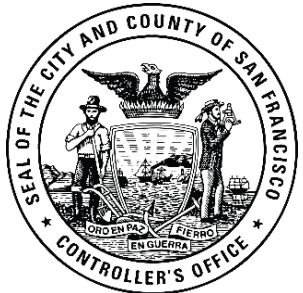




# City Services Auditor

## Fiscal Year 2024-2025 Work Plan Overview for CGOBOC



Office of the Controller

June 10, 2024

# City Services Auditor

1

The City Services Auditor (CSA) was created through Charter Appendix F in November 2003

2

CSA conducts financial, compliance and performance audits and investigations, and operates a whistleblower hotline

3

CSA also evaluates the quality and quantity of city services, provides public information and transparency, and measures and reports on the City's streets, parks, and sidewalks



# City Services Auditor Divisions

## Audits

- Conduct performance audits of City departments, contractors, and functions to improve efficiency and effectiveness of service delivery and business processes;
- Investigate complaints of fraud, waste, or abuse of city resources received through the whistleblower hotline and website;
- Provide actionable audit recommendations to City leaders to promote and enhance accountability & improve the overall performance and efficiency of City government.

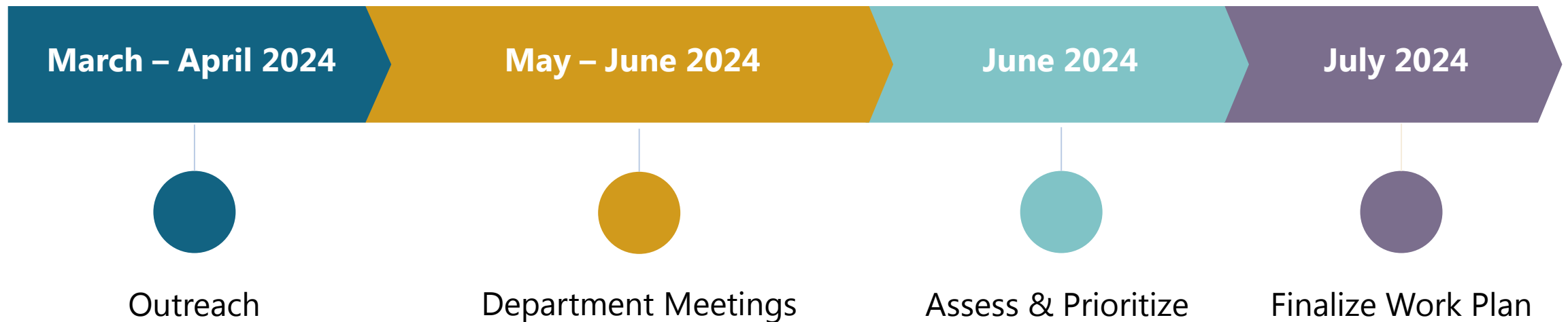
## City Performance

- Support City departments in making transparent, data-driven decisions;
- Guide City departments in aligning programming with resources for greater efficiency and impact;
- Provide City departments with tools they need to innovate, test, and learn.



# CSA Work Planning Process

- CSA's work plan is driven by Charter and Administrative Code requirements, limited risk analysis, and Mayor, Board, leadership, and department requests
- CSA compiles a list of potential projects and audits for the upcoming fiscal year based on budgets, mandates, & analysis
- CSA prioritizes projects and audits in consultation with the Controller, leadership, and departments, and considers risk
- Resource balancing allocates staffing and funding in light of priorities



# CSA Organizational Overview for Fiscal Year 2024-2025

## Budget

- CSA receives two-tenths of one percent (0.2%) of the City's budget by fund
- CSA's estimated FY24-25 budget includes:
  - Annual Operating Budget: \$28 million
  - Capital Budget: \$5.8 million – note: this varies by timing and size of bond issuances
- CSA's estimated largest work order budgets include General Fund departments (\$6.5M), Department of Public Health (\$6.0M), Municipal Transportation Agency (\$2.9M), Human Services Agency (\$2.3M), Airport (\$1.4M), Public Utilities Commission (\$1.9M), and Homelessness and Supportive Housing (\$1.0M)

## Staffing

- CSA has 77 FTE positions, including 40 in Audits and 37 in City Performance

# CSA Audits: FY24-25 Work Plan Highlights

- ✓ Risk-Based Approach Per Government Audit Standards
- ✓ Effectiveness, Efficiency, Economy, Ethics, Equity
- ✓ Multi-Disciplinary Team of Audit & Investigative Professionals



## Performance & Compliance



- Audits of Payroll, Contracts, Procurement, Inventory, Eligibility Programs
- Mandated, Divisional, Operational Audits and Assessments
- Audits of Nonprofits and Homelessness Programs & Activities
- Effectiveness, Efficiency, Economy, Equity, Leading Practices Audits

### FY24-25 Audits & Assessments:

- Citywide Audit of Single Room Occupancy Elevator Use/Access*
- Surveillance Technology Audit*
- Public Health Secondary Employment Audit*
- Nonprofit Audits: African American Arts & Culture Center, Urban Alchemy*
- Citywide Procurement Audits: Prop Q, P-Card, Gift Cards*

## Construction & GO Bonds



- Capital & Bond Expenditures Audits
- Contract and Project Close-out Audits
- Audits of Construction Internal Controls, including Change Orders, Project Management, Contract Compliance, Overhead Rates
- Leading Practices Audits

### FY24-25 Audits & Assessments:

- GO Bond Expenditure Audits: 2019 Affordable Housing, 2020 Health and Recovery, 2018 Seawall*
- Contract Close-Out Audits: AIR, PUC*
- Construction Project Close-out Audit*
- Construction Internal Controls Audit*
- Project Labor Agreement Assessment*

## Public Integrity






- Follow-up on Public Integrity Recommendations
- Internal Control Audits and Assessments on Contracting, and Grants, Ethics
- Public Integrity Tipline
- Public Integrity Investigations and Analyses in Collaboration with City Attorney & Other Departments

### FY24-25 Audits & Assessments:

- Implementation Status Follow-up Report*
- Assessment of ADM's Community Challenge Grant Program*
- Friends Of Audits: ACC, DPH, REC*
- Refuse Rate Analytical Assistance*
- Assistance in Ongoing Investigations*

# CSA Audits: FY24-25 Work Plan Highlights

## Risk-Based Approach Per Government Audit Standards *(continued)*

<h3>IT Systems &amp; Cybersecurity</h3> 	<h3>Whistleblower Investigations</h3> 	<h3>Other Activities</h3> 	<h3>Gov't Audit Standards</h3> 
<ul style="list-style-type: none"><li>• Ongoing Systems Security and Information Technology Controls Audits and Reviews, Pen Tests</li><li>• Vulnerability and Maturity Assessments, Assistance to COIT, DT, and Other Stakeholders</li></ul>	<ul style="list-style-type: none"><li>• Whistleblower Investigations</li><li>• Coordination with CAT, DAT, DHR, ETH, Departmental Liaisons</li><li>• Citywide Outreach and Education Activities</li><li>• National Fraud Webinars</li></ul>	<ul style="list-style-type: none"><li>• Recommendations Follow-up</li><li>• Risk Assessments &amp; Data Analytics</li><li>• Racial Equity Efforts</li><li>• Citywide Disaster Cost Recovery</li></ul>	<ul style="list-style-type: none"><li>• Objective, Independence, Integrity, Facts-Based</li><li>• Quality Assurance Policies &amp; Procedures</li><li>• Competence &amp; Continuing Professional Education</li><li>• Triennial Peer Review (2021, 2017, 2014, 2011)</li><li>• <a href="https://www.gao.gov/yellowbook">https://www.gao.gov/yellowbook</a></li></ul>

# City Performance – Ongoing Programs

## Performance Program

- [Performance Scorecards](#)
- [Citywide performance measurement reports to Mayor, Board, key stakeholders and the public](#)

## Maintenance Standards

- [Parks evaluations](#)
- [Streets and sidewalks evaluations](#)

## Our City Our Home Committee

- Ongoing OCOH Committee support
- [OCOH annual reporting on budget and performance metrics](#)

## Nonprofit Monitoring & Policy Program

- [Nonprofit fiscal and compliance monitoring program](#)
- Capacity building and technical assistance for nonprofits
- New programmatic monitoring program in development, to be launched November 2024
- Nonprofit policy initiatives such as fiscal sponsorship, indirect rates, cost of doing business
- Work with specific departments to enhance performance measures used in contracting to better show the impact of services delivered



# City Performance – Highlights by Key Service Areas

- **Public Health** – Continued process improvement support for hiring; building on analysis of previous work on behavioral health beds needs modeling and acquisition strategies; supporting overdose prevention data and performance metrics reporting; and projects to support effective management of revenues and expenditures.
- **Homelessness** – Assessment of the shelter system; assess health needs of permanent supportive housing clients and work with HSH and DPH teams to inform service design changes; public performance reporting improvements.
- **Transportation** – Analysis and tools of the onboard survey results to inform operational decisions; SFMTA/Fire coordination on street design processes; Vision Zero support.
- **Capital Projects & Permitting** – Tools to improve ongoing GO Bond scope, schedule, budget reporting; street improvement permit process mapping; permitting performance metrics development; projects to support improvement of capital delivery.
- **Public Safety** – Support hiring and planning efforts; conduct benchmarking and best practices research for new requirements; process improvement efforts.

# Questions?

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