CITY OF CHICAGO
OFFICE OF INSPECTOR GENERAL

Audit and Program Review Section 2024 Draft Annual Plan

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Acronyms

APR	OIG Audit and Program Review Section
ARO	Affordability Requirements Ordinance
CACC	Chicago Animal Care and Control
CDOT	Chicago Department of Transportation
CFD	Chicago Fire Department
COLS	City-Owned Land System
CPD	Chicago Police Department
CPL	Chicago Public Library
DFSS	Department of Family and Support Services
DHR	Department of Human Resources
DOB	Department of Buildings
DOH	Department of Housing
DPD	Department of Planning and Development
DPS	Department of Procurement Services
DSS	Department of Streets and Sanitation
DWM	Department of Water Management
EAP	Employee Assistance Program
GAGAS	Government Auditing Standards
IPS	Information Public Sector
ISO	Information Security Office
IT	Information Technology
ISTP	Information Security and Technology Policies
LSE	Life Safety Evaluation
MCC	Municipal Code of Chicago
OBM	Office of Budget and Management
OEMC	Office of Emergency Management and Communications
OIG	Office of Inspector General
OPSA	Office of Public Safety Administration
PPP	Paycheck Protection Program
ZBA	Zoning Board of Appeals

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 (GAGAS or "Yellow Book," 2018 revision) established by the United States Government Accountability Office. As defined in GAGAS 1.21,

> Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability.

In addition to performance audits, APR may also generate non-audit work such as advisories, notifications, and descriptions of programs.

APR's role is separate from, but complements, the work performed by the OIG Investigations and Public Safety sections. Investigations primarily examines allegations of individual misconduct or wrongdoing, and Public Safety focuses on the Police Department, Civilian Office of Police Accountability, and the Police Board, endeavoring to promote public safety, protect civil liberties and civil rights, and ensure the accountability of the police force. APR undertakes projects designed to help the City maximize the effectiveness and efficiency of programs and processes. APR is also distinct from the OIG Compliance Section, which performs legally mandated reviews of the City's hiring and employment practices to ensure compliance with the City's various hiring Plans.

II | Purpose of the Annual Plan

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

A | Subject to Change

The Annual Plan is a guiding document that is subject to change; it does not prohibit APR from setting new priorities or initiating different projects over the course of the year. Circumstances that arise during the year may prompt OIG to undertake new, higher priority projects or reduce the priority of a planned project. Some topics on the Annual Plan may be deferred to following years. In addition, a project on the Annual Plan that originally begins as an audit may instead be completed as an OIG advisory, department notification, or other non-audit report, or 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 to alert OIG to any corrective action taken in advance of and/or during an APR performance audit. Such action will not necessarily deter APR from auditing the program, but the audit will assess and report on any proactive and promptly reactive measures the department has taken.

C| Process

The Annual Plan is drafted in consultation with the Inspector General, senior OIG staff, and APR staff, with final approval by the Inspector General. OIG publishes a draft of the Annual Plan for public comment each year, and then reviews, updates, and publishes the final Plan with consideration of the public comments.

III | Selection of Topics for Inclusion in the Annual Plan

A | Topic Source

OIG gathers potential audit topics from a variety of sources, including intakes received from the public; suggestions from City officials, employees, and stakeholders; 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.

OIG encourages the public to submit suggestions anytime through the OIG website: igchicago.org/intakeform/.

B | Prioritization Criteria

OIG considers several 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; and the availability of APR resources, taking into account resources required to conduct follow-ups on past reports.

C | Risk Assessment

A risk factor is an observable and/or measurable indicator of conditions or events that could adversely affect an organization, absent effective internal controls. APR's assessment of topics is based on risk factors reflecting the nature and potential vulnerabilities of departments, programs, and vendors. APR considers a variety of risk factors, such as,

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

APR assesses risk based on discussions with departments and leadership, information requested from departments, information obtained from prior OIG work, publicly available information, and

additional research. In some cases, OIG selects a project because there is a 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 and governmental leadership would benefit from independent evaluation and assurance that the program is working well.

D | OIG Role and Value Added

OIG seeks to 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 where analysis requires 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; and/or
- analyze narrow, obscure, or complex 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 full spectrum of governmental functions and services.

E | Follow-Up on Past APR Reports

APR evaluates each completed audit six months after publication to determine whether, when, and how to conduct follow-up. Factors considered in determining what, if any, follow-up action to take include the nature of the original findings and recommendations, changes in management or staff structure, and external circumstances affecting the department. For example, APR may decide to postpone follow-up for an additional six months, conduct another full 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 enable OIG to evaluate the actions taken by a 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.

F | Available Staff Resources

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

To maximize their utility, performance audits must be timely. 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 | 2024 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 of whether or when to launch a specific project are expected to change throughout the year.

APR groups the 30 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. The topics are not ranked. The numbers below are provided solely for ease of identification. The OIG is soliciting public comment on these topics and will use that feedback to determine which topics to include on the final 2024 Plan. Each topic listed includes,

Background and Rationale:	Background on and relevance of the topic.
Potential Objectives:	Potential questions the project will seek to answer. APR refines the objectives after obtaining more information about the topic from the department.

There are four projects on the 2023 Plan that have not been launched and will not be carried over to the 2024 Plan because they were considered lower priority than other projects. These projects are:

- Department of Cultural Affairs and Special Events Chicago Film Office
- Chicago Department of Public Health's Enforcement of Prohibition on Illegal Dumping
- Department of Family & Support Services' (DFSS) Gender-Based Violence and Human Trafficking Reduction
- Food Equity Council and Agenda

A| City Development and Regulatory

1. Zoning Board of Appeals (ZBA) Explainer

Background and Rationale: Property owners must receive approval from the ZBA to develop a property in a way that does not comply with the Chicago Zoning Ordinance. The Ordinance limits such variations to situations in which strict compliance would create specific difficulties or hardships. Through an initial review of meeting minutes, it appears the ZBA approves most variation requests. However, publicly available documentation does not appear to demonstrate the specific hardships defined by the ordinance.

Furthermore, the variation application process is legally complex and requires numerous fees, creating the risk that it will be restricted to those with the resources to navigate the process. This explainer will describe ZBA's decision-making process and provide transparency regarding the compliance of variations with the reasons allowed in the Municipal Code of Chicago (MCC).

Potential Objectives:
- To describe the ZBA's process of reviewing and approving property developments that vary from the Chicago Zoning Ordinance.
- To describe how ZBA documents variation decisions with supporting approval criteria, evidence, hardships, and/or other review factors.

2. Chicago Animal Care and Control (CACC) Operations

Background and Rationale: CACC plays a critical role in ensuring the humane care of Chicago's animals through sheltering, pet placement, education, and animal law enforcement; it receives 40,000 calls a year to 311 and provides in-house medical care to more than 16,000 animals per year. This audit would determine whether CACC's enforcement procedures align with national animal care and control best practices. It would also determine whether CACC's medical and drug supplies are controlled and protected from loss and whether a documented plan exists to ensure CACC operations can continue in the event of a disaster.

Potential Objectives:
- Do CACC's enforcement policies and procedures align with National Animal Care and Control Association Guidelines?
- Does CACC's inventory management policies ensure medical supplies, including drugs, are controlled and protected from loss?
- Does CACC have a disaster plan that aligns with best practices??

3. City-Owned Land Management

Background and Rationale:
In recent years the Department of Planning and Development (DPD) has developed an inventory of city-owned land for sale, known as the City-Owned Land System (COLS). COLS contains some additional records of land and facilities managed by other departments. However, the City does not maintain a comprehensive inventory of the land it owns and no department is tasked with maintaining this information. Without a full inventory the City cannot ensure efficient enforcement of rules (such as illegal dumping, parking, and weed cutting) or that its land is used and valued appropriately. Community members cannot hold the City responsible for maintaining the land it owns if they cannot identify the City as the owner.

Potential Objectives:
- Has the City defined and implemented procedures to develop and maintain an accurate and comprehensive inventory of land assets?
- How will the City ensure that the inventory is accessible to City departments that need it?

4. Department of Buildings (DOB) Complex Demolitions

Background and Rationale:
In April 2020, the implosion of an industrial smokestack at the former Crawford coal-fired Generating Power Plant covered the Little Village neighborhood in dust and pollution. This event highlighted the City's shortcomings in interdepartmental coordination.[1] The following year, City Council updated the municipal code to define these types of potentially risky or large demolitions as "complex" demolitions, which have more requirements than ordinary demolitions. DOB issues permits for complex demolitions. This audit will examine whether DOB ensures the necessary steps outlined for complex demolitions are followed, including safety plans and approvals required by other city departments.

Potential Objectives:
- Does DOB ensure applications for complex demolitions are complete, including safety plans and approvals required by other City departments?
- Does DOB conduct the required pre-permit inspections for complex demolitions?
- Does DOB consistently identify demolitions that qualify as complex?

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[1] In March 2023, the OIG published an advisory noting that, in its recent inquiries, it had found a number of areas of inefficiency and ineffectiveness in City government attributable to poor or inadequate coordination among City departments. City of Chicago Office of Inspector General, "Advisory Concerning Interdepartmental Coordination and the City's Administrative Officer Position," March 21, 2023, https://igchicago.org/publications/advisory-on-interdepartmental-coordination-and-the-citys-administrative-officer-position/.

5. Inclusionary Housing Task Force Report Implementation

Background and Rationale:	In September 2020, the Department of Housing (DOH) published the Inclusionary Housing Task Force Staff Report to inform updates of the City's primary inclusionary housing tool, the Affordable Requirement Ordinance (ARO). The ARO requires new and rehabbed residential developments to include a percentage of affordable units, aiming to ensure that "private development creates affordable housing in communities where the market and public policy have failed to do so." The report included nine recommendations to strengthen inclusionary housing policies in Chicago. To provide transparency to the residents of Chicago, this audit will assess what changes DOH has made to inclusionary housing policies to address the Report's recommendations.
Potential Objective:	Has DOH implemented corrective actions to address the recommendations from the Inclusionary Housing Task Force Staff Report?

B| Community Services

6. Chicago Public Library (CPL) Social Services Staff Development

Background and Rationale:	The Chicago Public Library has served the city for nearly 150 years, often as the public's first interaction with City services. In recent years, CPL has seen increases in the community's need for library-based social services, access to CPL's social workers, and digital resources. Additionally, alderpeople have asked about the library's response to some of the city's most vulnerable populations, including at-risk children and people experiencing homelessness. As part of its 2020-2024 Strategic Plan, CPL set a number of goals to train staff to meet these expanding needs, with particular focus on accessibility, diversity and inclusion, and trauma-informed collective care. This audit would assess CPL's progress towards achieving these staff development goals as described in its 2020-2024 Strategic Plan.
Potential Objectives:	• Have CPL staff received trauma-informed, collective-care training and does CPL have a process to ensure new employees receive the training? • What progress has CPL made to embed diversity, equity, and inclusion principles in all aspects of its operations? • Has CPL created the "technology competency framework" and does it ensure staff can fully support the technology needs of members of the community? • Are CPL staff trained and qualified to respond to the growing social needs of the communities they serve? • Does CPL's workforce reflect the communities in which they work?

7. DFSS City Services for Older Adults

Background and Rationale:	In 2019, the City envisioned Chicago as an age-friendly city where "all residents have a full capacity to lead long and healthy lives."[2] Chicago's regional population is aging, with an estimated 2 million people likely to be above the age of 65 by 2050. DFSS's Senior Services division "provides adults ages 60 and older with access to services to remain healthy, safe, and independent" through in-home and caregiver services and social, educational, and recreational activities at 21 regional and satellite centers operated by delegate agencies. This audit would assess the operations of the Senior Services division and their provision of services to Chicago's older adults.
Potential Objectives:	• To determine the City's goals regarding service provision to older adults. • Does the City track performance toward its goals and make operational adjustments to improve performance? • Does DFSS follow its Active Contract Management strategy and review its contracts with delegate agencies for performance outcomes and outputs?

8. DFSS Domestic Violence Help Line

Background and Rationale:	Domestic and gender-based violence remain a pernicious issue in Chicago's communities. The Network recently reported that, "A snapshot of Chicago Police Department data shows domestic violence-related homicides […] have increased in the last three years. This increase in lethality disproportionately affects communities of color. Contacts to [the Chicago Police Department (CPD)] related to domestic violence continue on a downward trend […suggesting] that non-police response systems are needed to intervene for survivors who do not feel police are the right tool to meet their needs."[3] The City of Chicago's Domestic Violence Help Line—(877) 863-6338—is a 24-hour confidential number for domestic violence victims, concerned parties, helping professionals, and perpetrators. Volunteers at the help line connect almost 3,000 callers a month to services and information in over 140 languages.[4] DFSS contracts with a third party to operate the help line and is responsible for general oversight and dissemination of help line data. Because the operation of the City's help line is wholly dependent on a contractor, this audit would examine the City's oversight of that third party and its contractual obligations.

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[2] Chicago Department of Public Health, "Healthy Chicago Databook: Older Adult Health," 2, accessed September 13, 2023, https://www.chicago.gov/content/dam/city/depts/cdph/statistics_and_reports/CCHE-001_OlderAdults_Databook_r5a.pdf.

[3] The Network, "Measuring Safety: Gender-Based Violence in Illinois (Data Report 2022)," accessed October 24, 2023, https://the-network.org/wp-content/uploads/2023/08/23_08_14_MeasuringSafety_2022_Digital-compressed.pdf.

[4] City of Chicago, "Help on Domestic Violence," accessed September 13, 2023, https://www.chicago.gov/city/en/depts/fss/provdrs/dom_violence/svcs/domestic_violencehelpline.html.

Potential
Objectives:

- Does the City ensure domestic violence victims receive the care and services they need by,
  - ensuring contract requirements align with best practices related to the operation of a domestic violence help line;
  - ensuring the contractor meets the performance metrics established in its contract, and uses the metrics, in collaboration with the City, to inform its operations; and
  - ensuring it meets the contractual obligations regarding help line infrastructure and translation services?

9. DFSS Community Service Centers

Background
and
Rationale:

DFSS operates six Community Service Centers across Chicago. These centers provide a whole-of-government approach to help vulnerable individuals and families access essential resources such as food, shelter, and clothing. Additional resources provided by the centers include, but are not limited to, domestic violence support, financial assistance programs, and job training and placement services for the formally incarcerated. Given the array of services offered, it is essential that Community Service Centers coordinate with other City departments and social service providers. Furthermore, because these centers are public-facing entities that connect residents to essential human services, it is critical to the people served, and to broad public confidence in City government, that DFSS is responsive to the communities it supports.

Potential
Objectives:

- To describe how DFSS Community Service Centers coordinate with City departments, delegate agencies, and external stakeholders to support the needs of the communities they serve.
- Has DFSS defined specific social service outcome goals of its Community Service Centers?
- Does DFSS measure progress towards the outcome goals and determine whether the whole-of-government approach benefits the community at the level intended?
- How does DFSS ensure intended program beneficiaries actually receive the services?

C| Finance and Administration

10. Contract Monitoring and Closeout Procedures

Background
and
Rationale:

In 2015, the Procurement Reform Task Force identified a lack of compliance monitoring and robust closeout processes as serious risks for the City and its sister agencies. In 2020, DPD created procedures for monitoring and closeout, including a closeout checklist and site visit guidance. However, elected officials continue to raise concerns about timeliness of the closeout process and inconsistency of compliance monitoring among departments. This audit will determine whether the Department of Procurement Services' (DPS) contract

compliance and closeout procedures are aligned with best practices and implemented consistently across departments.

Potential Objectives:
- Are DPS' contract compliance monitoring and closeout procedures aligned with best practices?
- Do City departments effectively and consistently use the contract compliance monitoring and closeout procedures DPS created?

11. City Clerk Records Management

Background and Rationale:

The Chicago City Clerk's Office provides public access to proposed legislation, laws, records, and reports. The Office is central for government transparency because it collects, records, files, and stores the City's official records as well as City Council legislation and meetings. According to its website, the Clerk's Office is the most visited office in Chicago government and posted more than 16,400 legislative documents online in 2022 alone.[5] Timely and reliable management of physical and digital records affects all consumers of City government information, including policymakers, advocates, City employees and Council members, the press, and the general public. This audit would assess whether the Clerk's records management practices comply with City ordinances, City Council rules, and the Illinois Local Records Act. Similar audits in other municipalities found opportunities for improvement regarding record retention policies, compliance with local law, and risk assessment regarding record storage.

Potential Objectives:
- Does the City Clerk's records management operations ensure records are preserved and accessible to the public?
- Do the City Clerk's records management operations ensure compliance with the Municipal Code of Chicago, City Council rules, and State law?

12. Swiping Policy Enforcement

Background and Rationale:

The City's swiping policy was recommended by an absenteeism task force which examined "the extent and causes of absenteeism among City employees." The policy was to address absenteeism and provide "needed public accountability." It explicitly requires that every City employee "swipe in and out each day," and that "single swiping is no longer permitted regardless of past practice, position, title, or function." Exceptions to the rule require the approval of both DOF and the Office of Budget and Management (OBM). The policy also defines approved swipe locations and prohibits employees from commuting to and from home "on the clock." OIG investigations have substantiated time fraud by City employees. This audit seeks to determine whether the City enforces the swiping policy, reducing the risk of employee time fraud.

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[5] City of Chicago, "2023 Budget Overview," 68, https://www.chicago.gov/content/dam/city/depts/obm/supp_info/2023Budget/2023-OVERVIEW.pdf.

Potential Objectives:
- Do DOF, OBM, and other City departments enforce the swiping policy?
- Has DOF and OBM approved, as exceptions to the policy, those employees who do not comply with the policy?
- Do departments monitor time and attendance reports to ensure employees swipe in and out at their assigned location?
- Since the swiping policy was instituted, have there been any changes implemented or considered?

13. Mayoral Boards and Commissions

Background and Rationale:
Chicago's municipal government includes over 100 boards and commissions with members appointed by the mayor: for example, Special Service Area commissions, advisory groups such as the Board of Health, and regulatory bodies like the Zoning Board of Appeals and the Emergency Telephone System Fund Board.[6]

The composition and responsibilities of these groups are governed by various ordinances, laws, and executive orders, but detailed information about their budgets and operations is not always easily available. Limited transparency creates concerns around conflict of interest, given that appointees are City officials subject to Ethics Ordinance restrictions on their political and business activities.[7]

This project would provide transparency into the functions of mayoral boards and commissions, quantify their use of taxpayer dollars and City resources, and evaluate their compliance with relevant regulations.

Potential Objectives:
- What are the operating budgets and activities of mayoral boards and commissions?
- Are mayoral boards and commissions constituted according to the relevant requirements?
- Are appointed members of boards and commissions in compliance with the disclosure requirements of the City's Ethics Ordinance?

14. Earmarked Funds

Background and Rationale:
Earmarked funds are monies set aside by City Council for special purposes such as homelessness prevention, the emergency telephone system, and public art. These funds are typically raised through City fees and surcharges, and in many cases, MCC requires them to be kept separately from the City's general expense fund ("the corporate fund").

During the course of a recent audit, OIG discovered that an earmarked fund required by MCC did not exist within the City accounting system and that the

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[6] City of Chicago, "Office of the Mayor – Boards and Commissions," accessed September 8, 2023, https://webapps1.chicago.gov/moboco/.

[7] City of Chicago, "The Ethics and Open Meetings Guide for Board and Commission Members," 2, August 2019, accessed September 8, 2023, https://webapps1.chicago.gov/moboco/resources/pdf/Ethics_Booklet.pdf.

earmarked money had instead been deposited into the corporate fund. In response to the audit, DOF retroactively created and balanced the fund. This raised procedural questions about how earmarked funds are managed after being established by City Council. This audit will determine whether earmarked taxpayer dollars are collected and spent as intended.

Potential Objectives:	• What is the process to ensure that special funds required by the MCC are created in the City's accounting system?
	• Have the funds and separate accounts required to exist by the MCC been created and are they actively used?
	• What procedures ensure that the creation and use of special funds is transparent to the public?

15. Tuition Reimbursement Policy

Background and Rationale:	OIG received complaints from City of Chicago employees concerning the City's tuition reimbursement policy. It's alleged that the reimbursements have exceeded budgeted amounts, there are no caps on annual reimbursements, and that the reimbursements are not processed in a timely manner. Mismanagement of reimbursements can cause budget issues and negatively impact employees. This audit will review the City's processes related to the tuition reimbursement policy.

Potential Objectives:	• Does the Department of Human Resources (DHR) set reimbursement limits, as required by the policy, and ensure such limits are enforced?
	• Does the City ensure departmental and employee compliance with the conditions included within the tuition reimbursement policy?
	• To describe the time period in which the City reimburses employees.
	• Does the City ensure that employees who leave City service repay tuition costs in accordance with the policy?
	• To summarize the demographics and departments of employees participating in the program.

16. Outside Employment Policy

Background and Rationale:	The City of Chicago Personnel Rules require all City employees who seek outside employment to "request in writing with her or his department head for permission."[8] OIG is aware that some departments do not require employees to obtain permission. Enforcement of this rule is an essential tool for the City to ensure an employee's outside employment would not involve a conflict of interest, interfere with the performance of duties, or conflict with their assigned working hours. Furthermore, knowledge of outside employment could aid the efficient investigation of fraud allegations, such as Paycheck Protection Program (PPP) fraud.

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[8] City of Chicago Department of Human Resources, "Personnel Rules," September 10, 2014, 59, accessed September 7, 2023, https://www.chicago.gov/content/dam/city/depts/dhr/supp_info/HRpolicies/2014_PERSONNEL_RULES-FINAL_2014_v3.pdf.

Potential Objective:	• Does the City ensure each department enforces the Outside Employment policy within the Personnel Rules?

17. Employee Assistance Program (EAP) Performance

Background and Rationale:	Employee assistance programs are intended to support employees whose job performance is suffering due to issues such as mental health needs, substance abuse, stress, or grief. The City of Chicago's EAP is a free resource for roughly 13,500 non-police and fire employees and their eligible family members that provides confidential assessments, counseling, and referral services. The City's EAP aims to "eliminate costly consequences of personal problems that may affect productivity and efficiency" and provide employees with "the opportunity to lead healthier, happier, and productive lives to the benefit of all." However, the City does not publish metrics on the program's effectiveness and the EAP was staffed by a sole clinician as of September 2022, raising questions about the program's utilization and accessibility. This audit would assess the design, performance, and legal compliance of the program.
Potential Objectives:	• Is the City's EAP designed and managed in alignment with best practices? • Does the City set goals for and monitor the effectiveness of its EAP? • Are EAP records kept in compliance with national, state, and local confidentiality laws?

D| Infrastructure

18. Advisory on Citywide Implementation of Hansen and Information Public Sector (IPS) Software

Background and Rationale:	Outdated and inefficient software directly impacts the City's ability to provide services to members of the community. The City first implemented a software program for inspections, permitting, and licensing (Hansen 7) in 2001. It began updating this software in 2009 and, in the 14 years since, has paid approximately $80 million to its parent company. In response to past OIG projects, Departments have frequently asserted that their reliance on the outdated software prevents them from implementing recommendations to improve service delivery and data collection. The City has been engaged in an enterprise-wide Information Technology (IT) modernization effort since 2021. While some departments are using a more recent version of the software (IPS), others – including the Chicago Fire and Building Departments – are still using Hansen 7 to conduct core functions. IT applications with outdated capabilities, uneven implementation, and inability to communicate with other systems have deep impacts on the government's ability to operate efficiently, effectively, and economically. Inefficiencies and waste caused by the use of these systems impact the city's financial resources, credibility, and quality of service to the public and other entities that engage with city services.

Potential
Objectives:
- To describe OIG's past observations about Hansen and IPS.
- To describe how the technological deficiencies reported by departments impact the services provided to Chicagoans.

19. AIS City Cybersecurity Incidence Response Plans

Background
and
Rationale:
IT security is widely recognized as a high-risk area in government, and local governments are increasingly the target of cybersecurity and ransomware attacks. According to the Federal Bureau of Investigation, in 2022 government facilities ranked in the top 3 infrastructure sectors victimized by ransomware and Illinois ranked among the top 10 states by both number of victims and dollars. Cybersecurity breaches harm government's ability to provide services and can impact regulatory compliance, financial assets, human health and safety, and public trust and confidence. IT incidents impact internal users of City government systems, anyone attempting to access city services electronically, and taxpayers when the government has to divert resources to recover from an attack. This audit would examine the robustness of the City's cybersecurity incident response plans.

Potential
Objective:
- Does the City of Chicago's cybersecurity incident response plan align with best practices?

20. Department of Streets and Sanitation (DSS) Blue Cart Recycling

Background
and
Rationale:
DSS is responsible for the Blue Cart Recycling program, which entails collecting waste from residential properties with four units or less. The Blue Cart Recycling program services over 620,000 residential units and, in 2022, cost $26.5 million. In April 2021, the City contracted with a private waste hauler to collect residential recycling in four of Chicago's six recycling regions. DSS crews service the remaining regions. In 2021, the City published a Waste Strategy that recommended improvement to the Blue Cart Recycling program. This audit will evaluate whether DSS has implemented the recommended improvements and whether the fee for garbage collection covers DSS's costs to provide the service.

Potential
Objectives:
- Has DSS implemented the improvements to the Blue Cart Recycling program, as recommended within the Waste Strategy?
- Does the fee for garbage collection cover DSS's costs to provide the service?
- Do Blue Cart Service Areas handled by the private hauler experience higher capture rates for recyclable material than zones handled by DSS crews?

21. Department of Water Management's Green Stormwater Infrastructure Strategy Implementation

Background and Rationale:

In April 2014, the City unveiled its "Green Stormwater Infrastructure Strategy." The ten-year plan is a $50 million investment designed to dovetail with other green City initiatives to reduce flooding and sewer overflows through one of the "largest water infrastructure investment programs of any city in America." The strategy was to be led by the Department of Water Management (DWM), with funding provided by other City agencies including Chicago Public Schools, the Chicago Department of Transportation (CDOT), and the Metropolitan Water Reclamation District of Greater Chicago. The plan included six specific initiatives to be achieved over ten years.[9] These initiatives are designed to address four overall goals.

1. Minimize basement flooding in Chicago's most impacted neighborhoods.
2. Reduce pollution to Chicago's rivers and Lake Michigan.
3. Enhance environmental quality through water infrastructure investments.
4. Increase the City's resilience to extreme rain events and climate change.

The City is currently in year nine of the plan and Chicagoans are still experiencing flooding due to rain overloading the system. In July 2023, Governor Pritzker issued a disaster proclamation for residents to receive funds after large amounts of flooding occurred on Chicago's West Side.[10] In addition, an alder called for a hearing "on the City's plans to mitigate and respond to future extreme flooding," asserting that extreme flooding in July "were most severely felt by the Black and brown residents of the Garfield Park, North Lawndale, West Humboldt Park, and Austin communities."

Potential Objectives:

- What is the status of the Green Stormwater Infrastructure Strategic Plan?
- What performance measures are used to determine whether the City is achieving the goals established in the plan?
- To what degree are the various neighborhoods impacted by flooding and does the City implement prevention and mitigation measures equitably?

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[9] The six initiatives are: incorporate green stormwater infrastructure into future public capital projects, incorporate permeable pavement into appropriate sewer main replacement projects, increase the use of green stormwater infrastructure in streetscape projects, undertake a study to determine the costs and benefits of using green infrastructure to manage stormwater, work with leading climate scientists to develop rainfall frequency data that incorporates recent storms as well as climate change projections, and create a comprehensive plan that establishes a long-term vision and implementation strategy for managing stormwater with green and gray stormwater infrastructure. City of Chicago Department of Water Management, "Green Stormwater Infrastructure Strategy," April 2014, PDF p. 33-41, accessed June 23, 2017, https://www.chicago.gov/content/dam/city/progs/env/ChicagoGreenStormwaterInfrastructureStrategy.pdf.
[10] State of Illinois, Executive Department, "Gubernatorial Disaster Proclamation," July 11, 2023, https://www.illinois.gov/content/dam/soi/en/web/illinois/documents/government/june-to-july-2023-storm-dis-proc-07-11-23.pdf.

22. City Facility Safety and Security

Background and Rationale:

In May 2023, the federal Department of Homeland Security issued a bulletin warning that government facilities and personnel are increasingly targets of potential violence. All City of Chicago employees and visitors to city government buildings are impacted by the security of these facilities. The AIS Facility operations bureau is responsible for the operation of all City-owned facilities and "manages building security through a combination of City watchmen, contracted security services, and alarm systems."[11] This project would aim to determine the overall effectiveness of the City's safety and security practices, including determining whether the City's emergency evacuation and safety incident response plans are up to date.

Potential Objectives:

- Does the City regularly review its facility safety and security policies to ensure they are in alignment with best practices?
- Does the City provide employees with up-to-date emergency plans and provide training on emergency procedures?
- Do the City's security vendors provide safety and security services in compliance with their contracts?

23. DSS's Administration of Car Impound Lots

Background and Rationale:

The City of Chicago tows and impounds vehicles that have created parking hazards, been abandoned, belong to drivers who owe debt to the City, or that have allegedly been used in a crime. The towing and impound process has been subject to complaints and negative press. Drivers have alleged that the pounds have misplaced cars, and the Department of Finance acknowledged that a WBEZ review found incorrectly calculated fines and fees due to computer and human errors as well as inaccurate inventories. This audit will examine how DSS and its contractor, United Road Towing, manage and administer the car impound lots under their control.

Potential Objectives:

- Does DSS ensure that its impound lots correctly calculate impound, storage, and administrative fees and fines levied on drivers?
- Does DSS ensure that its impound lots maintain accurate inventories of impounded vehicles?
- Does DSS ensure that vehicles identified for disposal are eligible and that disposal reports are complete and accurate?
- Does DSS ensure that the impound and recovery process is clear and navigable to residents?

24. Information Security Office (ISO) IT Project Review

Background and Rationale:

The City's Information Security and Technology Policies (ISTP) require the ISO to review all IT projects to ensure that they meet minimum security controls before moving into production. The ISO is also responsible for periodically reviewing active information systems to ensure that they remain in compliance with the

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[11] City of Chicago, "Facility Operations," accessed September 13, 2023, https://www.chicago.gov/city/en/depts/dgs/provdrs/prop.html

policies. Adherence to the ISTP is important to protect the confidentiality, integrity, and availability of the City's information technology data and assets. This audit will determine whether the ISO reviews projects and ensures compliance as required.

Potential Objectives:	• Does ISO conduct readiness assessments on IT projects to ensure that the projects conform with the City's Information Security and Technology policies? • Does ISO conduct periodic compliance assessments on active IT projects?

25. CDOT Street Resurfacing and Maintenance

Background and Rationale:	In a 2015 audit, OIG found that CDOT's pavement management program did not meet federal guidelines and lacked sufficient street condition data, relying instead on constituent complaints and visual inspections. The audit also found that the City could save $4.6 million annually by reallocating money from resurfacing to preventive maintenance. Poor street conditions continue to concern roadway users. This audit will re-examine the City's pavement management program to determine whether improvements have been made to increase the efficiency and effectiveness of the program.
Potential Objective:	• Does CDOT manage streets in a cost-effective way that extends pavement life?

E| Public Safety

Note: OIG's Public Safety Section conducts inspections, evaluations, and reviews of City police and police accountability programs, operations, and policies.

26. Office of Public Safety Administration (OPSA) Civilianization Outcomes

Background and Rationale:	Civilianization is the process where administrative positions held by sworn or uniformed officers are converted into positions that are held by non-sworn or non-uniformed individuals. Civilianization presents opportunities for cost savings and increased operational efficiencies. Past OIG reports identified missed opportunities to civilianize positions in the police and fire departments. In 2019, the City realigned administrative functions of CPD, the Chicago Fire Department (CFD), and the Office of Emergency Management and Communications (OEMC) under OPSA. This project will determine what progress OPSA has made toward achieving the goal of moving sworn officers and uniform fire personnel from administrative roles and to the field.
Potential Objective:	• Have CPD and CFD maximized opportunities for civilianizing positions?

27. CFD Overtime Management

Background and Rationale:	Despite budgeting $211 million for overtime between 2017 and 2022, CFD spent over $404 million on overtime across those six years. While some use of overtime is expected, excessive or inequitably distributed overtime may indicate suboptimal personnel management. This audit will evaluate CFD's overtime practices.
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?

28. OEMC Workforce Management

Background and Rationale:	During recent OEMC budget hearings, office management has described difficulties in filling vacancies for 911 dispatchers. They explained an increased rate of vacancies due to a large cohort of employees reaching retirement age. Management of the existing workforce is the first step to ensuring the Office maintains an effective public safety response. This audit would review and evaluate OEMC's procedures for workforce management including staffing, scheduling, stress management, and training.
Potential Objectives:	• Does OEMC's staffing and scheduling policies meet best practices? • Does OEMC ensure new and veteran 911 dispatchers obtain the training required by best practices, including Critical Incident Stress Management? • Does OEMC monitor staff to ensure they maintain adequate performance?

29. Life Safety Ordinance Enforcement

Background and Rationale:	Following several deadly fires, a 2004 ordinance required hundreds of high-rise buildings built before 1975 to retrofit with automatic sprinkler systems *or* pass a Life Safety Evaluation (LSE). LSEs are scored tests conducted by architects or engineers to certify the adequacy of fire safety measures. Due to the expense of sprinkler retrofits, most pre-1975 high-rises opted for LSEs instead. During a current audit, OIG determined that the City does not maintain a required public list of pre-1975 high-rise buildings that have passed LSEs, making it difficult to judge how many have mitigated their fire safety risks. This project will determine whether DOB and CFD maintain a public list of compliant buildings as required by MCC and ensure that covered high-rise buildings fulfill life safety requirements.
Potential Objectives:	• Does DOB and CFD ensure that relevant high-rise buildings have submitted and passed Life Safety Evaluations, and does DOB maintain a public list of compliant buildings as required by MCC? • Do DOB and CFD ensure that buildings maintain the features identified in life safety compliance plans after renovations or construction, and do they ensure compliance with life safety data reporting requirements?

30. OEMC 311 Service Request Performance

Background and Rationale:
The 311 call center is an essential service for people to report service needs, check the status of previous service requests, obtain information regarding City programs or events, and file non-emergency police reports. In the City service delivery process, the 311 call center plays a key information triage role between residents and the relevant City departments. This audit will determine whether 311 is an effective means of collecting these requests and whether it provides enough information to other City departments to allow them to respond to the requests they receive.

Potential Objectives:
- Does 311 meet best practices for call center performance?
- Does 311 ensure that City departments get an appropriate amount of information to carry out service requests?

V | Reports Published in 2023

APR published the following seven reports in 2023 (as of October 31, 2023).[12] All are available at igchicago.org.

A| City Development and Regulatory

None

B| Community Services

1. Chicago Department of Public Health's Construction and Demolition Debris Recycling Enforcement, published June 14, 2023
2. Department of Family and Support Services Outreach to Encampments of People Experiencing Homelessness, published August 23, 2023

C| Finance and Administration

3. Advisory on Interdepartmental Coordination and the City's Administrative Officer Position, published March 21, 2023
4. 2nd Follow-Up of OIG's Audit of DHR Performance Evaluation Process, published March 15, 2023

D| Infrastructure

5. Follow-Up of the DSS Commercial and High-Density Residential Recycling Enforcement Audit, published March 2, 2023
6. Chicago Department of Transportation Driveway Billing Third Follow-Up, published August 18, 2023

E| Public Safety

7. Follow-Up to OIG's Second Audit of the Chicago Fire Department's Fire and Emergency Medical Response Times, published September 28, 2023

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[12] Published reports are grouped into the same 5 broad categories described in section IV, 2024 New Projects.

VI | Projects in Progress

The following 15 projects are underway as of October 31, 2023.[13]

A| City Development and Regulatory

1. Audit of DOB and Department of Law's Prosecution and Resolution of Off-Premise Sign Permit Violations
2. Follow-Up of OIG's Audit of the City's Compliance with the Tax Increment Financing Sunshine Ordinance and Surplus Executive Order
3. Follow-Up to the Audit of DPD's Administration of the Neighborhood Opportunity Fund Small Grants Program

B| Community Services

4. Mental Health Equity
5. Follow-Up of OIG's Audit of the Department of Family and Support Services Strategic Contracting
6. City Services for New Arrivals

C| Finance and Administration

7. Audit Regarding the Status of Workers' Compensation Improvements Recommended by Grant Thornton LLP
8. Advisory Concerning the City's Reliance on Complaints to Provide City Services
9. Equity Impacts of Prompt Payments
10. City Council Office of Financial Analysis Compliance with Municipal Code Reporting Requirements

D| Infrastructure

11. Explainer of DWM's Sewer Cave-In Response Process
12. Water Billing Accuracy
13. Review of the City's Progress Toward a Safe and Convenient Bikeway Network
14. DSS Rat Abatement

E| Public Safety

15. Audit of CFD's Fire Prevention Bureau's Inspection Process

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[13] Projects in progress are grouped into the same 5 broad categories described in section IV, 2024 New Projects.

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

OIG's authority to produce reports of its findings and recommendations is established in the City of Chicago Municipal Code §§ 2-56-030(d), -035(c), -110, -230, and -240.

For further information about this report, please contact the City of Chicago Office of Inspector General, 740 N. Sedgwick St., Suite 200, Chicago, IL 60654, or visit our website at igchicago.org.

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