned and Derelict Vehicle Program
(Report 07-01, Issued April 2007)**

Report Summary: The objectives of the self-initiated audit were to assess the effectiveness and efficiency of the city's abandoned and derelict vehicle program; and determine if the terms of the city's contract with a private tow company was adequate to ensure maximum efficiency and effectiveness.

Of the 18 recommendations, 14 were completed (C), 1 was resolved (R), and 3 were dropped (D).

Recommendation	Status	Comments
<p>1. The director of the Customer Services Department (CSD) should:</p> <p>a. ensure that the Motor Vehicle Control Section promptly and accurately documents all complaints of abandoned and derelict vehicles for tracking and disposition purposes;</p>	C	The department reports that all abandoned and derelict vehicles are inputted, tracked, and closed out using a web-based abandoned vehicle reporting system (AVRS) implemented in 2007.
<p>b. ensure that abandoned and derelict vehicles are towed within 14 and 15 work days, respectively;</p>	C	The AVRS system is able to track abandoned and derelict vehicle complaints to ensure they are towed and closed in the recommended time periods.
<p>c. continue to prioritize the work with the information technology department to:</p> <ol style="list-style-type: none"> 1) automate abandoned and derelict vehicle processing and reduce paper-based, inefficient, duplicative, manual processes; 2) continue process mapping and redesign; 3) program, test, and train for the new application; 4) implement a web-based program for abandoned and derelict vehicle complaint processing, auctions, and vehicle disposal; and 5) implement a web-based program for the public to obtain the status of suspicious or potential abandoned or derelict vehicles in their neighborhood; 	C	The department implemented the web-based AVRS to accept internet and intranet complaints, which has significantly reduced paper-based manual processes. The development of the AVRS involved mapping and redesign of the business process, programming and testing, and training of employees on the system. The web-based AVRS integrates processes related to vehicle complaint processing, auctions, and vehicle disposal. The system provides a report number to the public to obtain complaint status information.

Recommendation	Status	Comments
d. initiate efforts to upgrade the city's motor vehicle control website with specific information about the abandoned and derelict vehicle process, legal requirements, current contact information, and other educational information;	C	Consolidated with 1c.
e. require motor vehicle control to establish formal and up-to-date policies and procedures for abandoned and derelict vehicle processing, contract monitoring, and enforcement;	C	The operations manual was updated after the audit, and the department continuously updates it to meet current requirements and issues.
f. consider advanced technology solutions to make efficient use of investigators' time and resources;	C	The department provides laptop computers to inspectors so investigation information can be completed on-site. The information is synchronized with the AVRS.
g. seek temporary hires for inspectors out on long-term leave or offer permanent alternative work opportunities within the city;	D	As a result of the AVRS and more efficient use of investigators and resources, the department has not found it necessary to implement this recommendation.
h. work with the automotive equipment services (AES) chief by offering un-sold vehicles for the city's potential benefit;	D	AES declined because the vehicles were generally in bad and unsalvageable condition.
i. consider best practices of other jurisdictions including the use of web-based vehicle status search by license plate and vehicle identification numbers, portable or hand-held electronic devices enabling inspectors to search and input investigation data in the field, and legislation allowing tow contractors to mail notices to registered owners whose vehicle has been towed;	R	The AVRS provides search capabilities recommended, and allows for mobile input by investigators. The department will not implement tow companies mailing tow notices due to privacy issues.
j. eliminate duplication of vehicle investigations by coordinating with the police department to utilize investigations already completed;	C	AVRS integrates the input of complaints into the system by the Honolulu Police Department (HPD) computer aided dispatch system.
k. initiate periodic meetings with police department and tow contractors to address issues, needs, and anticipated changes such as technology upgrades and coordination, and the upcoming volunteer policing program;	C	The department reports that periodic meetings and regular contact with tow operations occurred with discussion of agreed upon processes, information and training on the implementation of AVRS. See 2b for volunteer policing.

Recommendation	Status	Comments
<p>l. request assistance from the corporation counsel to assess motor vehicle control's current practices pertaining to police abandoned vehicle investigations and eliminate unnecessary duplication of work and make better use of motor vehicle control and police department resources;</p>	C	<p>The department worked with HPD and Corporation Counsel about the AVRS system and all are satisfied it meets legal and operational requirements. Better use of resources and reduction of duplication has been addressed by integration of HPD complaints with AVRS.</p>
<p>m. consistently enforce all contract term and provisions contained in abandoned and derelict vehicle contracts;</p>	C	<p>Due to previous experience, the department has been diligent in enforcing tow contract terms and conditions.</p>
<p>n. implement regular contract monitoring, contractor evaluation and feedback with the city's abandoned and derelict vehicle tow contractor; and</p>	C	<p>Consolidated with 1m.</p>
<p>o. include stronger hazardous waste disposal provisions in future abandoned and derelict vehicle contracts.</p>	C	<p>The department reports that the new tow contracts being procured by the Department of Budget and Fiscal Services, include hazardous waste disposal in the scope of services.</p>
<p>2. The chief of police of the Honolulu Police Department should:</p> <p>a. work with the customer services and information technology departments and consider implementing an electronic abandoned vehicle report on officers' laptop computers that are compatible with motor vehicle control's new system, and can be electronically transmitted to motor vehicle control to expedite the removal of abandoned vehicles;</p>	C	<p>HPD reports are electronically transmitted to motor vehicle control for processing.</p>
<p>b. coordinate with customer services on work tasks and standards for the impending volunteer policing program's abandoned vehicle investigations; and</p>	C	<p>The volunteer policing program is in effect under HPD, with volunteers trained in the citation of abandoned and derelict vehicles.</p>
<p>c. work with customer services administrators and the council to improve compliance with Ordinance 06-11, 2006.</p>	D	<p>HPD does not believe coordination with Customer Services Department is needed since Ordinance 06-11 is a criminal law requiring HPD enforcement.</p>

**Audit of the Hanauma Bay Nature Preserve Fund
(Report 07-02, Issued June 2007)**

Report Summary: The objectives of the self-initiated audit were to review and evaluate the effectiveness by which revenues and expenditures of the Hanauma Bay Nature Preserve Fund are tracked, monitored and evaluated; and assess the effectiveness for ensuring that the fund is meeting operational and capital improvement program needs of the preserve. The audit was conducted pursuant to City Council Resolution 04-205, *Requesting a Performance Audit of the Hanauma Bay Nature Preserve Fund*, which restated the intent of the fund, noting that revenues are to support the unique requirements established to protect the preserve, and documents the concerns surrounding administration's proposal to remove concession fee payments as a revenue source of the fund, which was rejected by the city council.

All 11 recommendations are in process (I).

Recommendation	Status	Comments
<p>1. The director of the Department of Parks and Recreation should:</p> <p>a. ensure that a new or updated master plan for the Hanauma Bay Nature Preserve is completed which will serve as a basis for development and identification of specific programs and items necessary to achieve the master plan objectives;</p>	I	<p>The department recently obtained funding approval, and reports the consultant and the Department of Design and Construction are finalizing a scope of work for the Master Plan of the Hanauma Bay Nature Preserve.</p> <p>ESTIMATED COMPLETION DATE: Six months after agreement reached.</p>
<p>b. ensure that the updated master plan be used as the basis for specific development and budgetary elements that will achieve objectives of master plan;</p>	I	<p>The department reports the master plan is intended to provide the basis for specific improvements and developments to the preserve. See also 1c for budgeting.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p>

Recommendation	Status	Comments
c. ensure that budgeting is based upon elements developed to implement the preserve's master plan;	I	The department reports after a master plan is completed, budgeting will be based on what is needed to implement objectives and elements of the plan. ESTIMATED COMPLETION DATE: To be determined
d. assess past and projected preserve fund revenues, expenditures and fund balances;	I	The department reports assessing the adequacy of fund revenues and projected expenses to meet the preserve's goals and objectives. ESTIMATED COMPLETION DATE: To be determined
e. assess adequacy of fund revenues and projected expenses in accordance with preserve's goals and objectives;	I	Consolidate with 1d.
f. ensure that preserve staff is actively involved in all levels of planning for preserve's use; and	I	Preserve staff will be included in planning for preserve's uses. ESTIMATED COMPLETION DATE: To be determined
g. ensure that copies of the concession contracts and current detailed information relating to concession revenue gross receipts, payments and amendments to contract terms are provided to the appropriate parks department personnel for budget planning and program evaluation purposes.	I	This recommendation follows obtaining the recommended information from the Department of Budget and Fiscal Services (BFS). See 2a, 2c, and 2d. ESTIMATED COMPLETION DATE: To be determined
2. The director of the Department of Budget and Fiscal Services should ensure that copies of the following information are provided to the appropriate parks department personnel for budget planning and program evaluation purposes regarding the Hanauma Bay Nature Preserve Fund: a. BFS Accounting Division summary worksheets on Hanauma Bay Revenues and Deposits and monthly Monarch report Revenue Summary by Sub-Class;	I	The department has formally requested the documents recommended from BFS to comply with recommendations 2a through 2d. ESTIMATED COMPLETION DATE: To be determined

Recommendation	Status	Comments
b. BFS Fiscal/CIP Administration report on Hanauma Bay Nature Park Capital Improvement Projects and related debt service calculator schedules;	I	See 2a.
c. BFS Treasury Division accounts receivable annual worksheet summaries on concessionaire gross receipts and payment recap; and	I	See 2a.
d. BFS Purchasing Division concession contracts and amendments.	I	See 2a.

**Audit of the Tennis Complex of the Central O'ahu Regional Park
(Report 07-03, Issued July 2007)**

Report Summary: The objectives of the self-initiated audit were to Determine the city's total cost and related management issues to construct the tennis complex at the Central O'ahu Regional Park.

Of the 14 recommendations, 5 were completed (C) and 9 are in process (I).

Recommendation	Status	Comments
<p>1. The director of the Department of Design and Construction should:</p> <p>a. resume negotiations with the Phase 2b tennis complex construction contractor to close the construction contract, and lift encumbrances on remaining construction funds;</p>	C	The construction contract was closed by the Department of Budget and Fiscal Services (BFS) on April 30, 2008.
<p>b. prepare a complete and accurate accounting of the city's total cost of the tennis complex when the construction contract is closed out;</p>	C	The Department of Design and Construction (DDC) completed the accounting. The total cost of construction contract was \$10,495,354.23
<p>c. assess, improve and incorporate comprehensive cost control policies throughout the implementation of all phases of the city's capital projects, particularly adherence to the approved budget, and accounting for project costs;</p>	I	DDC has begun a project to consolidate and update its policies and procedures, and standard operating procedures. ESTIMATED COMPLETION DATE: December 31, 2011
<p>d. require adherence to the contracted scope work, and approved final project design as a prerequisite to proceeding to construction bidding;</p>	I	See 1c.
<p>e. develop policies and procedures for establishing prudent and justifiable use of construction management services; appropriately structuring project responsibilities to protect the city's interests from potential conflicts of interest, and ensuring compliance with state procurement requirements;</p>	I	See 1c.

Recommendation	Status	Comments
f. comply with legal and administrative requirements for reporting this project's change orders and transfers of funds to city council;	I	See 1c.
g. consider additional criteria to control unnecessary change order costs, such as prohibiting change work for aesthetic reasons or scope changes that are unrelated to the completion of contracted work;	I	See 1c.
h. ensure that the department complies with administrative construction contract contingency limits;	I	See 1c.
i. ensure that contractual obligations are enforced; pursue liquidated damages for improper or incomplete work, and set appropriate amounts for damages, as appropriate;	I	See 1c.
j. cease commingling resources and funds among separate project phases; and	I	See 1c.
k. fully represent project costs in capital budget requests to council and cease using unspecific, generic purposed capital projects or programs as ad hoc sources of project funding.	I	See 1c.
2. The managing director should consider solutions to resolve the department's misuse of after-the-fact change order practices and ensure that change work proceeds only after formal approval.	C	DDC is guided by its Memorandum no. 41, which prohibits after-the-fact procurement, with limited exceptions for health and safety. DDC issued a memorandum on Change Orders in December 2010 to specify content and review process requirements.

Recommendation	Status	Comments
<p>3. The director of budget and fiscal services should:</p> <p>a. submit to council for the public record all of the required change order and delay reports for the tennis complex, as required by section 2.4-2, Revised Ordinances of Honolulu; and</p>	C	The Department of Budget and Fiscal Services submitted all required reports.
<p>b. ensure that the 20 of 26 missing design consultant contract payment records are located and make them available in the department's official procurement files for review.</p>	C	BFS located the records and made them available as recommended.

**Audit of the Honolulu Police Department Patrol Officer Staffing Practices
(Report 07-04, Issued August 2007)**

Report Summary: The objectives of the self-initiated audit were to review and assess the Honolulu Police Department's process and methodology for determining patrol officer district staffing levels, and assess its effectiveness in addressing needed district patrol officer staffing levels.

Of the 10 recommendations, 7 were completed (C), 2 are in process (I), and 1 has not started (N).

Recommendation	Status	Comments
<p>1. The Honolulu Police Department should:</p> <p>a. improve workload reporting and analysis and better justify staffing needs by:</p> <p>1) reinforcing the importance of workload assessment reports by continually educating and informing district commanders of the impact that their analyses have on determining department-wide staffing priorities;</p>	C	The Honolulu Police Department (HPD) assesses and documents workload data on a district basis. Management reviews self-reported weekly and monthly work performance of each officer against individual officer reports, and makes adjustments to address production and improvements. It then uses crime analysis reports to adjust staffing to trends and to review significant operational criteria.
<p>2) continuously educating all police officers on the importance of documenting their activities to facilitate requests for sufficient staffing; and</p>	C	The performance of individual officers is accounted for by the reporting and review process described in 1a. (1).
<p>3) amending the current system of reporting to capture all patrol officer activities and more accurately depict workload;</p>	N	There have been no information technology improvements since the audit report due to budgeting constraints. HPD has a 2011 budget priority to replace the Computer Aided Dispatch System/Record Management System to promote improved workload accounting for better time management and resource deployment.

Recommendation	Status	Comments
<p>b. reinforce efforts to work toward full staffing of existing positions by:</p> <p>1) increasing the department's ability to fill vacancies by devoting appropriate resources to recruitment;</p>	C	HPD has dedicated resources for this purpose. The department reports currently being in a zero net vacancy situation, meaning no vacant funded positions are available.
<p>2) incorporating longstanding special assignments into total personnel counts to show a more accurate portrayal of staffing needs; and</p>	C	HPD prepares a semi-annual special assignment report, which is reviewed to assess the need of budgeting for additional positions and reduce the needs for special assignment.
<p>3) assessing the need for additional Human Resource Division resources to facilitate recruitment and processing new officers;</p>	I	<p>HPD has requested positions for a permanent recruitment team, and additional detectives and civilian positions to support background checks and employee/applicant processing.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p>
<p>c. improve recruitment and training capabilities by:</p> <p>1) assessing the need for additional resources to supplement recruitment efforts by the Human Resources Division;</p>	C	HPD sought partnerships with the State of Hawai'i Organization of Police Officers (SHOPO); the schools, military, and business; and a vehicle to be used for recruitment. The department notes that the recent economic downturn has resulted in a substantial increase of applicants for its recruiting classes.
<p>2) increasing contact with applicants throughout the lengthy background review process to keep them apprised of their progress and sustain their interest;</p>	C	HPD has implemented a program of frequent communication with applicants, orientations, and mentoring throughout the review process.
<p>3) assessing the physical limitations of the current training facility and evaluating options for increasing the department's capacity to train incoming recruits; and</p>	I	<p>The expansion for the training facility was included in the FY 2010 capital improvement project budget submittal. Increased training staff was requested in the budget.</p> <p>ESTIMATED COMPLETION DATE: To be determined.</p>

Recommendation	Status	Comments
<p>4) supplementing the entry of new officers into the department by considering additional sources for new officers, such as modifying training programs to accommodate experienced police officers from other jurisdictions without requiring the same classes as new recruits.</p>	<p>C</p>	<p>The department has created a program to accommodate and recertify officers with previous HPD experience. The department has decided not to accept lateral transfers from other jurisdictions due to concerns over their past training and certification.</p>

**Audit of the City's Management of Unilateral Agreements in Affordable Housing
(Report 07-05, Issued September 2007)**

Report Summary: The objectives of the audit were to assess the effectiveness and efficiency of the Department of Planning and Permitting's management of developer credits and in-lieu fees under unilateral agreements in achieving the goals and objectives of the city's general plan, development plans, and sustainable communities plans related to affordable housing. Report 07-05 was completed in response to City Council Resolution 05-285, CD1, *Requesting the City Auditor to Audit the City's Affordable Housing Program.*

Of the 14 recommendations, 9 were completed (C), 1 is in process (I), and 4 are dropped (D).

Recommendation	Status	Comments
1. The Department of Planning and Permitting should: a. establish formal policies and procedures for administering unilateral agreements, including monitoring requirements;	C	The Department of Planning and Permitting (DPP) has guidelines on administering its responsibilities regarding unilateral agreements.
b. maintain a matrix or database with timely data specifying a developer's affordable housing requirement, number of units completed, and outstanding units to be delivered. These figures should be verified by department staff;	C	DPP electronically maintains, verifies, monitors, and tracks data on unilateral agreements, including those with affordable housing agreements, and credits for affordable housing.
c. initiate systematic record-keeping efforts to account for all affordable housing units constructed under unilateral agreements, as well as track all unilateral agreement ordinances, developers' annual reports, affordable housing credits, in-lieu fees, site visits, and other pertinent information;	C	See 1b.
d. amend the rules for unilateral agreements in affordable housing by establishing an in-lieu fee formula that is consistent with the goals and objectives to be established for the use of in-lieu fees;	I	The department intends to circulate proposed rule changes for comment after the city council considers and acts on a variety of proposals for affordable housing policies and procedures, including the use of in-lieu fees. ESTIMATED COMPLETION DATE: To be determined.

Recommendation	Status	Comments
e. amend the rules for unilateral agreements in affordable housing by proposing a framework for the accrual and application of excess affordable housing credits;	C	The rules for unilateral agreements in affordable housing for the accrual and application of excess affordable housing credits were amended in February 2010.
f. track affordable housing credits more closely if it plans to allow continued application of excess credits from one unilateral agreement to another;	C	See 1b.
g. establish a procedure where it will document, as part of its housing agreement authorization, how the delivery options exercised by developers conform to general, development, or sustainable community plan provisions related to affordable housing;	C	The city council certifies via its adoption process that each zone change ordinance is compatible with the relevant general plan, development plan, or sustainable communities plan regarding affordable housing.
h. report verified affordable housing data in its annual report to the council as required by city ordinance;	C	The department annually provides this information on affordable housing construction on O`ahu, as required by unilateral agreements, in the <i>Annual Report on the Status of Land Use on O`ahu, Fiscal Year 2009</i> in August 2010.
i. evaluate its staffing allocation for unilateral agreement monitoring and, if necessary, redistribute current staff or request the necessary number of positions needed to administer unilateral agreements; and	C	The department has assigned three staff to address this area.
j. enforce future ordinance provisions related to unilateral agreements in affordable housing.	C	The department enforces all unilateral agreements, including those requiring affordable housing, including putting holds on subdivision approvals, construction and/or building permits.

Recommendation	Status	Comments
<p>2. The Honolulu City Council should:</p> <p>a. consider clarifying Section 6-46.2, ROH, relating to the purpose of the Housing Development Special Fund by specifying whether in lieu fees are intended for affordable housing purposes should be an option or requirement;</p>	D	In 2007, the city council considered a package of resolutions and bills to address issues related to the Housing Development Special Fund, Affordable Housing fund, in-lieu fees, and legislative priorities for affordable housing conditions. All of them were ultimately filed.
<p>b. consider amending Section 6-46.2, ROH, to clarify the use of in-lieu fees for affordable housing and allow alternative uses for in-lieu fees collected from developers;</p>	D	See 2a.
<p>c. consider amending Section 6-46.3, ROH, to designate a city agency to monitor, plan, and expend in-lieu fees collected by the city; and</p>	D	See 2a.
<p>d. consider further review of the Housing Development Special Fund's expenditures.</p>	D	See 2a.

**Audit of the City's Planning, Design, and Construction of Skateboard Park Facilities
(Report 08-01, Issued June 2008)**

Report Summary: The objectives of the audit were to review the Department of Design and Construction's planning, design and construction practices at Banzai Skateboard Park, and assess the effectiveness by which the Department of Design and Construction oversees the work of its general contractor to control expenses and minimize waste of city resources. Report 08-01 was completed in response to City Council Resolution 06-373, *Requesting The City Auditor To Audit The City's Planning, Design And Construction Of Skateboard Park Facilities.*

All 5 recommendations are in process (I).

Recommendation	Status	Comments
<p>The Department of Design and Construction should:</p> <p>1. improve internal design-build practices, specifically:</p> <p>a. develop policies and procedures specifically for design-build projects, from appropriate details to include in the requests for proposals to deadlines for all key phases of the project, from design to construction;</p>	I	<p>The department has begun a project to consolidate and update its policies and procedures, and standard operating procedures.</p> <p>ESTIMATED COMPLETION DATE: December 31, 2011</p>
<p>b. clarify the roles of all parties within the design-build contract. Provide open lines of communication through regular meetings with both the design firm and the construction contractor to ensure that both are operating in the city's interest; and</p>	I	See 1a.
<p>c. develop specific Request For Proposals and contract guidelines for design-build projects and contractor oversight;</p>	I	See 1a.

Recommendation	Status	Comments
2. develop criteria for future skateboard parks or other specialized sports facilities' site selection and development, including required preliminary studies, permits and components necessary for orderly project progression to include reasonable precautions against building potential attractive nuisance structures; and	I	See 1a.
3. develop guidelines to improve public and client agency notification of changes to particular projects to keep stakeholders apprised of changes that occur during construction.	I	See 1a.

**Audit of the City's Electricity Costs, Consumption and Management
(Report 08-02, Issued July 2008)**

Report Summary: The objectives of the audit were to review and assess citywide expenditures for electricity and management of electricity consumption from FY2002-03 to FY2006-07. Report 08-02 was initiated partly in response to concerns noted in the unadopted Resolution 06-144, *Requesting the Office of the City Auditor to Conduct a Comprehensive Energy Audit of City-Owned Buildings and Facilities.*

Of the 10 recommendations, 4 were completed (C), 1 is in process (I), 1 is resolved (R), and 4 are not started (N).

Recommendation	Status	Comments
1. The mayor should: <ul style="list-style-type: none"> a. continue efforts to contain electricity cost and reduce consumption; 	N	The current administration has been apprised of this recommendation.
<ul style="list-style-type: none"> b. consider consolidating energy management duties under a single entity to ensure a citywide approach to managing electricity cost and consumption; and 	N	The current administration has been apprised of this recommendation.
<ul style="list-style-type: none"> c. require the Mayor's Energy and Sustainability Task Force to develop an action plan for meeting the 10 percent reduction in electricity consumption for the city's existing public buildings between FY2006-07 and FY2016-17. 	I	The Department of Design and Construction (DDC) provided data to demonstrate that the task force's objective of 10 percent energy reduction in electricity consumption for the city's public buildings has been achieved for both FY2009 and FY2010. ESTIMATED COMPLETION DATE: June 30, 2015
2. The managing director should: <ul style="list-style-type: none"> a. develop a monitoring strategy to ensure that all city agencies' cost and consumption saving goals are met if general funds are used to implement an electricity conservation program; 	N	The current administration has been apprised of this recommendation.

Recommendation	Status	Comments
<p>b. consider implementing electricity management best practices which include, but are not limited to, reporting electricity management results to employees, providing training and recognizing those meeting electricity cost and consumption goals and objectives, and funding periodic electricity and billing audits;</p>	N	The current administration has been apprised of this recommendation.
<p>c. compile data and produce a comprehensive annual report on the city's overall electricity cost and consumption that identifies annual electricity cost and consumption by department, energy conservation projects implemented, comparative data showing the estimated and actual cost and consumption savings, justification for any significant increase or decrease in electricity consumption for the year, and any steps taken to reduce electricity cost and consumption. If actual cost and consumption data cannot be determined, the agency(ies) should provide an estimate and its methodology in calculating the estimate. The report should be transmitted to the city council; and</p>	R	As of 2008, the mayor is required by ordinance 08-32 to annually report on the city's energy consumption to city council.
<p>d. examine design and construction's oversight of Johnson Controls Inc.'s performance contract, missing deliverables, and determine whether the contractor owes the city money.</p>	C	DDC provided summary report to confirm contractor reported on annual monitoring and verification of energy savings for Honolulu Hale Energy Service Performance Contract.
<p>3. The Department of Budget and Fiscal Services should:</p> <p>a. enforce provisions of its policies and procedures manual related to the purchase of Energy Star-rated products by amending its vendor agreements and ensuring that agencies provide evidence of purchases' Energy Star-rating where applicable; and</p>	C	As required by Ordinance 08-28, the Department of Budget and Fiscal Services (BFS) applies its policies and procedures concerning Energy Star products during purchasing process.
<p>b. continue to provide city agencies with guidance in formulating electricity budgets.</p>	C	BFS provides assistance and guidance to departments on how to formulate electricity cost budgets during the annual budget formation process.

Recommendation	Status	Comments
<p>4. The Department of Design and Construction should enforce all performance contract requirements, including annual monitoring and verification reports, and ensure that the city collects funds from contractors that do not meet electricity cost and consumption guarantees.</p>	<p>C</p>	<p>The department is committed to enforcing all performance contracts and their requirements fully for the Energy Service Performance Contract and any other energy, electricity cost, consumption, or performance provisions.</p>

**Audit of the City's Synagro Contract
(Report 08-03, Issued August 2008)**

Report Summary: The objectives of the audit were to determine costs and benefits of the city's contracts with Synagro for an in-vessel bioconversion facility at the Sand Island wastewater treatment plant and assess the extent to which the operations of the facility enables the city to comply with U.S. Environmental Protection Agency and state environmental requirements. The audit was conducted pursuant to the city auditor's authority to self-initiate audits.

All 6 recommendations were completed (C).

Recommendation	Status	Comments
1. The director of the Department of Environmental Services should: <ul style="list-style-type: none"> a. finalize Change Order Number 12, under the construction contract; 	C	The final closeout on the construction contract was approved on October 31, 2008.
<ul style="list-style-type: none"> b. ensure that Synagro fulfills its obligations to the city under the construction contract and then expedite closeout of the construction contract; 	C	See 1a.
<ul style="list-style-type: none"> c. ensure completion of the biosolids reuse project including final submission of the written Notification of Supplemental Environmental Project Completion to the U.S. Environmental Protection Agency regarding completion of the beneficial sludge reuse supplemental environmental project as required in the 1995 consent decree; 	C	The city entered into a new consent decree in 2010; replacing the 1995 consent decree. Continuance of biological solids reuse is not included in the December 17, 2010 consent decree with EPA.

Recommendation	Status	Comments
<p>d. provide the city council with written annual status reports on the city's biosolids facility including total project cost for the Sand Island biosolids facility and closeout date of the Synagro construction contract, update on Synagro's revenue and non-revenue customers, revenue due to the city from biosolid pellet sales, tonnage landfilled, reused and sold, status of compliance with the consent decree requirement for completion of the beneficial sludge reuse supplemental environment project including determination of issues, concerns, or penalties from EPA related to delays in meeting the consent decree's deadlines, and progress of the city's biosolids reuse program;</p>	C	The department submitted written annual Synagro status reports and other recommended information to the city council in 2010.
<p>e. ensure that Synagro fulfills its contractual responsibilities for the marketing, sales and reuse of pellets as soil amendment or plant fertilizer to more users; and</p>	C	The department reports Synagro is in compliance with the operations contract and submits marketing plans on pellet reuse.
<p>f. pursue other initiatives and opportunities to minimize disposal of biosolid pellets in the landfill.</p>	C	The department works with Synagro to minimize disposal of biosolid pellets in the landfill, and receives quarterly data and results on strategies pertaining to beneficial use of Sand Island pelletized biosolids.

**Audit of the 2003-04 Mililani Curbside Recycling Pilot Project
(Report 08-04, Issued October 2008)**

Report Summary: The objectives of the audit were to review and assess the 2003-04 Mililani Curbside Recycling Pilot Project's operations, costs, and results. Report 08-04 was completed in response to City Council Resolution 04-48, CD1, *Requesting a Financial and Performance Audit of the Mililani Curbside Recycling Pilot Project.*

All 4 recommendations are dropped (D).

Recommendation	Status	Comments
1. The director of the Environmental Services Department should: <ul style="list-style-type: none"> a. conduct curbside recycling pilot projects according to current ordinance requirements, including project design and reporting requirements, assessment of cost benefit, and implement best practices, as appropriate; 	D	As of 2007, the department was responsible via charter amendment for conducting island-wide curbside recycling as an ongoing operational activity. As of 2009, there is no current authorization in the city ordinance for further curbside recycling pilot projects.
<ul style="list-style-type: none"> b. set up pilot projects independently, with adequate funding and staffing so that current contracts or operations are not impaired; 	D	See 1a.
<ul style="list-style-type: none"> c. not use pilot projects as a vehicle for unfunded administrative priorities; and 	D	See 1a.
<ul style="list-style-type: none"> d. adhere to funding restrictions for use of pilot project funds, use of contract funds and operational funds, and seek council authorization, when appropriate. 	D	See 1a.

Audit of Select Management Practices of City-Owned Vehicles Under the Jurisdiction of the Department of Facility Maintenance (Report 09-01, Issued October 2009)

Report Summary: The objectives of the self-initiated audit were to review and assess select passenger vehicle fleet management purchasing and select passenger vehicle fleet management operations practices.

Of the 16 recommendations, 6 were completed (C), 1 is resolved (R), 8 are in process (I), and 1 is dropped (D).

Recommendation	Status	Comments
<p>1. The mayor should:</p> <p>a. consider aligning all management responsibilities for the city's fleet of vehicles, including passenger-type vehicles, under a single entity;</p>	I	<p>The Department of Facility Maintenance (DFM) has initiated discussions with the current administration.</p> <p>ESTIMATED COMPLETION DATE: 2014</p>
<p>b. consider requiring agencies to justify passenger-type vehicle purchases that do not meet the intent of Resolution 06-176;</p>	R	<p>The Department of Facility Maintenance (DFM) indicated that resolution 06-176 indicated in this recommendation item appears superseded by the state procurement law requirement in HRS 103D-412 (effective January 1, 2010), which specifies a priority of selection for vehicles to be purchased where hybrids are the fourth priority.</p>
<p>c. work with corporation counsel to resolve union-related and other outstanding issues that will allow the city to effectively control the use of city-owned property; and</p>	I	<p>The city is in the process of implementing a motor pool consolidation program, which has included union and Corporation Counsel consultation and the determination of requested resources.</p> <p>ESTIMATED COMPLETION DATE: 2012</p>
<p>d. coordinate with the Department of Budget and Fiscal Services (BFS) and the Department of Facility Maintenance to establish a proposal for dedicated funding for the purchase of replacement passenger vehicles.</p>	I	<p>Funding and resources to be determined during planning process in 1a.</p>

Recommendation	Status	Comments
<p>2. The Department of Facility Maintenance should:</p> <p>a. establish a formal, comprehensive fleet management plan to include possible standardized fleet specifications, replacement policies, benchmarks, vehicle evaluation requirements, and other fleet management industry-recommended best practices;</p>	I	<p>In progress, but subject to current administrative priorities. The department is in the process of exploring and planning out the concept indicated by recommendation 1a.</p> <p>ESTIMATED COMPLETION DATE: 2014</p>
<p>b. prepare annual reports to various city agencies and the council regarding passenger-type vehicles that have reached its useful life and require agencies to justify continued use and inclusion in the city's fleet;</p>	I	<p>See 2a. Reporting and handling end of life issues would be included during the overall fleet management planning process.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p>
<p>c. work with the administration to definitively identify city employees taking home city-owned vehicles and update the list annually until employee appeals are resolved;</p>	C	<p>Consolidated with 3a.</p>
<p>d. enforce the requirement that all city employees with take-home vehicle privileges submit their Budget Form 96 authorization requests annually and clarify the city's policy on city agencies' practice to authorize the intermittent use of city-owned vehicles to select department employees;</p>	C	<p>DFM has worked with BFS and follows the policy direction of Administrative Directive 520 and BFS policy 4.15.</p>
<p>e. prepare a feasibility study for implementing a chargeback system that places responsibility for passenger vehicle repair and maintenance costs with individual city agencies;</p>	D	<p>Consolidate with 2a – planning for comprehensive fleet management plan.</p>
<p>f. utilize all appropriate FleetFocus M5 Fleet Management System capabilities by inputting accurate, timely data and using to the data to monitor, evaluate, and report on vehicle performance;</p>	C	<p>The department uses system functions related to repair and maintenance. Functions that pertain to fleet management will be used when appropriate.</p>
<p>g. work with the mayor to consider sending certain types, or all, repair, maintenance, or service needs for passenger-type vehicles to private sector vendors;</p>	C	<p>Oil change service was outsourced as a way to expedite the return of these vehicles into service.</p>

Recommendation	Status	Comments
h. if automotive equipment services continues to service passenger vehicles, establish appropriate standards for vehicle turn around time and take steps to minimize down time;	I	Based on resources and priority services such as emergency services, ambulances have a higher priority than other passenger vehicles. To improve communication with client agencies, DFM has implemented a notification system to keep its repair clients notified of repair status of their vehicle. ESTIMATED COMPLETION DATE: 2014
i. survey city agencies annually to obtain feedback on services provided and use the data to improve service; and	I	Although a formal feedback survey is not yet in place, the division receives verbal and written feedback on services, and uses feedback in considering improvements. ESTIMATED COMPLETION DATE: 2014
j. comply with the terms of its service level agreement with the Department of Environmental Services.	I	DFM is in the process of resolving these issues with the Environmental Services Department. ESTIMATED COMPLETION DATE: 2012
3. The Department of Budget and Fiscal Services should: a. coordinate with the facility maintenance department to identify all employees with take-home vehicle privileges via Request for Personal Use of a City Vehicle, Budget Form 96, and assess appropriate taxable benefits; and	C	The Department of Budget and Fiscal Services (BFS) has coordinated with DFM to properly account for all take-home vehicles in a manner consistent with Administrative Directive 520 and BFS policy 4.15. As a result of management reviews, both policy documents were recently revised: AD 520 (August 13, 2010) and BFS policy 4.15 (March 15, 2010).
b. research the tax implications for the intermittent take-home use of a city-owned vehicle, and as necessary, establish guidelines for intermittent use of take-home vehicles by city employees.	C	BFS issued a revised policy 4.15 in March 2010, which established the tax liability for take-home (commuting) use of city vehicles.

**Audit of the Department of Transportation Services' Honolulu High-Capacity Transit Corridor Project Contracts
(Report 09-02, Issued October 2009)**

Report Summary: The objectives of the self-initiated audit were to assess whether Department of Transportation – Rapid Transit Division’s Honolulu High-Capacity Transit Corridor Project contracts were procured in compliance with existing policies, laws and regulations; and assess the effectiveness by which the Department of Transportation – Rapid Transit Division manages its Honolulu High-Capacity Transit Corridor Project contractors to ensure compliance with contract terms and conditions.

Of the 9 recommendations, 7 were completed (C), and 2 were dropped (D).

Recommendation	Status	Comments
<p>1. The Department of Transportation Services (DTS) – Rapid Transit Division should:</p> <p>a. continue to encourage fair and open procurement by remaining vigilant in following existing procurement policies and regulations;</p>	C	The department is required to adhere to federal, state, and county policies and regulations for procurement guidance in this project.
<p>b. within the official Record of Procurement, sufficiently document the sources of information for contract cost estimates prior to procurement and final contract cost in a memorandum or summary of contract negotiations;</p>	C	The Rapid Transit Division has provided detailed cost estimates and sources of information in the Memorandum of Contract Negotiations, as part of the contract records.
<p>c. convey support for proper oversight by all agencies involved by providing outside agencies with timely and complete submissions for review;</p>	C	The department provides timely and complete submissions to outside agencies, and in particular, works with the Department of Budget and Fiscal Services to facilitate reviews.
<p>d. for future large or complex procurements, consider outreach through diverse media through market communication networks such as trade associations, to increase competition and encourage additional qualified firms to submit bids;</p>	C	The department utilizes diverse outreach including national and professional market media communication networks to promote competition for the work required on the project.
<p>e. improve documentation of reasons for contract negotiations and awards to increase transparency and accountability;</p>	C	See 1b.

Recommendation	Status	Comments
f. direct the contractor to submit any remaining deliverables and close the Alternatives Analysis contract to ensure that the maximum cost is not exceeded;	C	Final closeout documents were processed on December 10, 2009, with a cost of \$10.1 million.
g. develop guidelines for providing supporting documentation of the work performed to verify the contract-related tasks for invoices submitted by subcontractors who are paid in lump sum amounts;	D	The department clarified that the subcontractors of the city's contractors do not have a direct contractual relationship with the city. It is the city's contractors' responsibility to review and approve subcontractor invoices for payment. The lump sum arrangements allow the subcontractors to expend funds quickly to get tasks done promptly or as the need arises.
h. specify the terms under which a future Allowance for Extra Work would be established, the basis for the allowance amount, and the approval process to be used; and	D	The department reports that the allowance for extra work is used to control costs while keeping some flexibility to address extra work arising from unforeseen events or special required services that were not contemplated or included in the original scope of work. DTS believes it is not possible to specify terms as to what would constitute extra work because there is no way to predetermine unforeseen needs or circumstances. There are existing city guidelines to define the basis for extra work amounts and approvals required.
i. withhold approval of invoices for payment until the contractor has met applicable contract requirements, including the development of pertinent policies and procedures, to ensure the proper expenditure of city funds.	C	The department hired an accountant to audit contractor invoices, whose responsibility includes withholding approval for payment until the contractor has met the performance requirements of their contract, if appropriate.

**Audit of the Honolulu Fire Department's Fire Code Inspection Program for High-Rise Residential Buildings
(Report 10-01, Issued April 2010)**

Report Summary: The objectives of the self-initiated audit were to assess the effectiveness of the Honolulu Fire Department's fire code inspection program for high-rise residential buildings. At the time, state law required fire code inspections be conducted every two years (recently amended to every five years).

Of the 7 recommendations, 6 were completed (C), and 1 is in process (I).

Recommendation	Status	Comments
<p>The Honolulu Fire Department should ensure that the Fire Prevention Bureau:</p> <p>1. completes the Fire Inspection Database and addresses the following:</p>	C	<p>The Fire Prevention Bureau (bureau) worked with the Department of Planning and Permitting (DPP) - Geographic Information Systems; Department of Information Technology (DIT); and Tom Moen, the developer of the DPP Honolulu Online Systems for Emergency Services (HOSES); to comprehensively improve and enhance the Fire Inspection Database (FID). Ongoing updates and interface changes reflected the latest versions of the fire code as well as capture all information recorded on the fire inspection report, Form HFD-16. The bureau is testing spatial display of inspection data on the HOSES map to improve visualization of inspection information.</p>
<p>a. establishes a process to include fire inspection data prepared by the bureau's Plans Checking Section for new buildings and major building renovations;</p>	I	<p>The department has established a process in cooperation with DPP to forward a copy of the Certificate of Occupancy to the bureau's codes enforcement section informing fire inspectors of the issuance date for a particular high-rise residential building. In the future, the bureau will identify a better process with DPP that will signify completed building renovations and subsequent scheduling of fire code inspections since it was discovered that not all building renovations require a new Certificate of Occupancy.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p>

Recommendation	Status	Comments
<p>b. establishes a systematic approach such as the National Fire Protection Association’s recommendation for block-to-block or street-by-street schedule for all FPB code jurisdictions to verify that the Fire Inspection Database has a complete and accurate inventory of high-rise residential buildings and other occupancies on O’ahu;</p>	C	<p>The bureau ensures that all inspectors follow a standardized geographic approach to inspect their jurisdictions. Spatial display on the HOSES map facilitates this process. In addition, the three codes sections are coordinating their efforts to ensure consistency.</p>
<p>c. has sufficient resources and inter-agency assistance to confirm that the Fire Inspection Database has a complete and verified count of all high-rise residential buildings, and</p>	C	<p>To implement an accurate repository of all high-rise residential buildings, the bureau is working a solution that aggregates a combination of data sources to build a reliable data source. High rise structures and data text or document layers will be linked with HOSES.</p>
<p>d. ensures that procedures for consistent, complete and accurate data entry, ongoing error testing and verification, are established and implemented for the Fire Inspection Database;</p>	C	<p>The bureau staff indicate multiple procedures are in place to ensure accurate data entry. Ongoing error testing and verification for the FID exists. The bureau is working with IT personnel to ensure adaptability.</p>
<p>2. identifies and establishes meaningful measures of program effectiveness and incorporates requisite data gathering into the Fire Inspection Database and online reports for the fire inspection program; and</p>	C	<p>The department reports progress made with their data systems. The bureau has been working to spatially display FID information in the HOSES map, which in turn results in better reporting of parcels with completed inspections, inspection violations and inspections due.</p>
<p>3. clarifies for building/property managers the purposes of inspections conducted by the Fire Prevention Bureau and local fire companies under the Company Inspection Program, and the testing of fire prevention systems by commercial inspection companies and how often these should take place.</p>	C	<p>Bureau staff have participated in several forums and conferences with building and property managers in attendance; updated its website to explain the purpose and frequency of inspections; and are exploring potential use of social networking tools to share knowledge on the fire code and other fire prevention information.</p>

**Audit of the Honolulu Police Department's Utilization of the 800 Megahertz Telecommunications System
(Report 11-01, Issued August 2010)**

Report Summary: The objectives of the audit were to determine the causes of the problems that occurred with the system, solutions to the problems, and remedies available to the city for the recovery of public funds expended to solve them. Additionally, review and assess the management of the 800 MHz radio system, and its operational effectiveness for the Honolulu Police Department. Report 11-01 was completed in response to City Council Resolution 03-70, CD1, *Requesting a Performance Audit of the City and County of Honolulu's 800 Megahertz Telecommunications System.*

Of the 6 recommendations, 1 was completed (C), 3 are in process (I), and 2 are not started (N).

Recommendation	Status	Comments
<p>1. The Department of Information Technology and the Honolulu Police Department should use existing databases to prepare management reports that can be used to assess and improve the effectiveness of their preventive maintenance programs, and make key decisions regarding the system as it reaches the end of its lifecycle.</p>	I	<p>The Department of Information Technology (DIT) has been working to get a consultant to conduct a study to assess the feasibility of either replacing or extending the life of the radio system.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>2. The Department of Information Technology and the Honolulu Police Department should perform a comprehensive risk assessment of the 800 MHz radio system so that informed decisions can be made regarding the need to replace the system or to extend the life of the system, including improving support facilities and continued operation of the system.</p>	I	<p>DIT has met with Harris, the system manufacturer, to request a migration path, and estimate an upgrade of the system to a P25 non-proprietary format digital voice system. Obtained <i>rough order of magnitude</i> costs from manufacturer. DIT asked Motorola for another <i>rough order of magnitude</i> costs, and will be talking to Harris, Motorola, and other vendors at the International Wireless Communications Expo.</p> <p>ESTIMATED COMPLETION DATE: January 2013</p>
<p>3. The mayor should ensure the priorities for telecommunications system improvements (including new equipment, upgrades, and site renovations) are coordinated among the police, fire, emergency services and information technology department staff, to ensure public safety communication needs are met.</p>	C	<p>Headed by the Public Safety Operations Committee under the Department of Emergency Management.</p>

Recommendation	Status	Comments
4. The mayor should ensure the existing 800 MHz system or its replacement are properly funded.	N	The current administration has been apprised of this recommendation. Expected project start date is calendar year 2013. ESTIMATED COMPLETION DATE: 2020
5. The managing director should direct the Department of Design and Construction to provide the support needed by the Department of Information Technology to plan, design, construct, and manage the projects related to improving and/or replacing the existing 800 MHz system.	N	The current administration has been apprised of this recommendation.
6. The Department of Information Technology and the Honolulu Police Department should ensure that current implementation of system-related projects are controlled by the project manager, including project review, in-scope work, project cost accounting; and fulfilling budgeting and procurement requirements.	I	DIT and police department work together on many projects to upgrade the radio system and microwave spur radio systems to ensure that the implementation of system-related projects is controlled by the project manager. This includes project review, in-scope work, project cost and accounting, and ensuring operational requirements are met. ESTIMATED COMPLETION DATE: 2022