

Attachment B

Excerpt from Auditor's Status of Open Audit Recommendations as of 12/31/18

Report	Recommendation	Dept (s)	Current Status	Comments
18-06	#01 To inform future capital investment decisions and better understand the subsidy value to reuse service providers, PRNS should work with Public Works to periodically assess the condition and calculate the deferred maintenance of reuse facilities.	PRNS	Not Implemented	Currently, PRNS does not have complete facility-level information on deferred maintenance at reuse facilities. This information would help PRNS consider whether additional capital investment is required to update and maintain facilities, move facilities to lease agreements, or, particularly as facilities age, to convert facilities to parkland or sell the facility. PRNS is evaluating resources needed to assess deferred maintenance of reuse facilities. Target Date: Jun-2024
18-06	#02 To better track the net costs of individual facilities in the Reuse Program, PRNS should improve tracking of maintenance costs and revenues, periodically review the City's cost for re-use facilities, and assess the continued value of reuse sites.	PRNS	Not Implemented	Currently, all maintenance and work orders use a central Reuse code for minor building improvements and does not have individual Reuse site codes which can be challenging. PRNS will have to track work orders for 39 separate sites, each with specific charge codes, while coordinating with other departments. The Finance Department regularly assesses the value of City assets for insurance purposes. PRNS will use this information, combined with facility condition/assessments, to help determine the true value of the buildings and costs of the program. PRNS is evaluating resources needed to help track the net costs of individual reuse facilities as well as maintenance costs and revenues. Target Date: Dec-2021
18-06	#03 To provide policy makers with information about the Reuse Program in all districts, PRNS should include information on contracted and actual reported services by program activity across all service providers and facilities in their annual reuse updates.	PRNS	Not Implemented	The PRNS Administration plans to develop, monitor, and track contracted and actual reported services for all reuse service providers and to include this information in their annual reuse updates. Target Date: Jul-2020
18-06	#04 PRNS should establish and implement procedures to regularly monitor reuse service providers. The procedures should identify roles and responsibilities for staff regarding contract management including establishing a master contract file with key documents, site visits, collecting performance reports, and tracking performance.	PRNS	Partly Implemented	The procedures set in place to regularly monitor reuse service providers regarding key documents such as contracts with the City as well as tracking performance will ensure compliance and a better assessment of community benefit. PRNS is currently not regularly tracking actual services provided by the reuse program. To start, PRNS has created a matrix that includes and tracks contract statuses and key documents required under the reuse contract agreement. Target Date: Dec-2019
18-06	#05 PRNS should revise reuse service provider performance reports to require information about changes in programming and staffing; and establish guidelines for approving changes in scopes of service, or implementing corrective actions if a reuse provider is not adhering to the terms of the agreement.	PRNS	Not Implemented	Adjustments in program services can range widely from minor changes (for example, shifting services to another day but having the same number of hours) to larger scope of services changes that would require a contract amendment. PRNS plans to establish guidelines and contract language to identify the appropriate level of scope change that would only require staff approval or a contract amendment. Target Date: Jul-2019

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18-06	#06 PRNS should immediately update all property use agreements, in coordination with the City Attorney's office, for all service providers under the reuse program.	PRNS	Partly Implemented	Out of a total of 36 reuse providers, 14 reuse service providers have current and up to date reuse contracts with the City. However, of the 14, only one service provider whose contract was previously expired had been updated. 22 reuse providers either have expired contracts, temporary contracts, or none on file with City. PRNS reports they are in the process of negotiations/communication with service providers. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#07 PRNS should immediately collect active certificates of insurance from all service providers under the reuse program.	PRNS	Partly Implemented	Currently, the PRNS Administration have active certificates of insurance on file for 14 reuse providers. When PRNS executes active reuse agreements with the other 22 service providers, they will collect active certificates of insurances as well. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#08 PRNS should immediately ensure verification or certification of background checks of reuse providers' paid and unpaid staff, in accordance with the reuse agreement.	PRNS	Not Implemented	PRNS collected all but one "Employee/volunteer clearance verification and compliance with the child abuse and neglect reporting act" forms from service providers. This form verifies that providers understand that they must comply with state laws regarding background checks of employees and volunteers working with minors. However, PRNS did not verify whether providers have conducted background checks on their staff. In accordance with the reuse agreement, service providers are required to verify that their employee and volunteers are background checked by providing the City with a letter with a list of names certifying they have been background checked. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#09 To ensure proper licensing of daycare programs, including after school programs, PRNS should modify its reuse agreements to require service providers to either provide proof of licensure or certify they are exempted from licensure under the Department of Social Services guidelines.	PRNS	Not Implemented	PRNS inquired with the State Department of Social Services (DOSS) Child Care Licensing Program to determine the level of verification for license-exempt programs and was referred to Title 22 regulations for Exemption From Licensure. PRNS reported they are currently working with the City Attorney's Office to develop a notice to agencies and a documentation process to ensure agencies either provide proof of licensure or certify they are exempted from licensure. Target Date: Jun-2019 (Delayed From: Dec-2018)

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18-06	<p>#10 To ensure service providers in the reuse program are abiding by the provisions of the City's Reuse Policy, PRNS should:</p> <p>a) Implement corrective actions for current service providers who offer fees above City standard rates, report revenues not being reinvested in reuse facility programs, rent facilities out on their own behalf, or provide benefits solely to members, and</p> <p>b) Develop procedures to review, on an annual basis, reuse providers' fee levels; revenues and expenses; and whether any benefits are offered solely to members and implement corrective actions.</p>	PRNS	Not Implemented	According to the reuse agreement, if fees and charges or other revenues collected by service providers are not spent in accordance with the agreement (for example, subsidizing programs), they are to be paid to the City. During the time of the audit, at least three service providers appeared to be charging fees for services that were above City standards and one organization reported collecting significantly more revenue than expenses incurred. PRNS plans to develop monitoring procedures that would include a review of reuse service providers who charge fee for services that are above City standards and establish corrective actions as well as corrective actions when service providers are not compliant. Target Date: Jul-2020
18-06	#11 To account for the differences between satellite and neighborhood reuse facilities, PRNS should create a new standard reuse agreement for neighborhood sites that revises the scope of financial and program reporting requirements to allow for more efficient reporting and monitoring.	PRNS	Not Implemented	The PRNS Administration plans to work in coordination with the City Attorney's office and the Department's Strategic Partnership Unit to review existing PRNS contract templates including smaller grant agreements, such as Beautify SJ, to possibly be adapted to reuse agreements for neighborhood sites. These changes will alleviate the burden of reporting on smaller service providers at neighborhood centers and help manage and monitor service providers more efficiently with 1.6 FTE. Target Date: Jul-2020
18-06	#12 PRNS should establish targeted minimum standards for performance and open hours for satellite centers and work with current providers or potential providers from the satellite reuse pool to bridge gaps at satellite centers that do not meet those targets.	PRNS	Not Implemented	The PRNS Administration is committed to maximizing the usage of reuse facilities as it impacts benefits to the community. To determine standards for performance and open-hours, PRNS will work with service providers to identify capacity, services, and hours of service in order to establish minimum standards at satellite facilities. Target Date: Jul-2020
18-06	#13 PRNS should ensure that all organizations receiving free or subsidized rent have a current property use agreement and be formalized under the reuse program to ensure consistency.	PRNS	Not Implemented	Out of a total of 36 reuse providers, 14 reuse service providers have current and up to date reuse contracts with the City (one expired contract has been updated since the time of our audit). The other 22 reuse providers still either have expired contracts, temporary contracts, or no agreement (for example, "grandfathered" service providers). PRNS reports they are in the process of negotiations/communication with service providers. Target Date: Jun-2019 (Delayed From: Dec-2018)
18-06	#14 To more efficiently book meeting spaces, PRNS should utilize its online recreation software to track schedules of service providers or other users of reuse facilities.	PRNS	Not Implemented	PRNS continues to use its online recreation software and a separate master calendar for reuse programs. At this time, they reported that they are not able to grant external users access to the PRNS ActiveNet system. Target Date: Jun-2019
18-06	#15 PRNS should advertise City programming at reuse sites, similar to how it advertises City programming at hubs.	PRNS	Not Implemented	To increase community awareness of programs at reuse facilities, PRNS is requiring for all Hub Community Center brochures to also include information on reuse providers nearby. They plan to include information regarding the provider's contact, programs, and operational hours. Target Date: Jun-2019

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18-06	#16 To facilitate community awareness and use of reuse facilities, PRNS should update the reuse facilities webpage to include links to service providers' websites and facility hours, and reference to financial assistance requirements.	PRNS	Not Implemented	The PRNS Administration reported that upon the City's website redesign, they will update their reuse facilities webpage and include information on the reuse program. Target Date: Jul-2019
18-06	#17 PRNS should document reasons for selection and placement of current service providers as unique services as required by the Unique Services Purchases section of the Municipal Code and in keeping with Finance Department guidelines.	PRNS	Partly Implemented	PRNS has documented reasons for the selection and placement of some current reuse providers through the Unique Services Procurement. PRNS is still in the process of documenting the remaining unique services providers in accordance with the Finance Department's Unique Service Purchases guidelines. Target Date: Jul-2019
18-06	#18 PRNS should work with the City Attorney's Office to designate in the City's Conflict of Interest Code those positions involved in the award of reuse agreements, which will require filing of Statements of Economic Interest (Form 700).	PRNS	Implemented	PRNS coordinated with the City Attorney's Office to add Recreation Supervisor as a designated position in the City's Conflict of Interest. As of January 2019, the current Recreation Supervisor has submitted a Form 700.
18-06	#19 To establish a process for future placements of reuse providers, PRNS should use the list of qualified providers that resulted from the 2015 and 2017 RFQs in the event space opens up prior to the next RFQ. In addition, PRNS should document any departure from the use of the results for the selections.	PRNS	Partly Implemented	PRNS is currently experiencing a vacancy in one of their community centers and has issued a letter of interest to the existing qualified pool of organizations who have applied through the prior reuse RFQ for satellite centers (2015) to ensure qualified providers, who have been ranked based on proposal and needs of the desired service locations, are placed in reuse facilities. As of February 2019, PRNS has received some responses but no confirmation. We are pending next steps and procedures to ensure transparency in their determination and placement of qualified providers. Target Date: Jul-2019