



FINAL REPORT

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# City of Cupertino

## CITY-WIDE POLICY INVENTORY AND GAP ANALYSIS

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Moss Adams LLP  
999 Third Avenue, Suite 2800  
Seattle, WA 98104  
(206) 302-6500



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# I. BACKGROUND, SCOPE, AND METHODOLOGY

## A. BACKGROUND

The City of Cupertino (the City) requested that Moss Adams LLP (Moss Adams), as the City's internal auditor, perform an inventory of Citywide Administrative policies and procedures (P&Ps) and provide a gap analysis to determine whether gaps in coverage exist, and develop a prioritized P&P work plan to support the City in addressing identified gaps. The objectives of this project were to:

- Determine which Citywide departments are adequately covered by comprehensive and current P&Ps.
- Identify the gaps within each policy, including areas where:
  - There were no documented policies to support departmental functions
  - Existing policies that are outdated or in need of minor updates or additions, and;
  - Current internal control or gap coverage is missing key components.
- Prioritize policy gaps based on overall risk and develop an implementation plan to provide the City with recommendations for prioritizing and addressing identified policy gaps.

This engagement was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work or the information upon which our work is based. This report was developed based on our assessment of the City's departmental Administrative P&Ps we requested as of October 2023, however, some departments required additional time to provide all P&Ps and therefore, P&Ps were received up through June 2024. The procedures we performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.

## B. SCOPE AND METHODOLOGY

The scope of this project included Administrative P&Ps in each of the following City departments:

- Administrative Services
- City Manager's Office
- Community Development
- Innovation and Technology
- Law Enforcement
- Parks and Recreation
- Public Works
  - Capital Improvement Program

The scope does not include the City's finance and accounting functional areas, which were addressed in our report titled "Fiscal Policy Inventory and Gap Analysis" from May 2022. The scope also does not include City Council P&Ps and P&Ps adopted by Council Resolution, which are more legislative in nature compared to the in-scope Administrative P&Ps, which are more operationally



focused. Citywide Administrative P&Ps are reviewed and approved by the City Manager and department-specific P&Ps are reviewed and approved by the respective Department Head.

All Administrative P&Ps available as of October 2023 through June 2024 were provided to Moss Adams to assess as part of this project. Other P&P documents, informal process documentation, or guideline documents that are not approved formal P&Ps at the City level may exist; however, they were not included in this analysis and are therefore not included in the results presented in this report. The procedures performed included:

### **Citywide P&P Inventory**

- We worked with the City to determine that the following departments would be included in the scope of this project:
  - Administrative Services
  - City Manager's Office
  - Community Development
  - Innovation and Technology
  - Law Enforcement
  - Parks and Recreation
  - Public Works
    - Capital Improvement Program
- For each department, we performed the following:
  - Obtained all available P&P documents.
  - Documented a full inventory of existing P&Ps, including a summary of the coverage areas and age of each P&P.
  - Discussed the full inventory of results with the City to ensure that all P&Ps were provided and included in the inventory for each department listed above.

### **Citywide P&P Gap Analysis**

- We performed a full gap analysis of departmental P&Ps including:
  - Identifying potential gaps in coverage for the current departmental P&Ps.
  - Assessing the current departmental P&Ps for opportunities to improve the overall content and flow/structure, incorporate best practices, and improve internal controls, where possible, to provide effective resources for employees.
  - Summarizing the gaps identified for all policies within the gap analysis.
  - Categorizing the significance and extent of the identified gaps as follows: full gaps, major gaps, or minor gaps. Additionally, we identified policies that need to be reviewed for potential updates.



## Prioritized P&P Work Plan Development

Based on the results of the P&P inventory and gap analysis performed, we developed detailed recommendations, by department, for the City to use as a road map for developing, amending, or updating policies. We assigned a risk level (high, medium, or low), as described in the following table, and a recommended priority order by phase based on the risk level. We discussed the prioritized policies work plan with management, gathered input on the work plan, and made updates, as appropriate.

Gaps identified during the analysis were categorized as follows:

- **Full Gap:** Documented P&Ps do not exist for the area.
- **Major Gap:** Some P&P documentation exists; however, there are major gaps in overall coverage.
- **Minor Gap:** P&Ps cover most of the key areas but require some updating or additional coverage.
- **Update Needed:** The P&P needs to be reviewed for potential updates.

The assessed risk level, category descriptions, and recommended phases/timing for addressing the gaps and related recommendations are described in the following table. The risk levels were assigned based on our understanding of the City, insights gained from management, the inherent risk in each area, and the level and significance of gaps identified.

Assessed Risk Level	Category Description	Recommended Phase/Timing
High Risk	<ul style="list-style-type: none"> <li>• Area is inherently high risk</li> <li>• Gaps identified were either full gaps (i.e., no P&amp;P coverage) or major gaps</li> <li>• Area is a high priority for the City’s operations and structure</li> </ul>	Phase One (within 6 months of fiscal year end – June 2025)
Medium Risk	<ul style="list-style-type: none"> <li>• Area is inherently high or medium risk; however, a lack of documented P&amp;Ps may only represent a medium risk to the City</li> <li>• Gaps identified were either full gaps or major gaps</li> <li>• Area is a high priority for the City’s operations and structure</li> </ul>	Phase Two (within 12 months of fiscal year end – December 2025)
Low Risk	<ul style="list-style-type: none"> <li>• Area is inherently low risk</li> <li>• Gaps identified were either minor in significance or magnitude, or the area only needed review or updating</li> <li>• Area is a low priority for the City’s operations and structure</li> </ul>	Phase Three (within 18 months of fiscal year end – June 2026)



## II. OVERALL RESULTS

Throughout the P&P inventory and gap analysis, we found that the Citywide departments have a variety of P&P documents; however, they are not consistently utilized, structured, or based on standard templates Citywide.

The City does not have a defined Citywide P&P framework and, as a result, in many cases it was unclear what level of policy a document fell under or whether a P&P was a policy, memorandum, or standard operating procedure.

In addition, the City does not have a standard template/format and there does not appear to be a structure for ensuring all policies are supported by underlying procedures.

Utilizing a defined P&P framework with standard templates will help streamline the City's P&P resources. This framework can be used to define responsibilities at both the City Council and management level.

After completing the policy and procedure gap analysis for the Law Enforcement Department we were informed that given that they contract with Santa Clara Sheriff's Office the City's policies and procedures are not public record and could not be provided. As we were not able to review these policies, we recommend that the City assess whether the policies cover the topics detailed below. In the Prioritized P&P Work Plan, we have marked the Type of Gap, Associated Risk, and Recommended Priority Level columns as "N/A" as the City will need to perform this assessment.

The City can utilize the Prioritized P&P Work Plan, presented in the following section, to carry out their efforts in developing and updating their Citywide P&Ps. In addition to the following summary table, we have provided management with a detailed Prioritized P&P Work Plan, which includes all results from the inventory and gap analysis performed and detailed recommendations by area.



### III. PRIORITIZED P&P WORK PLAN

#### A. ADMINISTRATIVE SERVICES

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Vehicle Use Policy	Minor Gap	Medium	2
Anti-Bullying Policy and Signature Sheet	Update Needed	Low	3
Children in the Workplace Policy	Updated Needed	Low	3
Debt Management Policy	Update Needed	Low	3
Employee Events	Minor Gap	Low	3
Employee Service – Retirement Awards Policy	Minor Gap	Low	3
Hiring Retired Annuitants Policy	Update Needed	Low	3
Interim Parking Policy	Update Needed	Low	3
Rec Bucks Program Policy	Update Needed	Low	3
Reclass Policy	Update Needed	Low	3
Return to Work Policy	Update Needed	Low	3
Risk Management Policy	Update Needed	Low	3
Salary Admin Procedures	Update Needed	Low	3
Surety Deposit Policy	Update Needed	Low	3
Travel Policy	Update Needed	Low	3
Unclaimed Property	Update Needed	Low	3
Volunteer Intern Process Policy	Update Needed	Low	3

#### B. CITY MANAGER’S OFFICE

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Candidate Restriction on Campaign Activity	Minor Gap	Medium	2
Redaction Policy	Minor Gap	Medium	2



Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Social Media Policy	Minor Gap	Medium	2
Business Cards for Councilmembers, Commissioners, and Staff	Minor Gap	Low	3
City Hall Meeting Room Use Policy	Minor Gap	Low	3
Council Orientation Guidelines	Update Needed	Low	3
Employee and City Officer Restrictions - Political Activities	Update Needed	Low	3
News Media Contact Relations Policy	Update Needed	Low	3
Outgoing Mayor & Councilmember Gifts Policy	Update Needed	Low	3
Telephone Etiquette Policy	Minor Gap	Low	3

### C. COMMUNITY DEVELOPMENT

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
New Planning Employee Training Manual	Minor Gap	Medium	2
Comparison Matrix for Existing and New Construction	Minor Gap	Low	3
Plans Required to be Prepared	Minor Gap	Low	3
Protection of Wiring during Construction	Minor Gap	Low	3
Reinspection Fee Policy	Minor Gap	Low	3
Temporary Certificate of Occupancy Procedure	Minor Gap	Low	3
Survey Policy	No Gap	N/A	N/A

### D. INNOVATION AND TECHNOLOGY

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
City Channel Policies and Procedures	Update Needed	Medium	2
Intranet Policy	Update Needed	Medium	2





Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Photo Identification Policy	Update Needed	Medium	2
Technology Use Policy	Minor Gap	Medium	2
Email Retention Policy	Update Needed	Low	3
Electronic Communications Policy	Minor Gap	Low	3
Internet Access and Use Policy	Minor Gap	Low	3
MS Teams Governance	Update Needed	Low	3

## E. LAW ENFORCEMENT

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Arrest and Detention Policy and Procedures	N/A	N/A	N/A
Bias-Free Policing Policy and Procedures	N/A	N/A	N/A
Complaints and Discipline Policy and Procedures	N/A	N/A	N/A
Reporting and Accountability Policy and Procedures	N/A	N/A	N/A
Training and Professional Development Policy and Procedures	N/A	N/A	N/A
Use of Force Policy and Procedures	N/A	N/A	N/A

## F. PARKS AND RECREATION

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Cupertino Senior Center Internal Policies	Update Needed	Medium	2
Front Office Rental Policies and Procedures	Minor Gap	Medium	2
Sport Center Sign Policy	Update Needed	Medium	2
Community Special Events in Memorial Park Approved	Update Needed	Low	3



## G. PUBLIC WORKS

Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
Capital Improvement Program: Capital Improvement Policy	Major Gap	High	1
Paper Procurement Policy	Minor Gap	Medium	2
Polychlorinated biphenyls (PCB) Demo Management Policy	Minor Gap	Medium	2
Pool Vehicle Use	Minor Gap	Medium	2
Banner Policy	Update Needed	Low	3
Bicycle Commute Policy	Update Needed	Low	3
Building Exteriors and Bridge Maintenance	Update Needed	Low	3
Complete Street Policy	Update Needed	Low	3
Compost Site Operations	Update Needed	Low	3
Dark Traffic Signal Policy	Update Needed	Low	3
Dedication Requirement Policy	Update Needed	Low	3
Emergency Response	Update Needed	Low	3
Environmental Preferred Purchasing Policy	Update Needed	Low	3
Impervious Material in Parkstrip	Update Needed	Low	3
Integrated Pest Management Policy	Update Needed	Low	3
Key Policy	Update Needed	Low	3
Maint. Of City Medians	Update Needed	Low	3
Monitoring Wells Policy	Update Needed	Low	3
Opening/Closing City Parks	Update Needed	Low	3
Parkstrip Policy	Update Needed	Low	3
Public Works Confirmation Fee	Update Needed	Low	3
Record Keeping - Spraying Chem. Application Training	Update Needed	Low	3
Road Improvement Requirement Policy	Update Needed	Low	3



Policy Name	Type of Gap	Associated Risk	Recommended Priority Level
School Sites	Update Needed	Low	3
SOP Fleet 2000	Update Needed	Low	3
Steel Plate Requirements for Excavations in the Public ROW	Update Needed	Low	3
Stormwater Re-Inspection Fee	Update Needed	Low	3
Street and Easement Vacations	Update Needed	Low	3
Street Name Policy	Update Needed	Low	3
Street Lighting Systems	Update Needed	Low	3
Street Signs & Markings	Update Needed	Low	3
Street Tree maintenance	Update Needed	Low	3
Weekend Work Furlough Program	Update Needed	Low	3
Work Zone Traffic Control	Update Needed	Low	3



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