



# Seattle Office of City Auditor

David G. Jones, City Auditor

April 1, 2024

[www.seattle.gov/cityauditor](http://www.seattle.gov/cityauditor)

## 2023 Annual Report

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*Advancing accountability, efficiency, equity, and transparency throughout City of Seattle government*

### Message from City Auditor

The Office of City Auditor was created by a voter-approved amendment to the Seattle City Charter in 1991 and began operations in 1993. We provide reports to the City Council, City departments and the public with objective, accurate information about City of Seattle-funded activities. We've made hundreds of recommendations to improve City programs over the past 30 years, of which about 68 percent have been implemented. We've received national recognition for the quality of our performance audit reports from the [Association of Local Government Auditors](#) (ALGA). I am also proud that since 2008 our office has [passed four independent peer reviews](#) that assessed our compliance with the [Government Auditing Standards](#). Furthermore, our office is committed to the City's efforts to end institutional racism in City government and achieve racial equity across our community. To this end, we use a racial equity toolkit in each of our audits as a standard part of our audit process and use internal metrics to encourage our staff to build their expertise in race and social justice issues.

- In 2023 our work covered important issues that the City of Seattle faced such as [organized retail crime](#), the [City's permitting process for constructing buildings, rental housing, equity in the City's promotion practices for its employees](#), and [the City of Seattle's use of surveillance technologies](#).
- I am pleased to note that our report on the City's permitting process won a [Knighton Award](#) for being one of the best performance audits of 2023 from the Association of Local Government Auditors (ALGA). Congratulations to the audit team of Melissa Alderson and Andrew Scoggin.
- I am also pleased to note that ALGA awarded its [Rising Star Award](#) to Andrew Scoggin of our office. This award is for ALGA members who have less than five years of local government auditing experience and have demonstrated themselves to be "rising stars" in the profession.
- We continued our annual reporting on the implementation status of our audit recommendations (see details on page seven).
- We completed our oversight of three pieces of program evaluation work assigned to us by the City Council. This included overseeing work conducted by a research team headed by Public Health Seattle - King County that resulted in nine published reports in 2023 on a variety of topics related to the effects of the [Sweetened Beverage Tax](#). We oversaw the last report prepared by university researchers on the [Secure Scheduling Ordinance](#). Finally, we helped close out a federally funded evaluation (see details on page four) to prevent youth crime and victimization in [Rainier Beach using Positive Behavioral Interventions and Supports \(PBIS\)](#).

We have important work planned in 2024 (see our work program on page nine). I appreciate the commitment of our team to doing this work and the Seattle City Council's history of strong support of our office's work and performance auditing in Seattle.

A handwritten signature in black ink that reads "David G. Jones".

## Highlights from 2023

### The City Can Do More to Tackle Organized Retail Crime in Seattle

Seattle City Councilmembers Andrew Lewis and Lisa Herbold requested that our office conduct an audit on retail theft in Seattle. We examined Organized Retail Crime (ORC), which involves organized efforts to steal and resell items, including sales through online marketplaces, unregulated markets, storefronts that buy stolen goods, and by the shipping of goods for sale outside of the U.S. This audit presented seven steps and ten recommendations for the City to improve its approach to addressing the organized fencing operations that underpin ORC in Seattle:

1. Support City participation in collaborative efforts among agencies, including collaboration with the new Organized Retail Crime Unit in the Washington State Attorney General's Office.
2. Leverage federal and state crime analysis resources.
3. Use in-custody interviews of "boosters"—people who steal on behalf of fencing operations—to gather information on fencing operations.
4. Explore new uses of technology to address ORC.
5. Use place-based approaches to disrupt unregulated street markets.
6. Follow the King County Prosecuting Attorney's Office "prosecution checklist" for ORC cases.
7. Consider City support of legislation that addresses ORC.

#### **Exhibit: SPD Patrol Response to ORC was Equivalent to Nine Full-Time Officers in 2022**



Source: Seattle Office of City Auditor

For each step, we included specific recommendations for actions that the City could take to improve its approach to ORC. Given the City's current resource constraints, especially for the Seattle Police Department (SPD), our recommendations largely focused on leveraging new and existing collaborations, using existing expertise and resources, and exploring new technologies.

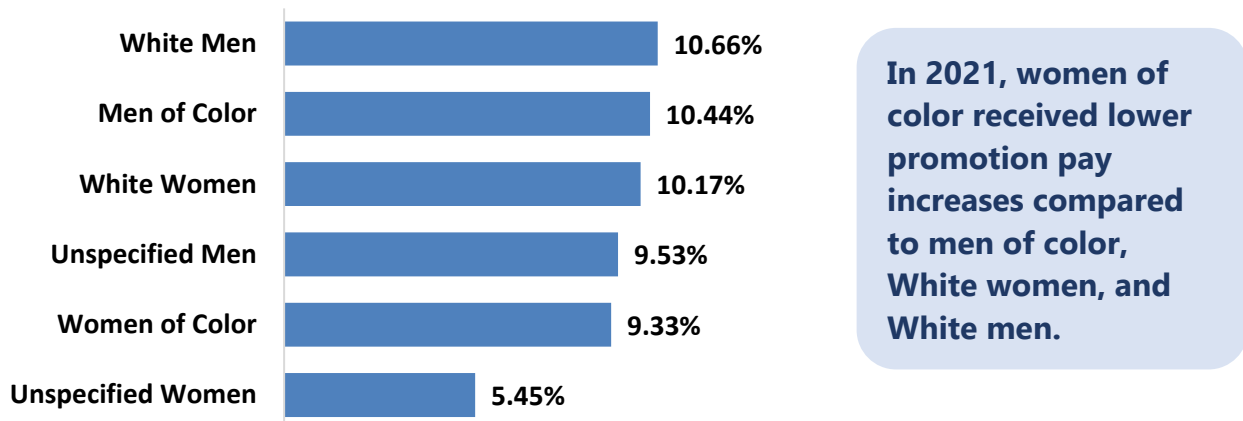
In their formal written response about the audit report, SPD stated that they will work with the City to implement the recommendations.

## Workforce Equity in Promotions Audit

This audit was conducted in response to Seattle City Councilmember Tammy Morales’ request for our office to examine workforce equity by establishing City of Seattle employee promotion baseline data and determining if the City is following best practices on promotions and retention, especially for women of color. Although the City has published reports on its progress toward workforce equity, the reports have not included any analysis of employees’ promotions even though promotion has been identified as an important outcome to assess since 2018.

Our analyses of Citywide data for 2021 found that promotion outcomes were slightly higher for women relative to men and employees of color relative to White employees. However, women of color received a lower average percentage of promotion pay increase compared to other groups of employees.

### Exhibit: Average Percentage of Promotion Pay Increase in 2021 by Race/Ethnicity and Gender



Source: Office of City Auditor analysis of the City’s 2021 employee promotion data.

Our analyses were hampered by data gaps in the City’s Human Resources Information System and did not establish a causal relationship between employees’ demographics and promotional outcomes. The City has a federated human resources system which contributes to siloed practices and impairs the implementation of promotion best practices across departments. We also found that the City has an outdated Class Specifications System that presents a barrier to employees’ advancement.

We identified opportunities for the City to improve its promotion practices and made four recommendations to address data gaps, automate data analysis and reporting, update the Class Specifications System, improve Citywide human resources collaboration, and perform a racial equity analysis of promotion policies.

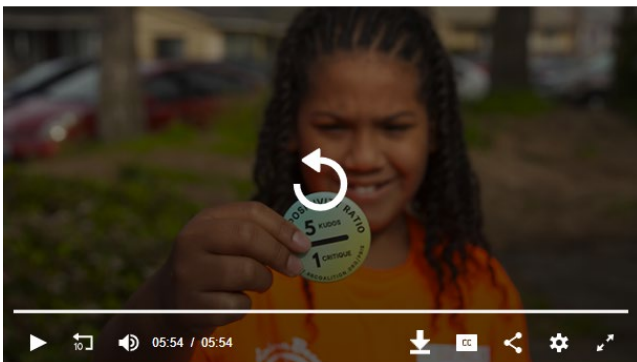
In their formal written response about the audit report, the Seattle Department of Human Resources stated that they concurred with the report’s four recommendations.

## [2022 Annual Surveillance Technology Usage Review](#)

Seattle Municipal Code 14.18.060 requires the City Auditor to annually review City Council approved non-police surveillance technologies used by City of Seattle departments. The 2022 Annual Surveillance Usage Review included the Seattle Department of Transportation closed circuit television (CCTV) traffic cameras; the Seattle Fire Department Computer-Aided Dispatch, Hazardous Materials and Emergency Scene Cameras; and Seattle City Light Current Diversion Technologies. The report included a summary of the technologies' uses and trends, data sharing, data management protocols, civil liberties impact, complaints and concerns, and costs. We found that departments are complying with Seattle Municipal Code 14.18.060 requirements or working on implementing recommendations from previous audits to bring the surveillance technologies into compliance. The Seattle Department of Transportation, the Seattle Fire Department, and Seattle City Light reviewed our audit report and had no comments.

## [Rainier Beach Campus Safety Continuum Final Report by George Mason University's Center for Evidence-Based Crime Policy](#)

The Office of City Auditor collaborated with [George Mason University's Center for Evidence-Based Crime Policy](#) and [Rainier Beach: A Beautiful Safe Place for Youth](#) on a grant from the [National Institute of Justice](#) that implemented and evaluated a project called the Rainier Beach Campus Safety Continuum (RBCSC). RBCSC is a community-led, place-based, evidence-informed approach to addressing school and community safety and reducing racial disparity in school discipline and police contact through non-punitive approaches. RBCSC combines two evidence-informed school-based practices, Positive Behavioral Interventions and Supports (PBIS) and Restorative Justice (RJ) in school and community settings. The project took place between 2017 and 2022. Although the evaluation of the school-based component of the project was hampered by the pandemic, police data collection continued during the pandemic. The evaluation showed promising findings related to public safety in the community. RBCSC was associated with significantly lower rates of calls for service and offenses in the areas around the treatment schools, relative to the areas around the comparison schools. Offenses involving juvenile suspects and/or victims were also lower, although not statistically significant.



Companion videos were created by the Seattle Channel throughout the course of the project. The following videos document the project's practices and the various stages of implementation of the Rainier Beach Campus Safety Continuum:

[Rainier Beach: A Beautiful Safe Place for Youth | seattlechannel.org](#) 10/25/2022

[Great Expectations for All: Implementing PBIS in Rainier Beach Schools | seattlechannel.org](#) 12/03/2019

[Universal Positive Environments | seattlechannel.org](#) 12/03/2019

[Peace Circles in Rainier Beach | seattlechannel.org](#) 12/03/2019

[United Campus: Building a Safe, Respectful and Responsible Community | seattlechannel.org](#) 12/03/2019

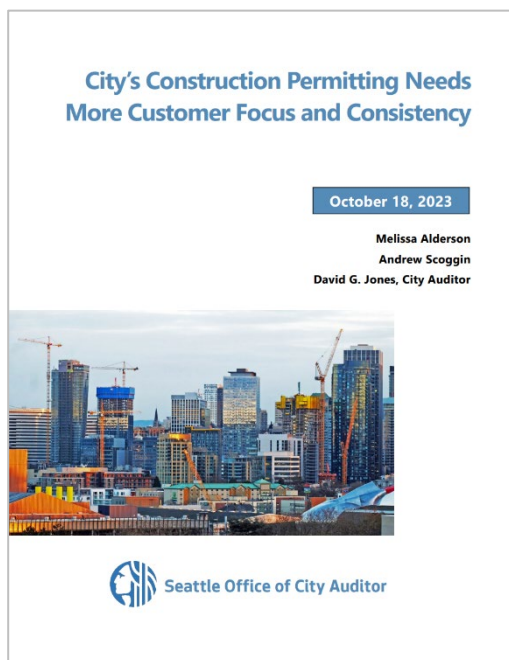
[Positive Behavior Interventions & Support initiative at Rainier Beach schools | seattlechannel.org](#) 09/27/2018

[Community Stories: Rainier Beach: A Beautiful Safe Place for Youth | seattlechannel.org](#)

## City's Construction Permitting Needs More Customer Focus and Consistency

This audit was conducted in response to Seattle City Councilmember Dan Strauss' request for our office to review the construction permitting process. Our report analyzed the permitting process for clarity, consistency, and timeliness; the use of information technology tools; and Race and Social Justice Initiative impacts.

During this audit, we reviewed the City of Seattle's (City) construction permitting process from the intake stage through corrections. The Seattle Department of Construction and Inspections (SDCI) is responsible for reviewing and issuing construction permits, though other City departments are often involved as well. In 2022, SDCI issued about 8,800 construction permits.



We identified issues in the following areas:

- Reinforce a customer focus: SDCI does not actively track total permit review time, which is an important metric to customers. The City also lacks a process to routinely collect customer feedback.
- Promote transparency and fairness: We found inconsistencies and opaqueness in how construction permit applications are prioritized. Some SDCI employees shared concerns about fairness and ethics.
- Strengthen a Citywide approach: The City has engaged in permitting improvement efforts, but not all identified changes have been made. Additionally, there is not a unified approach to funding staff, nor an effective strategy for supporting permitting software.
- Standardize review comments: We found inconsistencies in how corrections are issued and evaluated for quality.

We made 11 recommendations to address the issues above. We recommended that SDCI improve permit timeliness tracking and use customer feedback to make process improvements. SDCI should also improve the permit prioritization process and evaluate its internal ethical culture. The City should act on permitting recommendations from past improvement efforts, re-evaluate department funding structures for permit staff, and develop a strategy for supporting permitting software. Finally, we recommended that SDCI develop a standard process for performing and evaluating permit corrections.

SDCI generally concurred with the audit report's findings and recommendations.

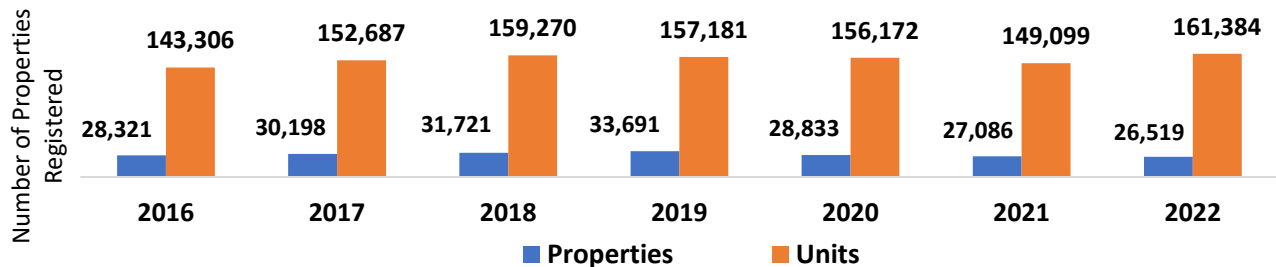
## Understanding Seattle's Housing Market Shift from Small to Large Rental Properties: A Rental Registration and Inspection Ordinance Program Audit

This audit was conducted in response to Seattle City Councilmembers Alex Pederson and Kshama Sawant’s request for our office to investigate the decline in the number of rental properties registered under the Rental Registration and Inspection Ordinance (RRIO) program and develop actionable recommendations to improve RRIO data collection, enforcement measures, and related policies and procedures. Given Seattle’s complex rental housing market—which includes decreasing RRIO registration renewals, housing affordability challenges, and an increase in large rental properties (with 21 or more units)—this audit provided insights and recommendations for improving the RRIO program. The audit’s findings also aimed to contribute to City policymakers’ understanding of Seattle’s changing rental housing market.

We discussed the following issues in the audit report:

Shift Toward Large Rental Properties: From 2016 to 2022, there was a decline in the number of small rental properties (single-family properties and multi-family properties with two to 20 units) registered with the RRIO program but an increase in the number of registered large rental properties (21 + units). This shift towards more registered large rental properties resulted in an increase in the number of available rental units in Seattle.

### **Exhibit: Trends in RRIO Active Rental Properties and Units (2016 – 2022)**



Source: Office of City Auditor analysis of RRIO program data as reported in SDCI annual reports.

RRIO Registrations Declined: The number of properties registered with RRIO declined from 2016 to 2022. We identified the following contributing factors to this decline: 1) At least 6,859 RRIO-registered properties were sold—87.5 percent of all known sales were properties with one to five units. 2) 768 demolition permits were issued for RRIO-registered properties, 92 percent of those permits were issued for RRIO rental properties with 20 or fewer units. 3) 143 (10 percent) of short-term rentals subject to RRIO did not have an active RRIO registration. 4) Among landlords we surveyed who said they stopped renting their property, 21 percent said they converted their rental property into a primary residence for themselves or a relative.

Strengthening the RRIO Program: We identified opportunities for SDCI to improve their data collection processes, enforcement efforts, information they provide to landlords, and their fee structure.

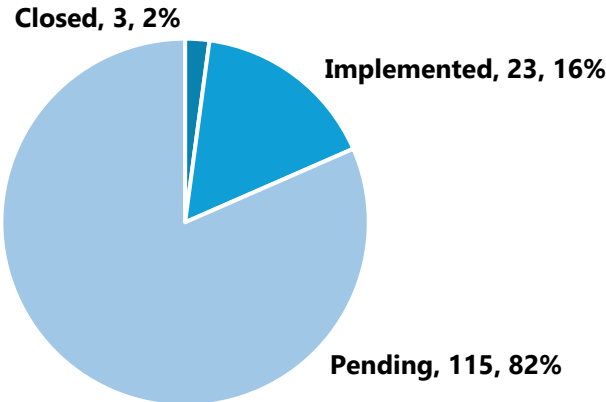
We made nine recommendations to improve the RRIO program. SDCI concurred with all the audit report’s findings and recommendations. The Seattle Office for Civil Rights (SOCR) concurred with the report, and the Seattle Department of Finance and Administrative Services (FAS) also accepted the report’s recommendations.



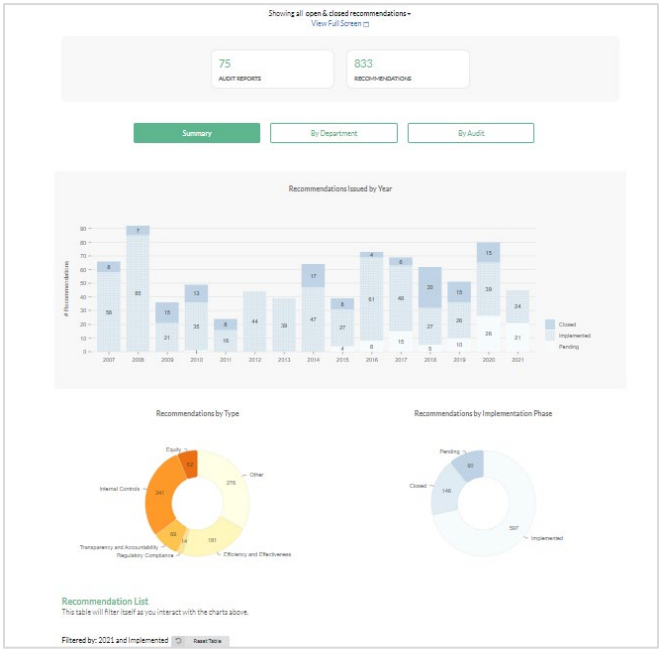
# Follow-Up on Recommendations

In 2023, we continued our annual practice of following up on open audit recommendations. As seen in the chart below, in 2023 departments implemented 16 percent of the 141 open recommendations made in our reports. Our 2023 status report and dashboard on departments' implementation of our audit recommendations will be published in Quarter 2 of 2024.

## Recommendation Status as of Dec. 31, 2023



Our interactive [dashboard](#) shows the status of our past reports' recommendations.



## Status Categories

**IMPLEMENTED:** We determined that the recommendation or the intent of the recommendation has been met, or we see significant progress has been made and no barrier to its full implementation.

**PENDING:** We determined that implementation is in process or is uncertain, and additional monitoring is warranted. We will follow up on these recommendations in the future.

- CLOSED:** We decide to close recommendations when either:
1. The recommendation is no longer relevant;
  2. Implementation is not feasible;
  3. The audited entity's management does not agree with the recommendation and is not planning to implement the recommendation; or
  4. The recommendation was considered by the City Council but not adopted. We will no longer follow up on these recommendations.

## Peer Reviews Conclude Our Office Meets Government Auditing Standards

The federal [Government Auditing Standards](#) require that our office undergo external peer review for compliance every three years. The Standards provide a framework for performing high-quality audit work with competence, integrity, and independence.

A team of experienced auditors independently selected by the Association of Local Government Auditors (ALGA) concluded that we complied with the Government Auditing Standards in the three-year period ending in 2021. This is the [fourth-consecutive ALGA peer review](#) the Office of City Auditor has passed since David Jones became City Auditor in 2009. The next review will occur in late 2024 or early 2025.

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## 2023 Published Reports

### Performance Audits

- [Understanding Seattle's Housing Market Shift from Small to Large Rental Properties: A Rental Registration and Inspection Ordinance Program Audit](#)
- [City's Construction Permitting Needs More Customer Focus and Consistency](#)
- [2022 Annual Surveillance Technology Usage Review](#)
- [Workforce Equity in Promotions Audit](#)
- [The City Can Do More to Tackle Organized Retail Crime in Seattle](#)

### Other Reports

- [Status Report on Implementation of Office of City Auditor Recommendations as of December 2022](#)
- [Gun Safe Storage Ordinance: Statistical Report on 2021 and 2022 Data](#)
- [Rainier Beach Campus Safety Continuum Final Report by George Mason University's Center for Evidence-Based Crime Policy](#)
- [Sweetened Beverage Tax \(Ordinance 125324\) Overall Evaluation Findings](#)
- [Sweetened Beverage Tax \(Ordinance 125324\) Two Year Report: Store Audits](#)
- [Sweetened Beverage Tax \(Ordinance 125324\) 24 Month Report: Child Cohort Examining Beverage Consumption](#)
- [Sweetened Beverage Tax \(Ordinance 125324\) Interim Report on Baseline Characteristics of Patient Populations of Adults and Youth Included in Seattle Sweetened Beverage Tax Body Mass Index \(BMI\) Study](#)
- [Association Between Seattle's Sweetened Beverage Tax and Change in BMI Among a Patient Population of Adults](#)
- [Association Between Seattle's Sweetened Beverage Tax and Change in Body Mass Index \(BMI\) Among a Patient Population of Youth](#)
- [Understanding Behavior Changes in the Seattle Shopping and Wellness \(SeaSAW\) Cohort Study: Qualitative Follow-Up Interviews](#)
- [Using Healthy Youth Survey Data to Assess Change in Sugar-Sweetened Beverage Consumption and Weight Status Among Adolescent Students](#)
- [Sweetened Beverage Tax \(Ordinance 125324\) 24 Month Report: Revenues](#)
- [Seattle's Secure Scheduling Ordinance 2022 Employer Implementation Report](#)



## 2023 Seattle Office of City Auditor Staff

David G. Jones, City Auditor  
 Miroslava Meza, Deputy City Auditor  
 Sarah Bland, Office Manager  
 Melissa Alderson, Assistant City Auditor  
 Claudia Gross Shader, Ph.D., Director of Research and Evaluation  
 IB Osuntoki, Assistant City Auditor  
 Andrew Scoggin, Assistant City Auditor  
 Marc Stepper, Utility Auditor Specialist  
 Nhi Tran, Assistant City Auditor



## Office of City Auditor Annual Work Program (as of April 1, 2024, and subject to change)

Projects	Source	Estimated Completion Date
1. Substance Use Disorder-Related Crime and Overdose Events	Request by former City Council President Juarez and Mayor Harrell	Q2 2024
2. Office of City Auditor 2023 Annual Recommendation Follow Up Report	City Council Request	Q2 2024
3. 2023 Annual Surveillance Technologies Review	<a href="#">Ordinance 125376</a>	Q3 2024
4. Crime Prevention Review	Request by City Council President Nelson and Mayor Harrell	Q3 2024
5. Crime Technologies	Request by City Council President Nelson and Mayor Harrell	Q3 2024
6. Parks District Capital Projects	Request by Parks District Board: Cycle 2 Funding Plan (Amendment 9)	Q4 2024
7. Utilities Audit	City Auditor Initiated	Q4 2024
8. Firearm-Related Hospitalizations and Deaths and Stolen Guns Statistical Report	<a href="#">Ordinance 125620</a>	Q4 2024
9. Quality Assurance Reviews of Office of Inspector General Investigations	Under the agreement between the City of Seattle and the Seattle Police Officers' Guild Appendix E – 3.29.125 (H), we review investigations the Office of Inspector General (OIG) performs when the Office of Police Accountability has a conflict of interest with an investigation and OIG must perform it.	As needed