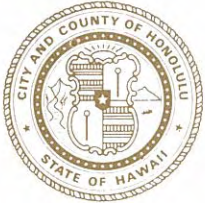




OFFICE OF THE CITY AUDITOR
City and County of Honolulu
State of Hawai'i

**Audit Recommendations
Status Report
Fiscal Year 2012**





OFFICE OF THE CITY AUDITOR
CITY AND COUNTY OF HONOLULU

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EDWIN S.W. YOUNG
CITY AUDITOR

October 19, 2012

The Honorable Ernest Y. Martin
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Council Chair Martin:

Our office has completed its annual *Audit Recommendations Status Report - Fiscal Year 2012*, which reviews the implementation status of all previously made audit report recommendations. 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 fulfills the city charter mandate, Section 3-502.1 (d), that the city auditor follow-up and monitor compliance with audit recommendations by audited entities.

The review was conducted between November 2011 and July 2012. 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.

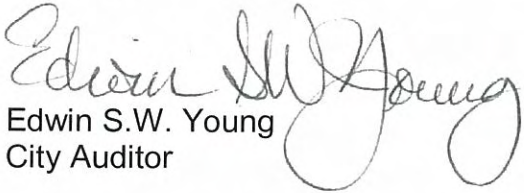
Our review covered 326 audit recommendations. The results of our review indicated that 171 recommendations (52%) were completed, 13 recommendations (4%) were resolved, and 76 recommendations (23%) were in-process. Of the remaining recommendations, 48 (15%) were dropped and 18 (6%) were not started. The attached 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. 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.

The Honorable Ernest Y. Martin
and Members
October 19, 2012
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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: Peter Carlisle, Mayor
Douglas Chin, Managing Director
Mike Hansen, Director, Department of Budget and Fiscal Services

**Audit Recommendations Status Report – Fiscal Year 2012
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	5	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	8	Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices	Mar 2005	7	0	0	0	0	7
05-02	9	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	10	1	1	16
05-04	N/A	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	N/A	Audit of the City's Personal Services Contract Practices	Feb 2006	6	4	0	0	4	14
06-03	N/A	Audit of the City's Debt Service Practices	Feb 2006	3	0	0	0	5	8
06-05	N/A	Audit of the City's Executive Staff's Out-Of-State Travel	Jul 2006	7	0	0	0	0	7
06-06	23	Audit of the Neighborhood Board System	Aug 2006	18	1	0	0	6	25
06-07	N/A	Audit of Selected Management Issues at the Honolulu Board of Water Supply	Oct 2006	11	1	0	0	4	16
07-01	N/A	Audit of the City's Abandoned and Derelict Vehicle Program	Apr 2007	14	1	0	0	3	18
07-02	24	Audit of the Hanauma Bay Nature Preserve Fund	Jun 2007	5	0	6	0	0	11
07-03	29	Audit of the Tennis Complex of the Central O'ahu Regional Park	Jul 2007	12	0	0	2	0	14
07-04	32	Audit of the Honolulu Police Department Patrol Officer Staffing Practices	Aug 2007	7	0	3	0	0	10
07-05	34	Audit of the City's Management of Unilateral Agreements in Affordable Housing	Sept 2007	10	0	0	0	4	14
08-01	35	Audit of the City's Planning, Design, and Construction of Skateboard Park Facilities	Jun 2008	0	0	5	0	0	5
08-02	37	Audit of the City's Electricity Costs, Consumption, and Management	Jul 2008	4	4	2	0	0	10
08-03	N/A	Audit of the City's Synagro Contract	Aug 2008	6	0	0	0	0	6
08-04	N/A	Audit of the 2003-04 Mililani Curbside Recycling Pilot Project	Oct 2008	0	0	0	0	4	4
09-01	40	Audit of Select Management Practices of City-Owned Vehicles Under the Jurisdiction of the Department of Facility Maintenance	Oct 2009	7	1	6	1	1	16
09-02	N/A	Audit of the Department of Transportation Services' Honolulu High-Capacity Transit Corridor Project	Oct 2009	7	0	0	0	2	9
10-01	44	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	46	Audit of the Honolulu Police Department's Utilization of the 800 Megahertz Telecommunications System	Aug 2010	2	0	4	0	0	6
11-02	50	Audit of the Leeward Coast Community Benefits Program	Dec 2010	8	0	0	0	10	18
12-01	55	Audit of the City's Ambulance Fleet and Operations	Dec 2011	0	0	20	0	0	20
12-02	60	Audit of the Span of Control of Selected Departments in the City and County of Honolulu	Jan 2012	0	0	4	1	0	5

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

Report No.	Page No.	Audit Report Title	Month Issued	Status					
				C	R	I	N	D	TOTAL
12-03	62	Audit of the City's Real Property Tax Delinquency Collection	Mar 2012	0	0	0	11	0	11
		TOTALS		171	13	76	18	48	326
		PERCENTAGE		52%	4%	23%	6%	15%	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 previously completed (C), 5 are currently in process (I), and 2 were previously 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><u>Status as of May 2011:</u> 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> <p><u>Status as of September 2012:</u> DES did not provide any information until the discussion draft of this report. Their comments provided here are unaudited, and will be verified in next year's report.</p> <p>DES reports that it is in the process of developing a fiscal sustainability plan.</p> <p>ESTIMATED COMPLETION DATE: June 30, 2013</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>	<p>I</p>	<p><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> DES did not provide any information until the discussion draft of this report. Their comments provided here are unaudited, and will be verified in next year's report.</p> <p>DES reports addressing the concern of compliance with two approaches:</p> <ul style="list-style-type: none"> • Inspections to ensure vendors are fulfilling agreed-on operational requirements. • Larger performance bonds and more aggressive past due collections have been implemented to address vendor late payments.
<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>	<p>I</p>	<p><u>Status as of May 2011:</u> 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>

Recommendation	Status	Comments
		<p><u>Status as of September 2012:</u> DES did not provide any information until the discussion draft of this report. Their comments provided here are unaudited, and will be verified in next year's report.</p> <p>DES reports addressing the concern of compliance with two approaches:</p> <ul style="list-style-type: none"> • Inspections to ensure vendors are fulfilling agreed-on operational requirements. • Larger performance bonds and more aggressive past due collections have been implemented to address vendor late payments.
<p>g. the department should not allow concessionaires to operate city concessions until written contracts are executed;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> Current departmental policy is to issue month-to-month permit with the previous contract stipulations until a new contract is executed.</p> <p>ESTIMATED COMPLETION DATE: December 31, 2011</p> <p><u>Status as of September 2012:</u> DES did not provide any information until the discussion draft of this report. Their comments provided here are unaudited, and will be verified in next year's report.</p> <p>DES reports:</p> <ul style="list-style-type: none"> • Current DES policies do not allow concessionaires to operate until written city agreements are executed. • All existing concessions in operations have contracts or permits. • DES is working with the Department of Information Technology to implement a contracts management application to alert DES staff of all impending contract/permits expirations within six months to avoid unauthorized concessions. <p>ESTIMATED COMPLETION DATE: June 2013</p>

Recommendation	Status	Comments
<p>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;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> 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.</p> <p>ESTIMATED COMPLETION DATE: December 31, 2011</p> <p><u>Status as of September 2012:</u> DES did not provide any information until the discussion draft of this report. Their comments provided here are unaudited, and will be verified in next year's report.</p> <p>DES reports:</p> <ul style="list-style-type: none"> • Policies and procedures have been implemented to ensure files for all vendors are managed to contain relevant and accurate information. • A Contract Implementation Checklist form was created to serve as a template to ensure required documents are in the file and milestone dates and key events are documented.

**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 previously completed (C) and 3 are in process (I).

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>	<p>I</p>	<p><u>Status as of May 2011:</u> The Department of Planning and Permitting (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: Ongoing</p> <p><u>Status as of September 2012:</u> DPP did not provide any information until the discussion draft of this report. Their comments here are unaudited and will be verified in next year's report.</p> <p>DPP continues to monitor and implement operational and policy improvements to the processing of building permit applications. Improvements initiated within the last 12 months include improved website, electronic plans submission and review, expansion of on-line permitting, and public training classes for applicants.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>

Recommendation	Status	Comments
<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><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> DPP did not provide any information until the discussion draft of this report. Their comments here are unaudited and will be verified in next year's report.</p> <p>DPP reports as a result of improved on-line services and electronic plan submission and review, it has determined that the Kapolei Permit Center is not necessary for providing application drop-off and minor permit review services for that area. The Kapolei Permit Center is expected to close on December 31, 2012.</p> <p>ESTIMATED COMPLETION DATE: December 2012</p>
<p>4. 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><u>Status as of May 2011:</u> 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: Ongoing</p> <p><u>Status as of September 2012:</u> DPP did not provide any information until the discussion draft of this report. Their comments here are unaudited and will be verified in next year's report.</p>

Recommendation	Status	Comments
		<p>Bill 44 (2012) at city council is a permit streamlining measure which amends Chapter 18 providing additional exemptions from the Building Code. DPP reports submitting Bill 51 (2012), also at the city council, which attempts to provide streamlining by enabling alternatives to the permit inspection process. DPP expects to present the Council with a comprehensive revision to Chapter 18 in 2013 if Bills 44 and 51 are adopted.</p> <p>ESTIMATED COMPLETION DATE: Subject to legislative process</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 previously completed (C) and 1 was completed in the current period.

Recommendation	Status	Comments
<p>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.</p>	<p>C</p>	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The current managing director reported directing city agencies to cooperate with the city auditor throughout the audit process and is unaware of any instances when a city agency has not worked with the city auditor to provide requested information.</p>

**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 (LIQ) 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 previously completed (C), 5 are in process (I), 2 are not started (N), and 1 was previously dropped (D).

Recommendation	Status	Comments
<p>1. The Honolulu Liquor Commission (LIQ) should:</p> <p>b. direct the administrator to:</p> <p>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</p>	I	<p><u>Status as of May 2011:</u> The agency is currently pursuing a major reorganization initiative to become more effective and to meet its strategic and operational priorities.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> The agency is currently pursuing a major reorganization initiative to become more effective and meet its strategic and operational priorities.</p> <p>ESTIMATED COMPLETION DATE: June 2013</p>
<p>d. assess whether effective administrative oversight of the commission necessitates the creation of an adjudication board separate from the commissioners;</p>	I	<p><u>Status as of May 2011:</u> Remains under consideration. The commission has implemented pre-adjudication process and hearing-waived violations to streamline the adjudication process in the interim.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> Ongoing. The commission has implemented a pre-adjudication process and hearing-waived violations to streamline the adjudication process in the interim.</p>

Recommendation	Status	Comments
		ESTIMATED COMPLETION DATE: January 2013
<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> <ol style="list-style-type: none"> 1) auditing of licensees, and 2) allocation and utilization of funds received from liquor violation fines. 	I	<p><u>Status as of May 2011:</u></p> <ol style="list-style-type: none"> 1. 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. 2. 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>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u></p> <ol style="list-style-type: none"> 1. Preliminary draft of Audit Plan and Strategy is completed. Changes and amendments are ongoing. 2. The commission reports the fines are considered a part of LIQ's annual budget. Fines are not earmarked for a specific use in LIQ's budget. <p>ESTIMATED COMPLETION DATE: June 2013</p>
<p>2. The liquor commission administrator should:</p> <ol style="list-style-type: none"> 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; 	I	<p><u>Status as of May 2011:</u></p> <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> <p><u>Status as of September 2012:</u></p> <p>LIQ reports aggressively moving forward in filling funded vacancies. In FY2012, 13 positions have been filled. In FY2013, an additional 6 Liquor Control Investigator I's (LCI I) will be hired. Likewise, 5 LCI I's hired in December, 2011 may be reallocated to LCI II positions that are currently vacant, depending upon their performance review.</p>

Recommendation	Status	Comments
		ESTIMATED COMPLETION DATE: Ongoing
<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><u>Status as of May 2011:</u></p> <ol style="list-style-type: none"> 1) Procedures and protocols revision in progress. 2) The revised strategic plan prioritizes provision of consistent, comprehensive, and reliable auditing or licensees to ensure compliance. The agency acknowledges that the auditing function is currently not staffed to meet the objective. 3) Staff duties and responsibilities have been clearly identified and given priority in the revised strategic plan. 4) 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>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> The commission reports revision and amendment of rules will be initiated at the end of the 2012 State Legislative Session. This is to accommodate any substantive changes made to laws which affect LIQ. Any and all changes will follow the four considerations listed.</p> <p>ESTIMATED COMPLETION DATE: December 2012</p>
<p>3. The mayor should ensure that:</p> <ol 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	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The current administration had no status update for this recommendation. The recommendation status will remain unchanged from last year's report.</p>

Recommendation	Status	Comments
<p>b. a quick and thorough review follows upon any questions concerning the behavior of appointed commissioners.</p>	<p>N</p>	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The current administration had no status update for this recommendation. The recommendation status will remain unchanged from last year's report.</p>

**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 previously completed (C), 1 was previously resolved (R), 10 are in progress (I), 1 is not started (N), and 1 was previously dropped (D).

Recommendation	Status	Comments
<p>1. The Department of Facility Maintenance should:</p> <p>c. develop a technology integration plan with other appropriate city and state agencies that utilizes GIS programming;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> The Work Order System for sidewalk repairs and pavement condition is integrated with the Department of Planning and Permitting's (DPP) Geographic Information Systems (GIS). Contract resurfacing work is also integrated with the DPP GIS system. Other GIS integration such as drainage systems and streams are being considered. No current plans to integrate with state agencies at this time.</p> <p>ESTIMATED COMPLETION DATE: June 2015</p>

Recommendation	Status	Comments
<p>e. improve its record retention system; and</p>	<p>I</p>	<p><u>Status as of May 2011:</u> 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> <p><u>Status as of September 2012:</u> The department is maintaining records on past work performed on roadways in its work order system. The department plans to add other work records to the system.</p> <p>ESTIMATED COMPLETION DATE: June 2015</p>
<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; 	<p>I</p>	<p><u>Status as of May 2011:</u></p> <ol style="list-style-type: none"> 1) The department has annually pursued an increased level of funding for road rehabilitation projects through the city's CIP. 2) 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. 3) 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. 4) 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.

Recommendation	Status	Comments
		<p>5) 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> <p>ESTIMATED COMPLETION DATE: 2014</p> <p><u>Status as of September 2012:</u></p> <p>a. The division indicates that attendance of American Public Works Association conferences and other meetings with road maintenance programs are essential for developing industry best practices.</p> <p>1) Dedicated funding for road maintenance is not at the division's discretion.</p> <p>2) MicroPaver Pavement Management System adopted. The division is working with the University of Hawai'i Civil & Environmental Engineering Department, Oahu Metropolitan Planning Organization and consultants to implement program (CR 11-331).</p> <p>3) Pavement preservation program based on locally available technology has been initiated through a pilot slurry seal project implemented by DDC. Other preservation technologies being investigated by DDC. Other preservation technologies being investigated.</p> <p>4) Council adopted pavement resolution, CR 12-35, CD1.</p> <p>5) As part of MicroPaver Pavement Management System, cost benefit analysis will be incorporated into maintenance applications. DDC's contract resurfacing incorporates cost-benefit analysis.</p> <p>ESTIMATED COMPLETION DATE: June 2014</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><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> b. Ongoing.</p> <ol style="list-style-type: none"> 1) Contract resurfacing annual budget of \$77 million for maintenance. 2) Hiring freeze exemptions provided to Road Maintenance staff. Determination of wage freeze, pay cut is at state and county levels, as part of the statewide collective bargaining process. Wage freeze issues are part of the state-wide bargaining process and beyond the division's control. 3) Contract resurfacing has remained a priority and is being performed by DDC. 4) In-house paving equipment has been purchased. 5) Adoption of Pavement Management System will incorporate pavement preservation and other rehabilitation priorities to improve roads. <p>ESTIMATED COMPLETION DATE: June 2015</p>
<p>c. prioritize and consistently conduct an annual pavement condition survey;</p>	I	<p><u>Status as of May 2011:</u> 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, the department recommends 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>

Recommendation	Status	Comments
		<p>ESTIMATED COMPLETION DATE: December 2012 for initial pavement condition survey with updated condition survey expected December 2013.</p> <p><u>Status as of September 2012:</u> Annual pavement condition surveys are not recommended by Federal Highway Administration. They recommend a 2 year interval to complete roads condition assessment.</p> <p>ESTIMATED COMPLETION DATE: December 2013</p>
d. develop a comprehensive work order system;	I	<p><u>Status as of May 2011:</u> Also see 1c.</p> <p>ESTIMATED COMPLETION DATE: 2014</p> <p><u>Status as of September 2012:</u> Sidewalk and road maintenance currently in place. Other work orders being considered.</p> <p>ESTIMATED COMPLETION DATE: June 2016</p>
e. draft policies and procedures for road maintenance applications; and	I	<p><u>Status as of May 2011:</u> 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> <p><u>Status as of September 2012:</u> The division is gathering information from other jurisdictions.</p> <p>ESTIMATED COMPLETION DATE: June 2015</p>

Recommendation	Status	Comments
<p>3. The mayor should:</p> <p>a. ensure that the Department of Facility Maintenance has adequate resources to fulfill its mission to maintain city roads;</p>	I	<p><u>Status as of May 2011:</u> The city is pursuing adequate resources for the department to maintain city roads.</p> <p><u>Status as of September 2012:</u> The administration reports pursuing adequate resources for the department to maintain city roads.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>b. ensure that the Department of Design and Construction has adequate resources to program road resurfacing and reconstruction projects; and</p>	I	<p><u>Status as of May 2011:</u> The city is pursuing adequate resources for DDC to program road resurfacing and reconstruction projects.</p> <p><u>Status as of September 2012:</u> The administration reports pursuing adequate resources for DDC to program road resurfacing and reconstruction projects</p> <p>Estimated Completion Date: Ongoing</p>
<p>c. seek a practical solution to issues regarding disputed road ownership.</p>	N	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The administration believes there is not an administrative remedy, but rather it must use the legal system to protect the city's interests in resolving ownership issues.</p>
<p>6. The managing director should review and develop updated record keeping guidelines for city agencies and submit recommendations to the council for adoption.</p>	I	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> Effective January 1, 2012 the Department of Customer Services has contracted with outside consultant Records Management Resources to update/revise the records management policy,</p>

Recommendation	Status	Comments
		<p>records management manual and the general records schedule. The deliverables will also include a new records management strategic plan, revised record storage procedures and an inactive boxed records tracking system.</p> <p>ESTIMATED COMPLETION DATE: December 2012</p>

**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 previously completed (C) and 2 are in process (I).

Recommendation	Status	Comments
<p>1. The department should:</p> <p>b. seek funding to facilitate a citywide risk assessment, including business impact and business continuity/resumption analysis;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> The project has been assigned to DEM per administrative directive subject #220. 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>The Department of Information Technology (DIT) provided part of the funding to DEM to hire a consultant to develop Continuity of Operations assessments and plans for the city departments in 2007. DIT participated in the COOP planning with regards to required IT systems support in a disruption of service. The DIT subsequently submitted funding requests in 2009 and 2010 for a Business Impact Analysis (BIA) assessment. These requests were not approved in those fiscal year budgets. Funding requests continue to be under consideration annually for submission in the DIT budget.</p> <p>ESTIMATED COMPLETION DATE: Subject to budgetary consideration</p>

Recommendation	Status	Comments
<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>	<p>I</p>	<p><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> 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 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 the DIT and the city.</p> <p>Previous funding request for disaster recovery planning and required supporting elements were not approved. However, as part of a DIT reorganization, a management position to coordinate DIT disaster recover planning and deployment was established within the Operations Division. DIT has again sought funding in the 2012 budget for Disaster Recovery planning services, but this was not approved.</p> <p>Within the constraints of the current budget, the Division Chief of Operations in 2011, assumed part of the responsibilities of the recovery coordinator to ensure the recoverability of key systems. A</p>

Recommendation	Status	Comments
		<p>successful Disaster Recovery test was conducted in August 2011, at the DIT backup data center, to prepare for contingencies associated with standard operations and the 2011 Economic Summit (APEC) held in Honolulu.</p> <p>ESTIMATED COMPLETION DATE: Subject to budgetary consideration</p>

**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 previously completed (C), 1 was previously resolved (R), and 4 were previously dropped while 2 are currently being dropped (D).

Recommendation	Status	Comments
<p>1. The mayor should:</p> <p>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</p>	D	<p><u>Status as of May 2011:</u> 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.</p> <p><u>Status as of September 2012:</u> The administration has considered the recommendation but will not implement the recommendation after evaluating the current system.</p>
<p>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.</p>	D	<p><u>Status as of May 2011:</u> See 1b.</p> <p><u>Status as of September 2012:</u> The administration has considered the recommendation but will not implement the recommendation after evaluating the current system.</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.

Of the 11 recommendations, 5 are completed (C) and 6 are in process (I).

Recommendation	Status	Comments
<p>1. The director of the Department of Parks and Recreation (DPR) 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><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> Consultant, Wilson Okamoto Corporation, was signed, and given notice to proceed in May 2011. The department reports that the consultant is at Stage 3 (out of 6), preliminary development stage.</p> <p>ESTIMATED COMPLETION DATE: February 2013</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><u>Status as of May 2011:</u> 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
		<p><u>Status as of September 2012:</u> When plan is complete, it will be used as basis to achieve objectives.</p> <p>ESTIMATED COMPLETION DATE: Pending completion of master plan</p>
<p>c. ensure that budgeting is based upon elements developed to implement the preserve's master plan;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> 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.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> The department indicates that the preserve's spending plan takes into account projected revenue and operating expenses. The Master Plan is currently under development.</p> <p>ESTIMATED COMPLETION DATE: February 2013</p>
<p>d. assess past and projected preserve fund revenues, expenditures and fund balances;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> The department reports assessing the adequacy of fund revenues and projected expenses to meet the preserve's goals and objectives.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> The department reports the Department of Budget and Fiscal Services (BFS) has provided a spreadsheet that gives a fund analysis for FY 2013 planning and will continue to share revenue and expenditure data.</p> <p>ESTIMATED COMPLETION DATE: December 2012</p>
<p>e. assess adequacy of fund revenues and projected expenses in accordance with preserve's goals and objectives;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> Consolidate with 1d.</p>

Recommendation	Status	Comments
		<p><u>Status as of September 2012:</u> The department reports BFS has provided a spreadsheet that gives a fund analysis for FY 2013 planning and will continue to share revenue and expenditure data.</p> <p>ESTIMATED COMPLETION DATE: December 2012</p>
<p>f. ensure that preserve staff is actively involved in all levels of planning for preserve's use; and</p>	<p>I</p>	<p><u>Status as of May 2011:</u> Preserve staff will be included in planning for preserve's uses.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> The department reports Hanauma Bay operational and maintenance staffs, the district and division's staffs are actively involved in all levels of planning of the preserve's use.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>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.</p>	<p>C</p>	<p><u>Status as of May 2011:</u> This recommendation follows obtaining the recommended information from BFS. See 2a, 2c, and 2d.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> The department reported that revenues from the preserve's concession contracts are deposited in the Hanauma Bay Fund (230) and are reported to DPR for planning and program analysis.</p>

Recommendation	Status	Comments
<p>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:</p> <p>a. BFS Accounting Division summary worksheets on Hanauma Bay Revenues and Deposits and monthly Monarch report Revenue Summary by Sub-Class;</p>	C	<p><u>Status as of May 2011:</u> The department has formally requested the documents recommended from BFS to comply with recommendations 2a through 2d.</p> <p>ESTIMATED COMPLETION DATE: To be determined</p> <p><u>Status as of September 2012:</u> Revenue, expenditure and budget reports for the Hanauma Bay Nature Preserve Fund are available in the city's <i>InfoAdvantage</i> financial reporting system. Authorized Department of Parks and Recreation personnel can access these scheduled monthly reports and can also process these reports as needed.</p>
<p>b. BFS Fiscal/CIP Administration report on Hanauma Bay Nature Park Capital Improvement Projects and related debt service calculator schedules;</p>	C	<p><u>Status as of May 2011:</u> See 2a.</p> <p><u>Status as of September 2012:</u> Fiscal/CIP Division of BFS provides information to the Department of Parks and Recreation on Hanauma Bay debt service requirements and capital improvement projects.</p>
<p>c. BFS Treasury Division accounts receivable annual worksheet summaries on concessionaire gross receipts and payment recap; and</p>	C	<p><u>Status as of May 2011:</u> See 2a.</p> <p><u>Status as of September 2012:</u> Revenue, expenditure and budget reports for the Hanauma Bay Nature Preserve Fund are available in the city's <i>InfoAdvantage</i> financial reporting system. Authorized Department of Parks and Recreation personnel can access these scheduled monthly reports and can also process these reports as needed.</p>

Recommendation	Status	Comments
d. BFS Purchasing Division concession contracts and amendments.	C	<p><u>Status as of May 2011:</u> See 2a.</p> <p><u>Status as of September 2012:</u> The BFS Purchasing Division posts all city concession contracts on the city's Docushare document management system. The Department of Parks and Recreation personnel can access the concession contracts using Docushare.</p>

**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 previously completed while 7 are currently completed (C), and 2 are not started (N).

Recommendation	Status	Comments
<p>1. The director of the Department of Design and Construction (DDC) should:</p> <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>	C	<p><u>Status as of May 2011:</u> DDC 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><u>Status as of September 2012:</u> DDC provided a worksheet that summarized the construction project information since 2005 as follows:</p> <p>Total Number of Projects Completed: 767 Total Number of Projects within Budget (including 10% contingency): 602 (78%) Total Number of Projects over Budget (above 10% contingency): 165 (21%) Total Number of Projects with no Change Orders of Change Order Resulting in a Credit: 328 (43%)</p> <p>DDC reports a commitment to continue to improve project management protocols and applying the tighter project schedule controls.</p>
<p>d. require adherence to the contracted scope work, and approved final project design as a prerequisite to proceeding to construction bidding;</p>	C	<p><u>Status as of May 2011:</u> See 1c.</p>

Recommendation	Status	Comments
		<p><u>Status as of September 2012:</u> DDC last issued a memorandum to all city agencies and departments, dated December 13, 2010, regarding requests by users that are considered “nice to have”, but not required for a complete and usable facility or may be an out-of-scope change. Managing director approval is now required for user-requested changes.</p>
<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>	C	<p><u>Status as of May 2011:</u> See 1c.</p> <p><u>Status as of September 2012:</u> DDC reports it will not hire the services of the same design consultant to provide construction management services for large projects. Instead, if construction management services are needed, a new consultant services contract will be secured to insure a sense of objectivity.</p>
<p>f. comply with legal and administrative requirements for reporting this project’s change orders and transfers of funds to city council;</p>	C	<p><u>Status as of May 2011:</u> See 1c.</p> <p><u>Status as of September 2012:</u> BFS/fiscal is responsible to report construction change orders greater than \$500,000 to the city council as required by Ordinance 97-14. BFS reports all transfer of funds to city council once the allotment vouchers (AV) have been completed.</p>
<p>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;</p>	C	<p><u>Status as of May 2011:</u> See 1c.</p> <p><u>Status as of September 2012:</u> DDC last issued a memorandum to all city agencies and departments dated December 13, 2010 regarding requests by a user that is considered a “nice to have”, but not required for a complete and usable facility or may be an out-of-scope change. Managing director approval is now required for user-requested changes.</p>

Recommendation	Status	Comments
<p>h. ensure that the department complies with administrative construction contract contingency limits;</p>	C	<p><u>Status as of May 2011:</u> See 1c.</p> <p><u>Status as of September 2012:</u> It is the goal of DDC to work within the construction contract contingency limit. DDC budgets 10% in contingency for smaller projects and 20% on larger, more difficult projects. All contingency amounts greater than 10% require the managing director's approval.</p>
<p>i. ensure that contractual obligations are enforced; pursue liquidated damages for improper or incomplete work, and set appropriate amounts for damages, as appropriate;</p>	C	<p><u>Status as of May 2011:</u> See 1c.</p> <p><u>Status as of September 2012:</u> DDC enforces Special Provision SP-7 on Liquidated Damages.</p>
<p>j. cease commingling resources and funds among separate project phases; and</p>	N	<p><u>Status as of May 2011:</u> See 1c.</p> <p><u>Status as of September 2012:</u> DDC reports providing an estimated construction cost for budgetary purposes in creating the annual capital improvement project request. However, during the subsequent design phase and construction bidding phases, the construction costs may exceed the phased budgeted amounts due to numerous reasons and require the transfer of funding to the appropriate phase.</p>
<p>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.</p>	N	<p><u>Status as of May 2011:</u> See 1c.</p> <p><u>Status as of September 2012:</u> DDC reports providing an estimated construction cost for budgetary purposes. However, during the subsequent design phase and construction bidding phases, the construction costs may exceed the budgeted amount. In order to award the bid, additional funding may be needed in order to successfully award the bid.</p>

**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 previously completed (C) and 3 are in process (I).

Recommendation	Status	Comments
<p>1. The Honolulu Police Department (HPD) should:</p> <p>a. improve workload reporting and analysis and better justify staffing needs by:</p> <p>3) amending the current system of reporting to capture all patrol officer activities and more accurately depict workload;</p>	I	<p><u>Status as of May 2011:</u> 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.</p> <p><u>Status as of September 2012:</u> HPD recently procured an upgrade to the Computer Aided Dispatch System and the Records Management System, and is in the process of developing these systems to improve the workload reporting to better justify staffing needs.</p> <p>ESTIMATED COMPLETION DATE: October 2013</p>
<p>b. reinforce efforts to work toward full staffing of existing positions by:</p> <p>3) assessing the need for additional Human Resource Division resources to facilitate recruitment and processing new officers;</p>	I	<p><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> Three positions were authorized in FY 2009 and are still awaiting creation. In the interim, the department reports putting three officers on special assignment to the Human Resources Division to assist with recruitment efforts.</p>

Recommendation	Status	Comments
		ESTIMATED COMPLETION DATE: Subject to funding
<p>c. improve recruitment and training capabilities by:</p> <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><u>Status as of May 2011:</u> 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> <p><u>Status as of September 2012:</u> Three positions were authorized in FY 2009, and are still awaiting creation. Supporting classroom space for the range is currently under construction.</p> <p>ESTIMATED COMPLETION DATE: Positions subject to funding. Construction expected to be completed in December 2012.</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 previously completed while 1 is currently completed (C) and 4 were previously dropped (D).

Recommendation	Status	Comments
<p>1. The Department of Planning and Permitting (DPP) should:</p> <p>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;</p>	<p>C</p>	<p><u>Status as of May 2011:</u> 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.</p> <p>ESTIMATED COMPLETION DATE: To be determined.</p> <p><u>Status as of September 2012:</u> DPP amended its rules for unilateral agreements in affordable housing which adopted the policies of the city council relating to in-lieu fees (Resolution 05-154, CD1).</p>

**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><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> The department has preliminarily drafted new design-build policies and procedures, and standard operating procedures.</p> <p>ESTIMATED COMPLETION DATE: November 2012</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	<p>See 1a.</p> <p><u>Status as of September 2012:</u> The department has preliminarily drafted new design-build policies and procedures, and standard operating procedures.</p> <p>ESTIMATED COMPLETION DATE: November 2012</p>
<p>c. develop specific Request For Proposals and contract guidelines for design-build projects and contractor oversight;</p>	I	<p>See 1a.</p> <p><u>Status as of September 2012:</u> The department has preliminarily drafted new design-build policies and procedures, and standard operating procedures.</p>

Recommendation	Status	Comments
		ESTIMATED COMPLETION DATE: November 2012
<p>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</p>	I	<p><u>Status as of May 2011:</u> See 1a.</p> <p><u>Status as of September 2012:</u> The department has preliminarily drafted new design-build policies and procedures, and standard operating procedures.</p> <p>ESTIMATED COMPLETION DATE: November 2012</p>
<p>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.</p>	I	<p><u>Status as of May 2011:</u> See 1a.</p> <p><u>Status as of September 2012:</u> The department has preliminarily drafted new design-build policies and procedures, and standard operating procedures.</p> <p>ESTIMATED COMPLETION DATE: November 2012</p>

**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 previously completed (C), 1 was previously resolved while 3 are currently resolved (R), and 2 are in process (I).

Recommendation	Status	Comments
<p>1. The mayor should:</p> <p>a. continue efforts to contain electricity cost and reduce consumption;</p>	R	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The managing director is monitoring all city agencies' energy costs and consumption saving goals by reporting the efforts and savings of each department. The report is provided to the city council per Ordinance 08-32. It details the city's electricity, gasoline, diesel, and biodiesel consumptions and costs during the fiscal year and updates the city's progress in implementing energy conservation policies, programs, and projects. Additionally, the city provides each department its energy consumption and cost information on a regular basis.</p>
<p>b. consider consolidating energy management duties under a single entity to ensure a citywide approach to managing electricity cost and consumption; and</p>	R	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The managing director is developing a comprehensive plan focused on energy and sustainability education for employees and the general public. The program will encourage employee participation in developing creative, easy to implement conservation efforts. It will also provide the general public information about energy efficiency, conservations, and initiatives through a city website.</p>

Recommendation	Status	Comments
<p>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.</p>	I	<p><u>Status as of May 2011:</u> The Department of Design and Construction 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.</p> <p>ESTIMATED COMPLETION DATE: June 30, 2015</p> <p><u>Status as of September 2012:</u> The Department of Design and Construction 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 FY 2009 and FY 2010. FY 2011 energy reduction was 8.9%, just short of the 10% objective.</p> <p>ESTIMATED COMPLETION DATE: June 2015</p>
<p>2. The managing director should:</p> <p>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;</p>	R	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The managing director is monitoring all city agencies' energy costs and consumption saving goals by reporting the efforts and savings of each department. The report is provided to the city council per ordinance 08-32. It details the city's electricity, gasoline, diesel, and biodiesel consumptions and costs during the fiscal year and updates the city's progress in implementing energy conservation policies, programs, and projects. Additionally, the city provides each department its energy consumption and cost information on a regular basis.</p>

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>	<p>I</p>	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> The managing director is developing a comprehensive plan focused on energy and sustainability education for employees and the general public. The program will encourage employee participation in developing creative, easy to implement conservation efforts. It will also provide the general public information about energy efficiency, conservations, and initiatives through a city website.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>

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 previously completed while 1 is currently completed (C), 1 was previously resolved (R), 6 are in process (I), 1 is not started (N), and 1 was previously 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><u>Status as of May 2011:</u> The Department of Facility Maintenance (DFM) has initiated discussions with the current administration.</p> <p>ESTIMATED COMPLETION DATE: July 2014</p> <p><u>Status as of September 2012:</u> Consolidate with 2a. The department reports that the city is in the process of aligning all management responsibilities for the city's fleet of vehicles, including passenger-type vehicles, under the Division of Automotive Equipment Service (AES). Partially completed with consolidated purchase of passenger and light duty trucks. Heavy duty trucks and specialty vehicles not consolidated as of September 2012.</p> <p>ESTIMATED COMPLETION DATE: July 2014</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><u>Status as of May 2011:</u> 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>

Recommendation	Status	Comments
		<p><u>Status as of September 2012:</u> Consolidate with 2a. 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. First phase completed. Fully functioning motor pool in operation at Fasi Municipal Building. Second phase: motor pool at Kapolei is not completed.</p> <p>ESTIMATED COMPLETION DATE: July 2014</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>	<p>I</p>	<p><u>Status as of May 2011:</u> Funding and resources to be determined during planning process in 1a.</p> <p><u>Status as of September 2012:</u> Consolidate with 2b. Funding and resources to be determined during planning process for 2b. Function will be incorporated into the Acquisition & Disposal Office once established.</p> <p>ESTIMATED COMPLETION DATE: October 2013</p>
<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>	<p>I</p>	<p><u>Status as of May 2011:</u> 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: July 2014</p>

Recommendation	Status	Comments
		<p><u>Status as of September 2012:</u> Implemented standardized fleet specifications for vehicles weighing up to 15,000 lbs. Evaluation and Replacement policies have not yet been completely formalized although some of the checks and measures are currently in place. M4 approval, vehicle specification review, and vehicle replacement requests are now routed through AES for recommendations. December 31, 2012 is the target submittal date for acquisition and disposal authority to be centralized under AES. Once that authority is established, an official will develop and implement comprehensive fleet management program.</p> <p>ESTIMATED COMPLETION DATE: July 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>	<p>I</p>	<p><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> Currently no standard reports are generated. Evaluation of vehicle condition conducted only when major repairs are required. This will require authority and involvement in the initial (capital improvement project-major equipment) budget process with each agency. Function will be incorporated into Acquisition & Disposal Office once established.</p> <p>ESTIMATED COMPLETION DATE: October 2013</p>
<p>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;</p>	<p>I</p>	<p><u>Status as of May 2011:</u> 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.</p> <p>ESTIMATED COMPLETION DATE: 2014</p>

Recommendation	Status	Comments
		<p><u>Status as of September 2012:</u> Established turn around time for specific services with select city operations—not yet standardized throughout all city operations. Implemented additional steps to minimize down time: rescheduling of unreported, non-safety related vehicle faults, additional parts support through contracted services, filling vacant portions through personal services contracts, and increased budget appropriation to pay for additional resources. Completed installation of a customer portal into fleet management database in which agencies may view current repair status and other work order information of its assigned vehicles. As of September 2012, the Department of Environmental Services (ENV) and DFM have completed training on its use. The Department of Parks and Recreation to receive training by the end of calendar year 2012.</p> <p>ESTIMATED COMPLETION DATE: July 2013</p>
<p>i. survey city agencies annually to obtain feedback on services provided and use the data to improve service; and</p>	<p>N</p>	<p><u>Status as of May 2011:</u> 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.</p> <p>ESTIMATED COMPLETION DATE: 2014</p> <p><u>Status as of September 2012:</u> No action taken.</p> <p>ESTIMATED COMPLETION DATE: July 2013</p>
<p>j. comply with the terms of its service level agreement with the Department of Environmental Services.</p>	<p>C</p>	<p><u>Status as of May 2011:</u> DFM is in the process of resolving these issues with the Department of Environmental Services.</p> <p>ESTIMATED COMPLETION DATE: 2012</p> <p><u>Status as of September 2012:</u> Completed implementation of Customer View Portal allowing ENV access to centralized fleet database.</p>

**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 previously completed (C), and 1 is in process (I).

Recommendation	Status	Comments
<p>The Honolulu Fire Department should ensure that the Fire Prevention Bureau:</p> <ol style="list-style-type: none"> 1. completes the Fire Inspection Database and addresses the following: <ol style="list-style-type: none"> 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>	<p><u>Status as of May 2011:</u> 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> <p><u>Status as of September 2012:</u> a. The Fire Prevention Bureau's Code Enforcement sections now receive hard copies of the <i>Certificate of Occupancy</i> (CO) from the city's Department of Planning and Permitting. Receipt of a CO indicates that new building or renovated unit within a building or renovated unit within a building is ready for occupancy, thereby initiating the process for code Enforcement personnel to inspect applicable fire protection systems and appliances within such structures. b. The Fire Inspection Database (FID) was modified to reflect current building occupancy types and capture the inspection data recorded on the <i>Fire Inspection Report</i>, thus resulting in a more accurate data model and inventory of high-rise structures throughout Honolulu.</p>

Recommendation	Status	Comments
		<p>c. The FID will be updated to capture fire code inspections conducted by the Plans checking section, such as fire alarm systems acceptance tests and checks of automatic fire extinguishing systems for commercial kitchens, which will assist to document new buildings or occupancies within a building.</p> <p>d. The next version of the Honolulu Online System for Emergency Services is being developed to model individual building structures rather than individual tax parcels indexed by tax map keys. This will provide the capability of linking fire inspection data to an individual building, thus resulting in a more accurate model and inventory of high-rise structures through Honolulu.</p> <p>ESTIMATED COMPLETION DATE:</p> <p>a. Completed in the 1st quarter of FY 2012</p> <p>b. Completed in the 2nd quarter of FY 2012</p> <p>c. Estimated completion is the 3rd quarter of FY 2013</p> <p>d. Completed in the 4th quarter of FY 2012</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 previously completed and 1 is currently completed (C), and 4 are in process (I).

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>	<p>I</p>	<p><u>Status as of May 2011:</u> 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><u>Status as of September 2012:</u> Radio and Network Infrastructure Division: Harris Corporation has provided the end-of-life notification for the Town Simulcast system and has no plans to provide new hardware, portable or mobile radios to upgrade the radio system. The city is proposing migration to a standards based radio system by the end of 2017, with estimated costs of about \$55 million.</p> <p>Existing manufacturer recommends maintenance procedures be followed until the replacement of the radio system. Prior to migration, the department of information technology will be considering purchasing refurbished equipment as needed.</p> <p>ESTIMATED COMPLETION DATE: December 2017</p>

Recommendation	Status	Comments
		<p>Honolulu Police Department: Work in progress with DIT. The DIT is currently making modifications to the city's radio data base.</p> <p>ESTIMATED COMPLETION DATE: December 2012</p> <p>Public Safety, GIS, & SOA Division: DIT will be implementing IBM Tivoli Service Request Manager (TSRM) to address the documentation of incidents and requests during the maintenance life cycle. TSRM will provide knowledge base and reporting to DIT management.</p> <p>ESTIMATED COMPLETION DATE: December 2012</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>	<p>I</p>	<p><u>Status as of May 2011:</u> 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 rough order of magnitude costs from manufacturer. DIT asked Motorola for another rough order of magnitude 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><u>Status as of September 2012:</u> Radio and Network Infrastructure Division: DIT is recommending the replacement of the current radio system by the end of 2017. A phased migration is being proposed and a report will be presented to the administration.</p>

Recommendation	Status	Comments
		<p>Honolulu Police Department is working with DIT and compiling a report with all first responder agencies to be presented to the city's managing director.</p> <p>ESTIMATED COMPLETION DATE: December 2017</p>
<p>4. The mayor should ensure the existing 800 MHz system or its replacement are properly funded.</p>	<p>I</p>	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation. Expected project start date is calendar year 2013.</p> <p>ESTIMATED COMPLETION DATE: 2020</p> <p><u>Status as of September 2012:</u> No new update provided, current progress on radio system upgrade indicated in #1 and #2</p> <p>ESTIMATED COMPLETION DATE: December 2017</p>
<p>5. The managing director should direct the Department of Design and Construction (DDC) 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.</p>	<p>C</p>	<p><u>Status as of May 2011:</u> The current administration has been apprised of this recommendation.</p> <p><u>Status as of September 2012:</u> Managing director stated DDC has provided DIT with technical support related to the communication system's infrastructure when requested. DDC will continue to service its client agencies.</p>
<p>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.</p>	<p>I</p>	<p><u>Status as of May 2011:</u> 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.</p>

Recommendation	Status	Comments
		<p>ESTIMATED COMPLETION DATE: 2022</p> <p><u>Status as of September 2012:</u> Radio and Network Infrastructure Division reports all DIT projects are assigned to a project manager who is responsible for project costs, budgeting, and procurement requirements.</p> <p>Honolulu Police Department reports working with DIT on related ongoing projects.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>

**Audit of the Leeward Coast Community Benefits Program
(Report 11-02, Issued December 2010)**

Report Summary: The objective of this audit was to evaluate the overall effectiveness of the LCCBP in providing enhanced benefits to the Leeward Coast communities. Under this objective, we assessed the Department of Community Services' management of LCCBP grant funds; evaluated the Department of Parks and Recreation's management of LCCBP park capital improvement and operating funds, and analyzed the use of the grant funds by non-profit organizations. This audit is the first in a series of non-profit reviews included in the Office of the City Auditor Annual Work Plans for FY2009-10 and FY2010-11.

Of the 18 recommendations, 8 are completed (C), and 10 are dropped (D).

Recommendation	Status	Comments
1. The Department of Community Services should establish formal policies, procedures, and guidelines for lapsing any unspent Leeward Coast Community Benefits Program (LCCBP) grant funds back to the general fund 12 months after the end of the contract period.	D	<u>Status as of September 2012:</u> The Leeward Coast Community Benefits Program as audited is discontinued. The Department of Community Services (DCS) has made changes to its grant management program to address the audit recommendations #7, 9, and 11.
2. The Department of Community Services should return the \$454,621 in unspent and unresolved grant funds from FY2006-07 and FY2007-08 back to the general fund.	C	<u>Status as of September 2012:</u> Regarding the FY 2007 and FY 2008 LCCBP grants for which an unexpended balance was shown in Report 11-02 (see pages 63-65), DCS provided the final amount expended for each, and submitted lapse requests to BFS for the remaining unexpended balances.
3. The Department of Community Services should return the additional \$42,027 in unspent FY2008-09 funds back to the general fund in June 2011 if the outstanding, unresolved invoices are not settled.	C	<u>Status as of September 2012:</u> Regarding the FY 2009 LCCBP grants for which an unexpended balance was shown in Report 11-02 (at pages 61-62). DCS provided the final amount expended for each, and submitted lapse requests to BFS for the remaining unexpended balances.
4. If the Council decides to continue the Leeward Coast Community Benefits Program, it should consider funding the program through a tipping fee surcharge.	D	<u>Status as of September 2012:</u> No action taken by city council

Recommendation	Status	Comments
5. The City Council should amend Sec. 9-4.2, Revised Ordinances of Honolulu, <i>Disposal charges for businesses and federal, state and city agencies</i> , by adding a tipping fee surcharge to fund the LCCBP.	D	<u>Status as of September 2012:</u> No action taken by city council
6. The City Council should consider establishing a special fund to receive any tipping fee surcharge revenues or other funding, and disburse monies from the fund to support community programs and applicable administrative expenses.	D	<u>Status as of September 2012:</u> No action taken by city council
7. The Department of Community Services should establish formal policies and procedures that include, but are not limited to, standardized reporting formats, expenses allowed/not allowed, limits on administrative fees and fundraising activities, requiring a workplan based on the actual grant award, requiring departmental approval for all scope of work changes, and lapsing funds 12 months after the end of the contract period.	C	<u>Status as of September 2012:</u> DCS documented changes to its grant management program, including: <ul style="list-style-type: none"> • Providing online information about grants to grantees • Developing forms for payment requests, grant status, meeting and monitoring reports, in-house monitoring log, • Providing training for grantees, including live training and handbooks with all relevant forms and information. • This document is used by DCS staff and provided to grantees.
8. The Department of Community Services should establish a formal contract management program that requires the LCCBP administrator to monitor grants and ensure compliance with city ordinances; contract terms including timely and regular quarterly and final reports; city and departmental policies and procedures and grant management best practices.	D	<u>Status as of September 2012:</u> LCCBP is discontinued, the status of ongoing contract management improvement are covered in items # 7, 9, 11.

Recommendation	Status	Comments
<p>9. The Department of Community Services should develop and implement a pre-award checklist and post-contract evaluation to assess the grantee's compliance with policies, procedures, best practices, contract requirements, and deliverables. The checklist should include preparation and follow-up on performance measures, work plans, reporting requirements, use of funds, and acceptable delivery of goods and services detailed in the contracts.</p>	C	<p><u>Status as of September 2012:</u> DCS documented changes to its grant management program, including:</p> <ul style="list-style-type: none"> • Providing online information about grants to grantees • Developing forms for payment requests, grant status, meeting and monitoring reports, in-house monitoring log, • Providing training for grantees, including live training and handbooks with all relevant forms and information. • This document is used by DCS staff and provided to grantees.
<p>10. The Department of Community Services should establish a formal training program for its LCCBP staff and grantees to include, an understanding of city grant policies, procedures, and reimbursements requirements.</p>	C	<p><u>Status as of September 2012:</u> DCS established a training program, with review and approval by BFS, and held trainings for LCCBP FY 2011 grantees on January 12, February 2, and February 7, 2012.</p>
<p>11. The Department of Community Services should use existing, non-profit resources such as the Hawai'i Community Foundation to compile handbooks, develop, checklists, and provide training to grantees.</p>	C	<p><u>Status as of September 2012:</u> DCS documented changes to its grant management program, including:</p> <ul style="list-style-type: none"> • Providing online information about grants to grantees • Developing forms for payment requests, grant status, meeting and monitoring reports, in-house monitoring log, • Providing training for grantees, including live training and handbooks with all relevant forms and information. • This document is used by DCS staff and provided to grantees.

Recommendation	Status	Comments
<p>12. The Department of Community Services should reduce the risk of fraud, waste and abuse by eliminating the existing 80-20 grant funding distribution policy and increase accountability and transparency by restoring the cost reimbursement program.</p>	C	<p><u>Status as of September 2012:</u> In January 2011, DCS eliminated the 80-20 distribution policy in new LCCBP contracts. At the time Report 11-02 was issued, DCS had already awarded FY 2011 LCCBP grants under a 2010 request for proposal that contained an advance payment policy; for those contracts, DCS used the policy shown below. DCS did not issue LCCBP grants in FY 2012.</p> <p>The new distribution is 20% upon agreement and notice to proceed;</p> <p>70% of the total grant award, will be paid on a quarterly cost reimbursement basis after submission and approval of quarterly program and financial reports;</p> <p>Final payment of 10% of the total grant award, will be paid on request on a cost reimbursement basis after completion of the project and submission and approval of: final report with a full accounting of all funds awarded; and providing original and copies of final invoice.</p>
<p>13. The Department of Community Services should prepare an annual report to the community based advisory committee (CBAC) and the city council, within 90 days of the end of the fiscal year, regarding program accomplishments, status of all grants issued in that fiscal year, and amount of grant funds unspent.</p>	C	<p><u>Status as of September 2012:</u> DCS submitted a report to the CBAC and city council on September 30, 2011</p>
<p>14. The Department of Parks and Recreation should establish a <i>Controlled Items Inventory</i> of park equipment that will facilitate tracking and accounting for equipment that will facilitate tracking and accounting for equipment purchased with LCCBP funds.</p>	D	<p><u>Status as of September 2012:</u> Recommendations #14-18 are dropped due to the discontinuation of the LCCBP program</p>
<p>15. The Department of Parks and Recreation should disallow the use of LCCBP grant funds for departmental administrative expenses.</p>	D	<p><u>Status as of September 2012:</u> Recommendations #14-18 are dropped due to the discontinuation of the LCCBP program</p>

Recommendation	Status	Comments
16. If the Department of Parks and Recreation and CBAC determine that use of LCCBP funds for administrative-related expenses are appropriate, the department should clearly identify proposed expenditures as a department-related expense, and issue a year-end report accounting for the expenditures.	D	<u>Status as of September 2012:</u> Recommendations #14-18 are dropped due to the discontinuation of the LCCBP program
17. The Department of Parks and Recreation should ensure that all purchasing card (pCard) purchases with LCCBP funds receive pCard coordinator approval prior to purchase.	D	<u>Status as of September 2012:</u> Recommendations #14-18 are dropped due to the discontinuation of the LCCBP program
18. The Department of Parks and Recreation should prepare an annual report, within 90 days of the end of the fiscal year, regarding program accomplishments, status of all LCCBP capital improvement projects, and amount of operating funds unspent.	D	<u>Status as of September 2012:</u> Recommendations #14-18 are dropped due to the discontinuation of the LCCBP program

**Audit of the City's Ambulance Fleet and Operations
(Report 12-01, Issued December 2011)**

Report Summary: The objective of this audit was to assess the city's management of its ambulance service operations, including fleet size adequacy, overtime costs, and effective use of budgeted dollars. Report 12-01 was completed in response to City Council Resolution 09-86 Requesting the City Auditor to Conduct an Audit to Determine if the City's Current Fleet of Ambulances and Emergency Notification Vehicles Was Sufficient to Meet Emergency Assistance Needs on O'ahu. For this audit, we focused on the ambulance services program operated by the city.

Of the 20 recommendations for this audit, 20 are in process (I).

Recommendation	Status	Comments
1. Emergency Medical Services division (EMS) should proactively work with the State of Hawai'i Department of Health to revise the contract terms so that funds are grouped in broad categories that allow unused funds to be reprogrammed as needed.	I	<p><u>Status as of September 2012:</u> In an unaudited response, the Honolulu Emergency Services Department (HESD) reports that it will request to revise the contract terms with the state Department of Health so that funds are grouped in broad categories that allow unused funds to be reprogrammed as needed, prior to implementation of the next contract.</p> <p>ESTIMATED COMPLETION DATE: July 1, 2013</p>
2. EMS should modify the ambulance services contract to allow EMS to budget for salaries based on actual FTEs or positions filled, rather than positions authorized.	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports modifying the ambulance services contract as recommended. This will require review in next year's status report.</p>
3. EMS should modify the ambulance services contract to allow EMS to use unexpended funds to hire, train, and develop staff needed to operate the program.	I	<p><u>Status as of September 2012:</u> In an unaudited response, the department reported initiating discussion with the state department of health to revise contract terms so that unused funds can be reprogrammed as needed, for hiring, training, and developing staff. The department committed to continuing discussions, though initially they have been unsuccessful.</p> <p>ESTIMATED COMPLETION DATE: July 1, 2013</p>

Recommendation	Status	Comments
<p>4. EMS should modify the ambulance services contract to classify equipment funds as multi-year funds that can be carried over to subsequent years.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports that it will request to modify the ambulance services contract with the state Department of Health to classify equipment funds as multi-year funds that can be carried over to subsequent years, prior to implementation of the next contract.</p> <p>ESTIMATED COMPLETION DATE: July 1, 2013</p>
<p>5. EMS should modify the ambulance services contract to allow unexpended funds for equipment to be reprogrammed for alternative uses that will improve the response times for ambulance services.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports that it reprograms equipment funds on an ongoing basis. This will require review in next year's status report.</p>
<p>6. When the division anticipates it will have excess funds, EMS should negotiate with the State Department of Health to reprogram those funds for alternative uses.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports it currently reprograms funds for alternate uses but cannot draw from salaries. This will require review in next year's status report.</p>
<p>7. EMS should coordinate with the state Department of Health to establish an additional, permanent ambulance unit in Honolulu's urban core that will allow EMS to return Rapid Response 1 to service Leeward and Central O'ahu.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports that it will submit through the legislative process to establish an additional permanent ambulance unit in Honolulu's urban core that will allow EMS to return Rapid Response 1 to service Leeward and Central O'ahu. Since the audit, there has been an additional unit placed in 'Ewa Beach for 16 hours a day.</p> <p>ESTIMATED COMPLETION DATE: May 2013, subject to legislative approval</p>
<p>8. EMS should work with the Department of Human Resources to establish step classifications within the current personnel structure that provide a career ladder for EMS ambulance staff.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports it has submitted a request for a divisional reorganization to the Department of Human Resources, Budget and Fiscal Services Department, and the state Department of Health.</p> <p>ESTIMATED COMPLETION DATE: Subject to review and approvals</p>

Recommendation	Status	Comments
9. EMS should work with union representatives to amend work rules that limit the number of work hours an EMS employee can work in a pay period.	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports it is in negotiations to implement recommendation.</p> <p>ESTIMATED COMPLETION DATE: Subject to negotiation</p>
10. EMS management should provide the EMS chief with a daily report of all EMS workers that have seven consecutive days of work and who are scheduled to accrue overtime if a 24-hour rest period is not provided.	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports providing such daily reports. This is subject to review in next year's status report.</p>
11. EMS and the EMS chief should work directly with EMS dispatch to coordinate relief, control extended work, and prevent overtime.	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports that a reorganization for EMS dispatch has been submitted to the Department of Human Resources, Budget and Fiscal Services Department, and the state Department of Health.</p> <p>ESTIMATED COMPLETION DATE: Subject to review and approval</p>
12. EMS should coordinate with the state Department of Health and union representatives to develop employee incentive programs that reward longevity, retention and wellness, and discourage sick leave abuse.	I	<p><u>Status as of September 2012:</u> In an unaudited response HESD reports that the attendance program to mitigate sick leave is on hold until new United Public Workers Unit 10 contract is finalized.</p> <p>ESTIMATED COMPLETION DATE: Ongoing subject to negotiations</p>
13. EMS should modify its traditional eight-hour shift to include alternative shifts that minimize overtime.	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports it is in negotiations to modify traditional shifts to include alternative shifts.</p> <p>ESTIMATED COMPLETION DATE: Ongoing subject to negotiations</p>

Recommendation	Status	Comments
<p>14. EMS should conform to best practices by compiling and reviewing patient survey data collected by the state health department. The survey data should be used to analyze, evaluate, and improve ambulance services.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reviews patient data on an ongoing basis. This will require review in next year's status report.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>15. EMS should compile, track and report medical service provider complaints through the O'ahu Morbidity and Mortality Committee, and report the results to the state Department of Health in the annual EMS Department and Agency Report.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports that its Quality Assurance Chief submits this data to the State of Hawai'i Department of Health in quarterly reports. This will require review in next year's status report.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>16. EMS should track and report on service calls outside of an ambulance unit's district boundaries so that the information can be used to analyze response time variances, evaluate response times, and improve ambulance services.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports that it reviews out of district service calls on an ongoing basis. This will require review in next year's status report.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>17. EMS should include American Medical Response (AMR) performance data in its quality improvement program.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports that it recently initiated tracking AMR performance data. This will require review in next year's status report.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>18. EMS should amend its contract with AMR to include ambulance response time standards or performance measures that are comparable to the State of Hawai'i requirements.</p>	I	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports it will work with AMR to amend the contract to include submittal of ambulance response time standards or performance measures that are comparable to state requirements.</p> <p>ESTIMATED COMPLETION DATE: October 2012</p>

Recommendation	Status	Comments
<p>19. EMS should require AMR to submit response time data that EMS can incorporate into its overall reports, response times, performance results, and quality improvement program.</p>	<p>I</p>	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports requiring AMR to submit response time data for reporting, performance, and quality assurance purposes. This will require review in next year's status report.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<p>20. EMS should use the data collected to develop and implement a long range, strategic plan for improving its ambulance services. The plan should identify how AMR or any contractor services will be used to augment and improve the EMS ambulance response times and program.</p>	<p>I</p>	<p><u>Status as of September 2012:</u> In an unaudited response, HESD reports using data collected on an ongoing basis. This will require review in next year's status report.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>

**Audit of the Span of Control of Selected Departments in the City and County of Honolulu
(Report 12-02, Issued January 2012)**

Report Summary: The objective of this audit was to determine whether the city’s organizational span of control was compatible with current management practices, and whether opportunities for streamlining the city’s organizations are possible. The results are intended to encourage the city to evaluate its existing organizational structure and to adopt spans of control that are more consistent with existing management practices.

Of the 5 recommendations for this audit, 4 are in process (I), and 1 is not started (N).

Recommendation	Status	Comments
<p>The mayor and managing director should:</p> <ol style="list-style-type: none"> 1. Require each department director to conduct an assessment of the optimal spans of control for each city department and its departmental activities; develop plans to implement changes needed to achieve those spans of controls; and implement goals and actions necessary to expand the spans of control. 	I	<p><u>Status as of September 2012:</u> The managing director agreed with the recommendation, and indicated an assessment would be completed prior to the next budget cycle.</p> <p>ESTIMATED COMPLETION DATE: January 2013</p>
<ol style="list-style-type: none"> 2. Direct each department director to assess the layers of management within their departments and implement reductions in the layers of management that will result in enhanced efficiency and effectiveness. 	I	<p><u>Status as of September 2012:</u> The managing director agreed with the recommendation, and indicated an assessment would be completed prior to the next budget cycle.</p> <p>ESTIMATED COMPLETION DATE: January 2013</p>
<ol style="list-style-type: none"> 3. Require department directors to perform assessments of long term vacant positions to identify unneeded positions, determine if any positions can be abolished, and abolish long term vacant positions (particularly positions vacant five or more years) from authorized staffing (full-time equivalents, FTEs), budget calculations, and funding requests. 	I	<p><u>Status as of September 2012:</u> The department agrees with the recommendation that positions no longer necessary should be abolished, after a careful review, and for reasons of organizational reform. Quarterly reports on position creation and elimination are provided to the city council.</p> <p>ESTIMATED COMPLETION DATE: Ongoing</p>
<ol style="list-style-type: none"> 4. Require departments to comply with the intent and guidelines for the use of personal services contracts and minimize the use of personal service contracts to fill vacant positions. 	N	<p><u>Status as of September 2012:</u> The managing director disagreed with the recommendation.</p>

Recommendation	Status	Comments
5. Encourage the departments to optimize the spans of control within each department by reducing the number of supervisors, abolishing supervisory positions vacant five or more years, expanding the spans of control, and reducing the layers of management.	I	<u>Status as of September 2012:</u> The managing director indicated that this is similar to recommendation items #1 and #2, which it agreed with. ESTIMATED COMPLETION DATE: Ongoing as part of each cycle of budget preparation.

**Audit of the City's Real Property Tax Delinquency Collection
(Report 12-03, Issued March 2012)**

Report Summary: The objective of this audit was to review and assess the city's real property tax delinquency collection process.

Of the 11 recommendations for this audit, 11 are not started (N).

Recommendation	Status	Comments
<p>The Managing Director, through the Director of the Budget and Fiscal Services Department, should:</p> <p>For government landowners and lessees:</p> <ol style="list-style-type: none"> 1. Negotiate a Memorandum of Agreement with the State of Hawai'i that provides for the timely exchange of lessee information on government lands and permits the city and county access to State of Hawai'i databases that allow the city staff to take timely actions in filing liens against delinquent lessees. 	N	<p><u>Status as of September 2012:</u> The Department of Budget and Fiscal Services disagreed with the audit recommendations and indicated it would not take any further action.</p>
<ol style="list-style-type: none"> 2. Maintain a list of lessees of government-owned lands who are repeatedly delinquent for close monitoring and follow-up collection actions. The list should include information such as periods of chronic delinquency, personal or property lien status, private or government owned land, age of delinquency, and collection status. 	N	<p><u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.</p>
<ol style="list-style-type: none"> 3. Place uncollectible and written off property taxes on a list of lessees that should be denied city services and benefits until the delinquent taxes are paid or arrangements made to repay the delinquent taxes. 	N	<p><u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.</p>
<ol style="list-style-type: none"> 4. Develop policies, procedures, and time lines for the following - filing personal and/or property liens; terms and conditions for payment plans; terms and conditions for personal liens; classifying accounts as uncollectible; the proper disposition of uncollectible accounts; and the treatment of chronically delinquent taxpayers. 	N	<p><u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.</p>

Recommendation	Status	Comments
5. Require the BFS staff to identify and report long term government land lessee delinquencies to the BFS Director that should be written off as uncollectible.	N	<u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.
For private property owners: 6. Maintain a list of private landowners who are repeatedly delinquent for close monitoring and follow-up collection actions. The list should include information such as the periods of chronic delinquency, lien status, private or government owned land, age of delinquency, and collection status.	N	<u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.
7. Segregate the list of delinquent property taxes for privately owned real estate from government lands; age the delinquent accounts so city staff can identify long term delinquencies that are unlikely to be collected; and require the city staff to identify and report to the BFS Director any long term, private landowner delinquencies that should be classified as uncollectible.	N	<u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.
8. Establish policies, procedures and timelines that limit the number of years for payment plans and require staff to take more timely action on foreclosures and other actions that protect the city's interests. The policies, procedures, and time lines should include the following – collecting and processing annual real property taxes, filing property liens; terms and conditions for payment plans; terms and conditions for foreclosure actions; classifying accounts as uncollectible; the proper disposition of uncollectible accounts; and the treatment of chronically delinquent taxpayers.	N	<u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.
9. Establish an ordinance that allows the city to fine and deny services to delinquent taxpayers as an incentive to pay delinquent taxes. The ordinance should include due process administrative and appeal procedures related to the denial of the city services.	N	<u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.

Recommendation	Status	Comments
<p>To improve collection policies and procedures, BFS should:</p> <p>10. Establish policies, procedures, and time lines for: identifying and classifying accounts as uncollectible after two years; removing uncollectible accounts from the collections lists; transferring accounts to an uncollectible accounts list; writing off the uncollectible accounts; limiting the number of years for payment plans; taking timely actions on foreclosures and delinquent accounts that protect the city's interests; and handling long-term and repeat delinquent taxpayers.</p>	N	<p><u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.</p>
<p>11. Establish and maintain a list of taxpayers with uncollectible and written off accounts for monitoring and follow-up actions.</p>	N	<p><u>Status as of September 2012:</u> The department disagreed with the audit recommendations and indicated it would not take any further action.</p>