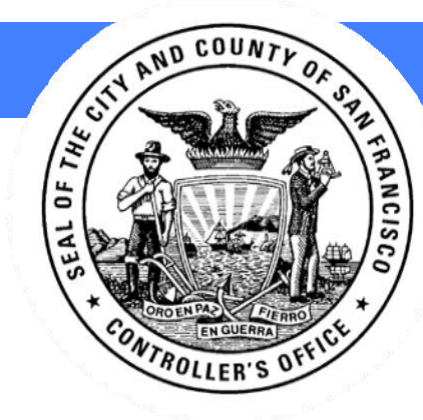


City Services Auditor Final FY 2022-23 Workplan

Overview for CGOBOC



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
City Services Auditor

Peg Stevenson | Mark de la Rosa

06.06.2022

Overview of CSA's Mandates

CSA was created through Charter Appendix F, which San Francisco voters approved in November 2003. Under the Charter, CSA is mandated to:

- Serve as the City's internal auditor by conducting financial and performance audits.
- Evaluate the quality and quantity of city services, compare, benchmark, and provide public information and transparency.
- Measure and report on the City's performance to standards for streets, parks, and sidewalks.
- Evaluate city management and employment practices.
- Oversee contracting procedures and RFP standards.
- Operate a whistleblower hotline and website and conduct investigations.

Audits

- City's internal auditor, operating under Charter, codes and GAGAS standards
- Performance and operational audits
- Financial and mandated audits
- Compliance audits: construction, information technology, key business processes
- Whistleblower program and investigations

City Performance

- City's Performance analysis and reporting function, operating under Charter and codes
- Standards, performance measures, benchmarking
- Citywide and interdepartmental projects
- Financial and operational analysis and implementation
- Technical assistance and professional contracting

Overview of CSA's Work Planning Process

- CSA's work plan is driven by
 - Charter and Administrative Code requirements
 - Limited risk analysis
 - 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
- Vacancies + ongoing COVID support will limit new work in the first half of the fiscal year

Overview for Fiscal Year 2022-23

CSA receives two-tenths of one percent (0.2%) of the City's budget by fund.

Funding

Preliminary Estimated Amounts:

- Annual Operating Budget: \$20.0M estimated
- Capital Budget: \$5.0M estimated (varies by timing and size of bond issuance)

Staffing

- Approximately 80 FTE staff
- Includes both City Audits and City Performance
- Vacancies and staff shortages are significant in City Performance – hiring underway

Fiscal Year 2022-23 Work Order Budgets: Large Departments

Department/Work Order	Amount
General Fund Departments	\$5.10 M
Department of Public Health	\$4.50 M
Municipal Transportation Agency	\$2.40 M
Human Services Agency	\$1.90 M
Airport	\$1.20 M
Public Utilities Commission	\$1.20 M
Homelessness and Supportive Housing	\$0.71 M

Ongoing City Performance Programs

7

Performance Program

- Performance Scorecards
- Citywide performance database reports to Mayor, Board, stakeholders and public
- New SF.GOV format for accessibility

Streets, Sidewalks, Parks

- Parks evaluations
- Streets evaluations – new sampling and data reporting underway

Nonprofit Program

- Nonprofit monitoring citywide
- Capacity building and technical assistance
- Policy work – focus on wage solutions

Data Academy and LEAN

- On hold: we hope to resume our citywide training programs in FY22-23 (analysis, visualization, statistics, LEAN process analysis and design)

Our City Our Home

- Ongoing OCOH Committee work
- Needs assessment

Fiscal Year 2022-23 Major Projects

- **Department of Public Health** – restructuring population health functions in the wake of COVID, implementing Mental Health SF, resuming work on improving patient flow in the system
- **Department of Homelessness and Supportive Housing** – support for expansion of the system of care – new supportive housing programs, systems, new shelter expansion
- **Municipal Transportation Agency** – contracting business process analysis, recruitment/hiring/training work
- **Human Services Agency** – financial management client programs, food security assessment, language capacity

Fiscal Year 2022-23 Major Projects

- **Public Safety** – DEM and SFPD call and dispatch analysis transition support, FIR/EMS staffing and system next phase analysis
- **Interdepartmental** – support to street response coordination – new mental health and social service teams, Tenderloin plan, other initiatives
- **Interdepartmental** – city permit center – intake analysis, data transparency and reporting
- **Citywide** – government recovery project – smoothing contracting, hiring and financial processing to catch up from COVID response

Highlights of CSA Audits' Work

10

Examples of Previous, Current & FY22-23 Work

Construction Audits



- GO Bond Expenditures Audits
- Construction Risk Assessment
- Project Labor Agreement Assessment
- Audits of Construction Internal Controls, including Close-Outs, Change Orders, Project Management, Compliance, Leading Practices

Performance & Compliance Audits



- Audits of Cash Collection, Payroll, Contract Compliance, Inventory, Procurement, Eligibility Programs
- Fire Department Inspections Program
- Divisional and Operational Audits, Assessments, Leading Practices
- Nonprofit Monitoring
- Surveillance Technology

Public Integrity Assessments



- Follow-up on Public Integrity Recommendations
- Audit of the City's Landfill Agreement
- SFPUC Assessment
- Public Integrity Tipline
- Internal Control Assessments of Contracting, Friends Of Organizations, Refuse Rates, Debarment Process, Department of Building Inspections (*completed*)

IT & Systems Audits



- Ongoing Systems Security and Information Technology Controls Audits and Reviews
- Maturity Assessments, Assistance to COIT and DT, and Other Cybersecurity Engagements

Whistleblower Investigations



- Ongoing Whistleblower Program Investigations
- Citywide Outreach and Education Activities
- Fraud Webinars

Other Activities



- Recommendations Follow-up
- Maintain Compliance with Government Auditing Standards
- Risk Assessments & Data Analytics
- *COVID-19 Citywide Disaster Cost Recovery*

CSA Audits: GO Bond Expenditure Audits

CSA Audits has completed 10 audits. Based on the results of all completed audits so far, the expenditures reviewed were spent in accordance with the ballot measures with sufficient documentation.

Active GO Bond Programs	Completed or Ongoing Audits
1. 2011 Road Repaving and Street Safety	Issued 7/25/16
2. 2010 Earthquake Safety & Emergency Response	Issued 7/12/16
3. 2008 SF General Hospital Improvement	Issued 3/16/17
4. 2012 Clean and Safe Neighborhood Parks	Issued 4/2/18
5. 2008 Clean and Safe Neighborhood Parks	Issued 6/4/18
6. 2014 Earthquake Safety & Emergency Response	Issued 9/27/18
7. 2014 Transportation and Road Improvement	Issued 2/27/19
8. 2015 Affordable Housing	Issued 7/30/19
9. 2016 Public Health & Safety	Issued 1/14/20
10. 2016 Affordable Housing	Issued 3/11/21
11. 2018 Seawall Safety Improvement	<i>Planned in FY22-23 (tracking expenditures)</i>
12. 2019 Affordable Housing	<i>Planned (TBD)</i>
13. 2020 Earthquake Safety & Emergency Response	<i>Planned (TBD)</i>
14. 2020 Health and Homelessness, Parks and Streets	<i>Planned (TBD)</i>

CSA Audits: Public Integrity Review

12

The Controller's Public Integrity Review, performed in consultation with the City Attorney, will continue to assess selected city policies and procedures to evaluate their adequacy in preventing abuse and fraud. Completed, current, and future assessments and reports address the following topics:

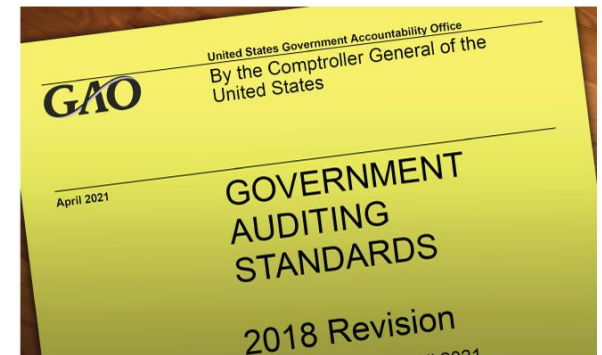
1. [San Francisco Public Works Contracting](#) (June 29, 2020)
2. [Gifts to Departments Through Non-City Organizations Lack Transparency and Create "Pay-to-Play" Risk](#) (September 24, 2020)
3. [San Francisco's Debarment Process](#) (November 5, 2020)
4. [Ethical Standards for Contract Award Processes of the Airport Commission and Other Commissions and Boards](#) (January 11, 2021)
5. [Refuse Rate-Setting Process Lacks Transparency and Timely Safeguards](#) (April 14, 2021)
6. [12-month Status on Public Integrity Recommendations](#) (August 4, 2021)
7. [Department of Building Inspection's Permitting and Inspections Processes](#) (September 16, 2021)
8. [SFPUC Community Benefit / Social Impact Partnership Program Audit](#) (December 9, 2021)
9. [Department of the Environment's Relationship with Recology and Lack of Compliance with Ethics Rules](#) (April 8, 2022)
10. [Refuse Rate-Setting Process - Update Based on Additional Reviews and Meetings with Recology](#) (May 16, 2022)
11. *Assessment of Recology's Landfill Disposal Agreement*
12. *San Francisco Public Utilities Commission's Contracting and Procurement Processes*
13. *Citywide Ethics Reporting*
14. *24-Month Status on Public Integrity Recommendations*

Additional reviews and assessments will be determined and performed as the City Attorney's investigation proceeds.

Controller's Public Integrity Tip Line has received 71 tips to date.

Generally Accepted Government Auditing Standards (GAGAS, aka “Yellow Book”)

- Objective, Independent, Integrity, Facts-Based
- Effective, Efficient, Economical, Ethical, Equitable
- High Quality; Quality Assurance Policies & Procedures
- Professional Judgment, Competence, Continuing Professional Education (CPE)
- [Triennial Peer Review](#) (2011, 2014, 2017, 2021)
- Performance Audit & Nonaudit Services
- <https://www.gao.gov/yellowbook>



Source: GAO file photo.

Thank you.

Questions?