City of Chicago

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CITY OF CHICAGO
Office of Inspector General

Audit and Program Review Section
Draft 2017 Annual Plan

Posted for Public Comment September 30, 2016

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I.   MISSION

The City of Chicago Office of Inspector General (OIG) is an independent, nonpartisan oversight agency whose mission is to promote economy, efficiency, effectiveness, and integrity in the administration of programs and operation of City government.

The OIG Audit and Program Review (APR) section supports the OIG mission by conducting independent, objective analysis and evaluation of municipal programs and operations, issuing public reports, and making recommendations to strengthen and improve the delivery of public services.

APR conducts performance audits of Chicago municipal programs and operations in accordance with generally accepted Government Auditing Standards (GAS or "Yellow Book," December 2011 revision) established by the United States Government Accountability Office. GAS defines "performance audits" as "audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria" (GAS 2.10). In addition to performance audits, APR may also generate non-audit work such as advisories, notifications, and descriptions of programs.[1]

APR's role is separate from, but complementary to, the work performed by the OIG Investigations section. While Investigations primarily examines allegations of individual misconduct or wrongdoing, APR focuses on the effectiveness and efficiency of programs and processes. APR is also distinct from the OIG Hiring Oversight unit, which performs legally mandated reviews of the City's hiring and employment practices to ensure compliance with the various City hiring Plans.

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[1] OIG advisories and department notifications describe management problems observed by OIG through direct review or in the course of other activities.

II.   PURPOSE OF ANNUAL PLAN

The purpose of the APR Annual Plan is to identify potential audit and non-audit projects for the upcoming fiscal year. Projects are selected based on OIG's prioritization criteria, described below.

A.   Subject to Change

The Annual Plan is a guiding document that is subject to change; it does not prohibit the introduction of new priorities or projects during the course of the year. Circumstances that arise during the year may prompt OIG to launch new, higher priority projects or reduce the priority of a planned project. Thus, some items on the Annual Plan may be deferred to following years. In addition, a project on the Annual Plan originally launched as an audit may instead be completed as an OIG advisory, department notification, or other non-audit report, or it may be terminated if OIG determines that further work will not bring substantial benefit to the City or is not cost effective for OIG.

B.   Departmental Action

OIG encourages City departments to proactively assess any program included on the Plan and alert OIG to any corrective action taken in advance of an OIG performance audit. Such action will not necessarily deter an OIG audit of the program, but the audit will assess and report on proactive measures taken.

C.   Process

The Annual Plan is drafted in consultation with the Inspector General and senior OIG staff, with final approval by the Inspector General. OIG publishes a draft of the Annual Plan for public comment each September. The Annual Plan is reviewed, updated, and published no later than four weeks after the passage of the annual City Budget Appropriation by the City Council for the corresponding year.

III.   SELECTION OF TOPICS FOR INCLUSION IN ANNUAL PLAN

A.   Topic Sources

OIG gathers potential audit topics from a variety of sources, including: complaints received from the public through the OIG hotline; suggestions from governmental leadership; past OIG reports; OIG investigations; OIG staff knowledge; other governments' performance audits, audited financial statements, internal audits and risk assessments; new City initiatives; program performance targets and results; public hearings and proceedings; and public source information, including media, professional, and academic reports and publications.

We encourage the public to submit suggestions anytime through the OIG website:

https://ChicagoInspectorGeneral.org/Get-Involved/Help-Improve-City-Government/

B.   Prioritization Criteria

OIG considers numerous factors in selecting projects for the Annual Plan, including preliminary risk assessments of the programs or services involved in potential new project topics, the unique

value a potential project might bring to City stakeholders, the amount of resources required to conduct follow-up on past APR reports, and the availability of APR resources.

1.   Risk Assessment

A risk factor is an observable or measurable indicator of conditions or events that could adversely affect an organization. It can identify inherent risk (such as a large organizational structure) or organizational vulnerability (such as inadequate internal controls).

APR's assessment of potential topics is based on risk factors that reflect the nature of the departments, vendors, and activities that may be evaluated. APR considers a number of risk factors, including,

- Resources used to deliver service
    - o   Size (in dollars budgeted) of department/program
    - o   Number of staff working in department/program
- Public interest
    - o   Critical to City's mission or core service provision
    - o   Affects public safety
- Number of residents, employees, and/or businesses affected/served
    - o   Quality/quantity of service provision
    - o   Customer satisfaction
- Compliance with laws, regulations, or policies
- Amount, type, and volume of financial transactions
- Quality of internal control systems, including,
    - o   Existence of robust operational policies and procedures
    - o   Existence and utilization of performance metrics
- Underfunded mandate or mismatch between program objectives and available resources

APR assesses risk based on publicly available information, discussions with departments and leadership, information requested from departments, information obtained from prior OIG work, and additional research. In some cases, OIG selects a project because there is preliminary indication of specific program vulnerabilities. In other cases, OIG selects a project where there is little or no indication of program vulnerabilities, but the public or governmental leadership would benefit from independent evaluation and assurance that the program is working well.

2.   OIG Role and Value Added

OIG considers whether it might add unique value arising from its role as the City's independent oversight agency by prioritizing APR projects that,

- analyze performance of governmental operations and programs requiring data and information not available to external entities;

- analyze governmental operations and programs where no recent independent analysis exists;

- develop knowledge of the operation of municipal programs and services; or

- analyze narrow or obscure aspects of municipal operations that receive little attention, in addition to broad scope topics.

In addition, OIG strives to ensure that the selection of projects provides coverage across the breadth of governmental functions and services.

3.   *Follow-Up on Past APR Reports*

APR evaluates each completed audit six months after its publication date to determine if, when, and how follow-up should be conducted. Factors considered include the nature of the original findings and recommendations, changes in management or staff structure, and external circumstances affecting the department in determining what follow-up action to take. For example, APR may decide to postpone follow-up for an additional six months, conduct another full-blown audit with complete re-testing, or simply request and evaluate documentation of corrective actions from management.

Follow-up reports are an essential part of the oversight process because they are the means for determining the actions taken by a subject department or agency to address problems identified in the original audit report. For that reason, they take the highest priority when planning the activities of APR personnel.

4.   *Available Staff Resources*

The number, experience, and specific expertise of staff available affect the selection of project topics and scope. APR will not undertake projects unless OIG has the required competencies available among its personnel. APR will request assistance from other OIG staff when their specialized expertise (e.g., legal or data analysis) would benefit a project, and will adhere to all GAS requirements for the use of such internal specialists.

To maximize their utility, performance audits must be timely (see GAS A7.02(g)). Unexpected delays caused by an auditee, such as slow responses to APR requests, or problems with the quality of program data, are noted as findings or limitations in published audit reports. Proper planning requires the Deputy Inspector General and Chief Performance Analysts to assign adequate staff—or, if necessary, reduce audit scope—to ensure timely completion of all projects.

IV.   2017 NEW PROJECTS

As projects are completed and staff become available, APR reviews the topics on the Annual Plan and conducts additional research prior to launch. (Launch is the official opening of an audit with a department). The final decision to launch a project requires approval by the Inspector

General on a just-in-time basis, because circumstances affecting the decision whether or when to launch a specific project are expected to change throughout the year.

APR groups the 24 potential project topics listed below into 5 broad categories corresponding with the functions and departments presented in the City's Annual Appropriation Ordinance, Summary E.[2] We do not rank the topics. The numbers below are provided solely for ease of identification. Each topic listed includes,

POTENTIAL   *Potential questions the project will seek to answer. Objectives are refined after*
OBJECTIVES: *more information about the topic is obtained from the department.*

RATIONALE: *Relevance of and background on the topic.*

A.   City Development and Regulatory

1.   Department of Buildings (DOB) Permit Issuance and Inspections

POTENTIAL   • Does DOB perform all field inspections required as part of the permitting
OBJECTIVES: process?
                • Does DOB collect all fees prior to issuing permits, as required by the
                   Municipal Code?

RATIONALE: OIG has learned that DOB may not be completing all field inspections related to
                building permits, which raises safety and fairness concerns. With regard to fees,
                OIG's 2014 Elevator Inspections Audit revealed that DOB failed to collect fees
                for 18.0% of elevator inspections over a one-year period. An audit would
                determine whether this failure to collect fees also exists in the permitting
                context.

2.   Department of Planning and Development's (DPD) Large Lots Program Management and Effectiveness

POTENTIAL   • Does DPD ensure that only eligible buyers are approved to purchase lots?
OBJECTIVES: • Does DPD ensure that eligible lots are properly categorized and designated
                   for sale?
                • Does DPD monitor lot owners' ongoing compliance with the program rules?
                • Does the City have measures in place to determine if the program is
                   achieving its stated objectives and having a long-term positive impact on
                   communities?

RATIONALE: The Large Lots Program is intended to allow property owners, block clubs, and
                non-profit groups to purchase City-owned land in targeted neighborhoods for $1
                in order to reduce the negative impact of vacant lots on those communities. OIG
                has received complaints regarding the potential for fraud and abuse of this
                program.

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[2] OIG also has oversight duties relating to operation and projects of the Public Building Commission (PBC), including its contract management for City projects. Planned audits of PBC activity are included in the Infrastructure category.

3.   *Department of Business Affairs and Consumer Protection (BACP) Chicago Microlending Institute (CMI)*

POTENTIAL
OBJECTIVES:

- Does BACP ensure that microloan providers operate in accordance with CMI rules and regulations?
- Does BACP ensure that recipients of microloan funds operate in accordance with CMI rules and regulations?
- Has the CMI program served its stated mission to support underserved communities and businesses in the City?

RATIONALE:

In 2012, the City, in collaboration with ACCION Chicago, established CMI to address an estimated annual demand of nearly $28 million in unfulfilled small business funding. A review of CMI operations may provide assurance that the Institute operates in accordance with its stated financial and social objectives.

4.   *DPD Zoning Review and Approval Process*

POTENTIAL
OBJECTIVES:

- Have all ongoing construction projects received proper zoning approval from DPD's Zoning Ordinance Administration, per City Code requirements?

RATIONALE:

The Office of the Zoning Administrator, which is housed in DPD, reviews building permits for compliance with the Chicago Zoning Ordinance. OIG has received many complaints over the years related to construction projects that either did not receive approval, or improperly received approval, which raises safety and fairness concerns.

B.   Community Services

1.   *Chicago Department of Public Health (CDPH) STI/HIV/AIDS Clinical Services*

POTENTIAL
OBJECTIVES:

- Does CDPH manage its STI/HIV/AIDS Clinical Services Program in an effective and efficient manner?
- Do the operations and performance outcomes of the program comport with those of peer programs?

RATIONALE:

CDPH provides testing and treatment for sexually transmitted infections (STI), HIV, and AIDS on a first-come, first-serve basis, free of charge, at five CDPH clinics. OIG has learned that some clinics have long wait times and high turnaway rates, which may discourage high-risk or infected persons from seeking or obtaining treatment.

2.   *Construction and Demolition Debris Recycling*

POTENTIAL
OBJECTIVES:

- Does CDPH ensure that all contractors required by the Municipal Code to recycle construction and demolition debris meet the requirement?
- Does DOB withhold certificates of occupancy for contractors who have not demonstrated their compliance with the recycling requirement or paid related fees?

RATIONALE:

According to a 2010 report, roughly 60% of the 7.3 million tons of waste

generated annually in Chicago is construction and demolition debris.[3] Effective enforcement of the construction and demolition debris recycling requirement has a significant impact on the total amount of waste recycled in Chicago.

3. CDPH Environmental Permitting and Law Enforcement

POTENTIAL OBJECTIVES:
- Does CDPH enforce environmental ordinances in the Municipal Code, as well as the state and federal environmental laws it is responsible for enforcing, in an effective manner?
- How effective and efficient is the City in issuing environmental permits and prosecuting violations?

RATIONALE: In 2012, the City disbanded the Department of Environment and assigned environmental code enforcement to CDPH. This reorganization may have impacted the frequency and vigor with which permits are issued and enforced. If the City does not fulfill its role in the system of environmental law enforcement, Chicagoans' quality of life may be negatively affected.

C. Finance and Administration

1. City's Enforcement of the Chicago Base Wage Ordinance

POTENTIAL OBJECTIVES:
- Does the City effectively enforce the Chicago Base Wage as required by Municipal Code and Mayoral Executive Order?

RATIONALE: OIG has received complaints about contractors and subcontractors who do not comply with the Chicago Base Wage.

2. City of Chicago Language Access

POTENTIAL OBJECTIVES:
- Has the City achieved Citywide language access that facilitates the effective provision of City services?
- Does City ordinance reflect best practices from other jurisdictions' language access policies?

RATIONALE: Despite its large population of limited- and non-English proficient (LEP/NEP) residents, the City lacked a language access ordinance until 2015. This gap in the MCC resulted in disparate levels of access to City services for Chicago's LEP/NEP communities.

3. City-Wide Information Technology Investment Strategy

POTENTIAL OBJECTIVES:
- Is the City of Chicago's information technology (IT) investment strategy consistent with best practices?

RATIONALE: The selection of most IT projects must be approved by the City's Department of

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[3] City of Chicago, Department of Environment, "Waste Characterization Study," (prepared by CDM), p. ES-8, April 2, 2010, accessed September 14, 2016, http://www.cityofchicago.org/content/dam/city/depts/doe/general/RecyclingAndWasteMgmt_PDFs/WasteAndDiver sionStudy/WasteCharacterizationReport.pdf.

Innovation and Technology (DOIT), but, due to operational need, some departments manage their own IT operations, including selection of new projects. According to the Government Accountability Office, governments should select and evaluate IT projects from an organizational perspective that considers the entire portfolio of projects in order to achieve strategic objectives as efficiently as possible.[4]

4.   Department of Law (DOL) Service Delivery

POTENTIAL
OBJECTIVES:

- Is DOL adequately staffed to complete work in a timely and cost effective manner?
- Does DOL have effective processes in place to control the cost of outside counsel?

RATIONALE: Although most of the City's legal work is performed by DOL personnel, the City spends millions of dollars each year on private attorneys. Other jurisdictions have explored this issue, including a 2016 review by the City of New Orleans OIG, which "identified opportunities for improvement in the procurement of outside counsel."[5]

5.   Local Records Act Compliance

POTENTIAL
OBJECTIVES:

- Do City departments have policies and practices that comply with the Illinois Local Records Act?

RATIONALE: Past OIG work has found evidence of inconsistent compliance with retention of official records as required by the Local Records Act, which would represent a significant liability for the City and undermine the values of accountability, transparency, and public trust which the Act promotes.

D.   Infrastructure

1.   Department of Water Management's (DWM) Management of Overtime

POTENTIAL
OBJECTIVES:

- Does DWM allocate staff in a manner that minimizes overtime?
- Does DWM maintain and enforce policies that ensure appropriate and equitable assignment of overtime to staff?

RATIONALE: In 2015, DWM spent $19.9 million on overtime, exceeding the budgeted total of $6.2 million by nearly $11.2 million.

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[4] Government Accountability Office, "Information Technology Investment Management: A Framework for Assessing and Improving Process Maturity," 13, March 2004, accessed September 19, 2016, http://www.gao.gov/new.items/d04394g.pdf.

[5] City of New Orleans, Office of Inspector General, "Re: Law Department Procurement of Outside Counsel," March 2, 2016, accessed September 6, 2016, http://www.nolaoig.gov/index.php?option=com_mtree&task=att_download&link_id=149&cf_id=37.

2.   *Department of Streets and Sanitation's (DSS) Enforcement of the Chicago Recycling Ordinance*

POTENTIAL OBJECTIVES:
- Does DSS enforce City Code requirements requiring high-density and commercial building owners to procure recycling services?

RATIONALE: A 2010 study found that nearly 25% of all of Chicago's waste was generated by high-density and commercial buildings; while an estimated 42% of that waste was recyclable, only 19% was recycled. In 2016, the City amended the Municipal Code to clarify building owners' recycling responsibilities and increase fines for non-compliance.

3.   *CDOT Traffic Signal Management System*

POTENTIAL OBJECTIVES:
- Does CDOT traffic signal management and coordination, including staffing, meet industry best practices and peer city models?
- Does CDOT administer an effective maintenance program to ensure that traffic signals remain in good working order?

RATIONALE: CDOT currently oversees the 3,035 traffic signalized intersections in the City. Ensuring adequate system management, coordination, and maintenance can prevent loss of time and money by the City and its citizens. Studies in peer cities have shown that traffic signal management improvements can reduce wait time by 40% and travel time by 26%, and cut emissions by 21%.

4.   *Commercial Driveway Billing*

POTENTIAL OBJECTIVES:
- Does CDOT's billing process for commercial driveway permits comply with the City's Cash Management Policy?

RATIONALE: Past OIG work found deficiencies in CDOT's billing for loading zones, which followed a similar process to commercial driveway billing. CDOT has taken corrective action regarding loading zone billing, but has yet to do so for commercial driveway billing.

E.   Public Safety

1.   *Juvenile Intervention Support Center (JISC)*

POTENTIAL OBJECTIVES:
- Does the City adequately promote and facilitate coordination between the Chicago Police Department (CPD) and Department of Family and Support Services (DFSS), as well as between City departments and external stakeholders, to ensure the full functionality of the JISC?
- Does CPD ensure that members in JISC districts and at the JISC facility understand and adhere to the JISC's mission?
- Does DFSS ensure that its delegate partners offer the range of services required by JISC referrals?

RATIONALE: The JISC "uses a multi-disciplinary approach and interagency partnerships to provide prevention and intervention services to help youth arrested for low level misdemeanor offenses and youth at risk for juvenile justice system

involvement."[6] OIG has been alerted that the Center has not reached its full potential during its ten years in operation.

2.   CPD Dashboard Cameras

POTENTIAL
OBJECTIVES:
- Does CPD manage and maintain dashboard cameras and footage in an effective manner?

RATIONALE: In the wake of high-profile cases that revealed officers' widespread failure to activate their vehicles' on-board video and audio recording equipment, CPD committed to enforcing its policies requiring proper use of the equipment in late 2015. Failure to properly use video and audio equipment hinders investigations and undermines public trust in CPD.

3.   CPD Sexual Assault Case Handling

POTENTIAL
OBJECTIVES:
- Has CPD completely recorded, correctly classified, and properly reported allegations of sexual assault?
- Has CPD correctly classified, maintained, and reported evidence related to sexual assault investigations?

RATIONALE: Deficiencies in classifying and handling reported assaults can erode public trust, dis-incentivize sexual assault reporting, and contribute to concerns about gender-biased policing. Recent reports in New Orleans and Baltimore have found deficiencies in those police departments' response to, investigation of, and retention of evidence in sexual assault cases.

4.   Office of Emergency Management and Communications (OEMC) 311 Call Handling

POTENTIAL
OBJECTIVES:
- Is 311's performance as a call center effective compared to industry standards?
- Does 311 collect from callers and pass along to City departments all of the information necessary to address service requests in an effective and efficient manner?

RATIONALE: Chicago's 311 system receives approximately 3.9 million requests annually and serves as the point-of-entry to Chicago government for many residents. In 2015 OEMC staff stated that the system needs a $25 million upgrade, which prompted some City officials to consider privatizing the system. However, the privatization question cannot be properly addressed without a thorough evaluation of 311's current effectiveness.

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[6] City of Chicago, Department of Family & Support Services, "Juvenile Intervention and Support Center," accessed May 19, 2016,
http://www.cityofchicago.org/city/en/depts/fss/provdrs/youth/svcs/how_to_find_a_juvenileinterventionsupportcente rinchicago.html

5.   *Chicago Fire Department's (CFD) Management of Overtime*

POTENTIAL
OBJECTIVES:
- Does CFD allocate staff in a manner that minimizes overtime?
- Does CFD maintain and enforce policies that ensure appropriate and equitable assignment of overtime to staff?

RATIONALE: In recent years, spending on CFD overtime has increased significantly. While some use of overtime is expected, excessive overtime or inequitable distribution of overtime may indicate that personnel assignments have not been optimized.

6.   *CFD Resource Deployment*

POTENTIAL
OBJECTIVES:
- Does CFD maintain fire company staffing levels that promote both safety and efficiency?
- Does CFD appropriately staff fire suppression personnel relative to emergency medical personnel?

RATIONALE: With improvements in fire safety technology and building codes, fire departments respond to fewer fire emergencies currently than they have historically; departments now respond to more EMS and service calls. The City's collective bargaining agreement requires minimum crews of five firefighters, but a 1999 consultant's report recommended that Chicago consider reducing staffing per engine in less-densely populated areas of the city.

7.   *CPD Response Times*

POTENTIAL
OBJECTIVES:
- Do OEMC and CPD have performance goals for processing and responding to 911 calls for police assistance? If yes, do the departments meet those goals?
- Do CPD and OEMC endeavor to ensure equitable response times throughout the City?

RATIONALE: A previous OIG audit found that, in 2012, CFD did not meet industry standards for fire or emergency medical response times citywide. OIG has been alerted to potential problems with OEMC's dispatch practices and CPD's staffing levels that could delay response to 911 calls for police assistance in some neighborhoods.

8.   *CPD Homicide Clearance Rates*

POTENTIAL
OBJECTIVES:
- Do CPD's homicide clearance strategies align with the Department's clearance goals?
- Does CPD report homicide clearance rates accurately and completely?

RATIONALE: While the number of homicides in Chicago has been rising, CPD's homicide clearance rate has been falling. In addition, complete and accurate reporting is both necessary for CPD to assess its clearance strategies and essential for public transparency.

V.   REPORTS PUBLISHED IN 2016

The following 11 reports were published in 2016 *(as of September 20, 2016).* All reports are available at <u>ChicagoInspectorGeneral.org</u>.

A.   City Development and Regulatory

    1.   Board of Ethics Lobbyist Registration Audit (#14-0328)

PUBLICATION
DATE: March 17, 2016

SUMMARY: OIG reviewed the Board of Ethics's (BOE) lobbyist regulation practices, including how well BOE monitored lobbyist activity and whether it levied fines against late-registering lobbyists. There were 584 lobbyists registered with BOE at the end of 2015; Municipal Code of Chicago (MCC) § 2-156 codifies the rules that regulate their activity.

                 We determined that BOE's practices for identifying all active lobbyists and verifying the accuracy of information they submitted did not meet standards observed in other jurisdictions. In addition, we found that BOE's reliance on hardcopy disclosures impeded its ability to identify late-registering lobbyists and impose fines against them. Finally, OIG analyzed a sample of late-registering lobbyists and found that BOE could have imposed fines totaling $197,000. However, OIG found that BOE only imposed $58,000 in fines for the fiscal year reviewed.

                 To address the audit's findings and recommendations, BOE stated that it would consider the benefits of implementing the quality assurance practices that OIG identified in other jurisdictions. In addition, BOE agreed to pursue an electronic-only filing system for lobbyist annual registrations and quarterly reports as well as changes to its rules and the MCC that will clarify the criteria for imposing fines against late-registering lobbyists. OIG concluded that small steps in BOE's regulatory practices, such as the ones it agreed to pursue, could lead to major gains in the completeness, accuracy, and integrity of lobbyist registration and disclosure.

B.   Community Services

     None

C.   Finance and Administration

1.   *Department of Administrative Hearings Adjudication Timeliness Audit (#14-0436)*

PUBLICATION
DATE: May 23, 2016

SUMMARY: OIG conducted an audit of the Department of Administrative Hearings's (DOAH) efforts to ensure timely adjudication of cases. The purpose of the audit was to determine if DOAH used nationally recognized performance measures, namely clearance rate and time to disposition, to assess the flow and timeliness of cases under its purview. Clearance rate is the ratio of cases closed to cases opened in a given reporting period. A clearance rate under 100% means that a case backlog will grow because more cases are opened than closed. Time to disposition measures the number of days it took to close a case.

OIG's analysis found that DOAH's overall clearance rate for all cases between 2012 and 2014 was 99.3%. However, we also identified some case types with clearance rates substantially lower than the Department's overall rate. In addition, we found that some case types had significant changes in time to disposition between quarters, revealing occasional spikes in case length.

Based on the audit results, OIG recommended that the Department use clearance rate and time to disposition, as well as other similar measures where appropriate, to evaluate its own performance on an ongoing basis. When management identifies changing trends, it should work with ticketing departments to identify causes and, if necessary, create a plan to address them. In response to the audit, DOAH committed to adopting clearance rate and time to disposition standards and monitoring its performance through quarterly reporting and appropriate corrective actions.

2.   *OIG Advisory Concerning City Operating Policies and Procedures (#14-0108)*

PUBLICATION
DATE: April 28, 2016

SUMMARY: OIG completed a review of the City's practices for documenting operating policies and procedures. Regularly maintained, thorough, and well communicated policies and procedures are critical tools for both operational efficiency and government accountability. Policies that are not documented and distributed may be unknown to staff, inadequately followed, or misunderstood. OIG investigations and audits have revealed that various departments do not properly document, and communicate to staff, their policies and procedures. This lack of documentation and communication undermines the City's ability to govern effectively and efficiently and has resulted in lost revenue and decreased employee accountability.

For this review, OIG sent a questionnaire to 32 City departments to learn about their specific policy- and procedure-making practices. We received a variety of responses. Some departments reported that they fully documented and regularly updated policies and procedures, notified staff of policy and procedural changes, and documented that notification. However, others reported that they,

- did not have a written or defined policy and procedure review process;

- had documented and updated fewer than 75% of their policies and procedures; and

- did not update controls to ensure the implementation of new policies and procedures.

With 32,059 staff employed in various departments, offices, and field locations, ensuring that all City employees are familiar with relevant policies and procedures can be a challenge. OIG suggested that the Mayor's Office provide a framework for how departments should create, document, distribute, and review policies and procedures. In response, the Mayor's Office recognized the importance of "thorough and well-communicated" policies and procedures, and stated it would notify departments regarding expectations on how policies and procedures should be created, approved, and distributed. In addition, the Mayor's Office will begin requiring departments to submit an annual report outlining activity related to their policies and procedures.

3.   *OIG Advisory Concerning Claims Analysis and Risk Management (#16-0172)*

PUBLICATION
DATE: June 30, 2016

SUMMARY: An OIG inquiry determined that the City does not currently have a comprehensive risk management program and lacks the ability to analyze claims trends across the wide variety of claim types as is recommended best practice for local governments. This is a matter of significant concern because the City spends many tens of millions of dollars annually to pay claims. Based on the limited data available, OIG estimated that in 2013 and 2014 the City paid over $457.8 million in claims—$203.1 million for workers' compensation, $146.3 million for police misconduct and other public safety claims, $54.9 million to settle a dispute with its parking meter contractor, and $53.5 million on other claims, such as property damage or personal injury due to vehicle accidents— averaging $4.4 million per week. OIG raised our concern about the City's lack of comprehensive risk management with DOF, which concurred that "regular analysis coupled with action taken as a result of that analysis may decrease claims and the associated liability."

Currently, the City has no comprehensive risk management program taking into account the multitude of risks and claims it faces. As a result, the City cannot analyze the total universe of its claims experience to reveal trends, and it takes no coordinated or proactive approach to reducing the frequency and severity of events leading to claims. OIG identified two key areas of concern to conducting claims analysis: fragmented responsibility for risk and claims-related activity and the lack of complete and accurate data.

Based on the risk management efforts of four other jurisdictions and best practice guidance for local governments, OIG suggested that the City invest in a modern, comprehensive risk management program with the key components of centralization, investment, and transparency. Specifically, the advisory suggested that Mayor's Office and City Council,

- invest in the City's capacity to collect and retain data in a manner that allows for optimal analysis;

- develop and implement a comprehensive risk management program, and take responsibility for the program's results; and

- publicly report relevant data in a format that promotes accountability for risk management.

In response, the City stated that it would establish a cross-departmental risk management working group, including project management support to address the data concerns outlined in the advisory. The working group will include worker's compensation claims in its analyses, but will exclude police misconduct for the time being, "in order to avoid pre-supposing the results of the Department of Justice review or duplicating those efforts." The City did not state whether it would publicly report on claims data.

4.   *Department of Finance Emergency Medical Services Billing Audit (#14-0601)*

PUBLICATION
DATE: July 21, 2016

SUMMARY: OIG evaluated the accuracy and completeness of the Department of Finance's emergency medical services billing program. OIG determined that DOF billed accurately for emergency medical transports, but missed an estimated $160,799 in fee revenue due to incomplete billing. OIG also found that DOF could increase fee revenue by an estimated $696,594 annually if it expanded the range of City-provided emergency medical services subject to fees. DOF agreed with OIG's recommendation to review unbilled accounts to ensure the completeness of billing, and consider expanding the range of services subject to a fee.

                In addition, OIG determined that DOF could reduce costs by eliminating incentive fees from its contract with the billing vendor or, if these fees are retained, by clarifying how they are awarded. In response to OIG's finding, DOF stated it would either eliminate incentive fees from future contracts with the vendor or modify how those fees are awarded based on OIG's analysis.

D.   Infrastructure

1.   *DWM and DOF Water Service Account Inventory and Revenue Follow-Up Inquiry (#15-0600)*

PUBLICATION
DATE: April 1, 2016

SUMMARY: OIG inquired about the status of corrective actions taken by DWM and DOF in response to OIG's June 2015 audit of the City's Water Service Account Inventory and Revenue. OIG concluded the Departments had begun implementation of the corrective actions related to the original audit findings and that, once completed, the corrective actions may reasonably be expected to resolve the core findings noted in the original audit. Specifically, DWM now requires all new water accounts install a water meter immediately, thus reducing the opportunity for a construction site to receive water free of charge. DWM began notifying contractors that were issued a permit before the change and expects to complete water meter installation at those sites by September 30, 2016. At the time of the follow-up, DWM had not finished converting certain non-metered service to metered service as required by MCC § 11-12-210, and had identified 515 accounts that remained non-compliant. DOF was still working to collect unbilled revenue amounts identified in the original audit. Finally, DWM obtained an amendment to the MCC regarding rates charged for temporary use of water from hydrants and aligned its practices to ensure the correct amount is charged to users.

2.   *Departments of Transportation and Finance Loading Zone and Residential Disabled Sign Process Audit Follow-Up Inquiry (#16-0156)*

PUBLICATION
DATE: July 5, 2016

SUMMARY: OIG completed a follow-up to its June 2015 Loading Zone and Residential Disabled Signs Processes audit of the Departments of Transportation (CDOT) and Finance (DOF). Based on the responses, OIG concluded that CDOT fully implemented three of the recommended corrective actions and partially implemented the fourth, including simplifying the loading zone signs approval process in cooperation with City Council. As a result, the loading zone installation process now requires only the local alderman's approval, rather than the full Council. The Department also reported that it is in the final stages of addressing the problems OIG identified in its billing process. Regarding the disabled signs process, DOF began the process of addressing our recommendations. The Department has completed one corrective action but has not yet fully implemented one of the recommended corrective actions. DOF stated that it worked with the City Council Committee on Pedestrian and Traffic Safety to schedule meetings regarding more timely ways to provide parking signs. The Department also stated that it reviewed the records of installed disabled sign permits dating from 2014 and found that 2% of the permits had not been billed for annual fees.

3.   *DSS Garbage Collection Performance Management Follow-Up Inquiry (#16-0181)*

PUBLICATION
DATE: September 15, 2016

SUMMARY: OIG inquired about the status of corrective actions taken by DSS in response to OIG's April 2015 audit of the Department's Garbage Collection Performance Measurement. OIG concluded that DSS has begun to implement the corrective actions related to the first audit finding and fully implemented the corrective actions related to the second finding. Among the implemented corrective actions, DSS has adjusted its time per alley performance standard to 32 minutes, begun using the residential refuse fee collection database to determine the number of households receiving City collection service, has completed a full inventory of refuse and recycling carts, and has updated its Quality Control Order 14-001. However, DSS has yet to undertake a systematic assessment of data captured on the truck sheets and has not determined the average amount of time taken to service a cart. DSS expects to determine the average amount of time taken to service a cart in the fall of 2016.

E.   Public Safety

1.   Audit of Opportunities for Civilianization in the Chicago Fire Department (#13-0517)

PUBLICATION
DATE: January 19, 2016

SUMMARY: OIG conducted an audit of civilianization opportunities in the Chicago Fire Department (CFD) to identify whether there were positions held by uniformed members that could instead be filled by civilians. OIG and CFD agreed that positions which did not require or benefit sufficiently from firefighter or paramedic training, experience, or credibility, or did not supervise positions engaged in firefighting or paramedic functions, would warrant possible civilianization.

We found that CFD assigned 35 uniformed members to positions that did not require firefighter or paramedic training and experience, costing the City an estimated $4.5 million annually in overtime to backfill operational gaps created by these assignments. CFD could save an estimated $1.2 million annually by civilianizing 34 of these positions, returning the uniformed members to operations, and eliminating 1 position. CFD stated that it agreed with OIG's recommendation for 32 of the 35 positions and described why it disagreed with eliminating one position and civilizing two remaining positions. CFD also agreed with OIG's recommendations to assess all positions, monitor and track temporary assignments, and ensure that job descriptions reflect actual responsibilities of uniformed positions.

We also found that CFD provided at least 13 Americans with Disabilities Act reasonable accommodations, either informally or without proper approval. Furthermore, CFD could not determine whether it had identified all uniformed members who had been granted accommodations. CFD agreed to comply with the City's Reasonable Accommodation policy and asserted that it has already implemented compliance procedures responsive to the issues surfaced by OIG's audit.

2.   *Chicago Fire Department Commissary Transactions Audit (#15-0074)*

PUBLICATION
DATE: April 20, 2016

SUMMARY: CFD contracts with a vendor to maintain a store, called the Commissary, which issues, exchanges, and repairs CFD members' uniforms. OIG conducted an audit of CFD's issuance and exchange of uniform items at the Commissary.

OIG found 99.9% of Commissary transactions adhered to CFD policies or operational practices approved by CFD management. However, we also found that the Department neither submitted nor was appropriated a budget that accurately reflected the funds it intended to spend on Commissary expenses, hindering accountable financial evaluation by the Department and the City. Although we concluded that CFD and the vendor effectively managed the Commissary transactions, OIG recommended that CFD work with the Office of Budget and Management (OBM) to ensure that it budgets for all Commissary-related expenditures and, likewise, that all intended uses of the Illinois Fire Academy Training and Improvement Grant funds, including those for Commissary-related expenses, are budgeted. In response to OIG's recommendation, CFD stated that it would ensure that future grant funds would be processed in compliance with the City of Chicago Grants Management Policy, thus budgeting all intended Commissary funding.

3.   *OIG Advisory Concerning the Independent Police Review Authority's Reporting of Use-of-Force Incidents (#14-0001)*

PUBLICATION
DATE: August 2, 2016

SUMMARY: OIG evaluated the accuracy and completeness of the Independent Police Review Authority's (IPRA) quarterly public reporting on uses of force by the Chicago Police Department (CPD) prior to 2015. Per MCC § 2-57-110, IPRA produced quarterly public reports on its investigations into CPD weapon discharges. IPRA voluntarily divided these investigations into five reporting categories: Hit Shooting, Non-Hit Shooting, Shooting/Animal, Taser, and Oleoresin Capsicum (OC) Discharges.

OIG determined that IPRA's public reporting was inaccurate and incomplete, and did not match the number of actual incidents for any weapon type during the time periods reviewed. For example, IPRA was unaware of 6 non-hit shootings, 14 Taser incidents, and 111 OC spray discharges until OIG alerted them. OIG also determined that IPRA did not follow best practices for use-of-force reporting. IPRA did not articulate a clear purpose for its public reporting, unduly relied on MCC reporting requirements, and oriented its reporting around its own investigations rather than striving to provide a truly comprehensive overview of CPD's use of force.

OIG suggested that the City articulate a clear vision for the purpose of use-of-force reporting and provide the resources required to issue accurate and robust reports, including unfettered access to the relevant data. The Mayor's Office "fully embrace[d] the recommendations" and committed CPD to issuing public reports on uses of force beginning in September 2016. IPRA agreed with OIG's suggestions to develop clear policies and procedures, improve its information technology capabilities and practices, and maintain detailed records of all incidents summarized in its reports.

VI.   FOLLOW-UP REPORTS TO CONDUCT IN 2017

The following reports will be evaluated for follow-up in 2017. Reports are first considered for follow-up six months after publication. Follow-up may be postponed until 12 months after report publication depending on the nature and scope of corrective actions required. Summaries of the original reports are in the previous section of this Plan.

1. CDOT Pavement Management Audit (published December 22, 2015)

2. DHR and OBM Hiring Timeliness Audit (published December 23, 2015)

3. Opportunities for Civilianization in CFD Audit (published January 20, 2016)

4. BOE Lobbyist Registration Audit (published March 17, 2016)

5. CFD Commissary Transactions Audit (published April 20, 2016)

6. Department of Administrative Hearings Adjudication Timeliness Audit (published May 24, 2016)

7. DOF Emergency Medical Services Billing Audit (published July 21, 2016)

VII.   PROJECTS IN PROGRESS

The following 13 projects are underway as of September 30, 2016.

A.   City Development and Regulatory

1.   Department of Planning and Development Enforcement of the Affordable Requirements Ordinance (#15-0523)

This audit evaluates DPD's enforcement of Municipal Code § 2-45-110 regarding creation of affordable housing units and in-lieu fees.

2.   Department of Buildings Non-Permit Inspections (#16-0301)

This audit evaluates DOB's complaint-based inspection processes.

3.   Department of Buildings and Mayor's Office for People with Disabilities Chicago Building Code Accessibility Requirements Compliance (#16-0380)

This audit evaluates DOB and MOPD's processes supporting compliance with the Chicago Building Code's provisions for accessibility to people with disabilities.

B.   Community Services

1.   Chicago Department of Public Health Food Inspections (#15-0107)

This audit evaluates whether CDPH completes all food establishment inspections as often as required by its rules and regulations.

2.   Chicago Public Library Staffing Practices (#16-0363)

This audit evaluates CPL's staffing levels, including full- and part-time staffing at branch libraries.

3.   Department of Family and Support Services Workforce Services (#16-0376)

This audit evaluates DFSS's performance in achieving its workforce services goals and its oversight of related delegate agencies.

4.   Department of Family and Support Services Homeless Services Follow-Up (#16-0378)

This inquiry follows up on corrective actions taken in response to OIG's 2015 audit DFSS's management of delegate agencies in the Homeless Services Program.

C.   Finance and Administration

1.   *Department of Innovation Technology Enforcement of User Access Controls (#15-0547)*

This is a notification regarding DOIT's enforcement of the City's Information Security and Technology Policies related to access controls over information assets.

2.   *User Fees and Charges (#16-0379)*

This audit evaluates the City's processes for establishing and evaluating user fees and charges.

D.   Infrastructure

1.   *Chicago Department of Transportation Aldermanic Menu Program (#14-0430)*

This audit evaluates CDOT's management of the Aldermanic Menu Program of ward-based infrastructure improvements.

2.   *Public Building Commission Change Order Audit (#16-0327)*

This audit evaluates PBC's change order review and approval practices.

E.   Public Safety

1.   *Office of Emergency Management and Communications Public Safety Cameras (#14-0568)*

This audit evaluates OEMC's management of approximately 2,700 public safety cameras owned by the City.

2.   *Chicago Police Department Overtime (#15-0198)*

This audit examines CPD's overtime practices including timekeeping, approval, and budgeting for overtime.