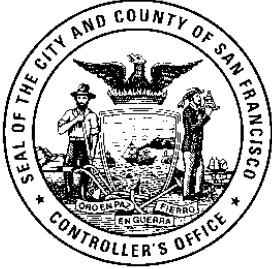


City Services Auditor Annual Work Plan

Fiscal Year 2018-19

The work plan highlights the division's accomplishments during fiscal year 2017-18 and describes audits, projects, and programs planned for fiscal year 2018-19, and is pending feedback from the Citizens Audit Review Board.



July 24, 2018

City & County of San Francisco
Office of the Controller
City Services Auditor

About the City Services Auditor

The City Services Auditor (CSA) was created in the Office of the Controller through an amendment to the Charter of the City and County of San Francisco (City) that voters approved in 2003. Charter Appendix F grants CSA broad authority to:

- Report on the level and effectiveness of San Francisco's public services and benchmark the City to other public agencies and jurisdictions.
- Conduct financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operate a whistleblower hotline and website and investigate reports of waste, fraud, and abuse of city resources.
- Ensure the financial integrity and improve the overall performance and efficiency of city government.

Throughout the fiscal year, CSA publishes its audit reports, performance reports, and technical assistance project summaries on the Controller's website. The public is invited to subscribe to CSA's reports, search the database of reports, and use publicly available financial and performance data on the CSA website.

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Our Organization

MISSION

The City Services Auditor (CSA) seeks to improve public service delivery and promote efficient, effective, and accountable government.

WORK

CSA performs many important services for city government. CSA's Audits Division provides an independent, risk-based assessment of the City's \$11 billion budget for its host of major public service offerings, infrastructure, suppliers, contractors and community-based organizations. Audits staff has expertise in capital project and contractor auditing, data analytics, investigations, evaluating network and system security, and auditing compliance with financial and operational requirements and leading practices. CSA's City Performance Division provides financial and operational analysis, process mapping, program evaluation, and other work to help city agencies improve public services. City Performance procures expert professional services where needed and manages technical and consultant contracts efficiently on behalf of other city departments.

GOALS

Audits Division

- 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 and improve the overall performance and efficiency of city government.

City Performance Division

- Support city departments in making transparent, data-driven decisions in policy development and operational management.
- Guide city departments in aligning programming with resources for greater efficiency and impact.
- Provide city departments with the tools they need to innovate, test, and learn.

RESOURCES

CSA is funded through a commitment of two-tenths of one percent of the City's annual budget. In fiscal year 2018-19 approximately \$19 million is budgeted for CSA's functions under this Charter requirement, plus an additional \$2 million from bond sales linked to multiyear capital programs. CSA has approximately 68 full-time equivalent staff, including auditors, performance analysts, project managers, and operations staff.

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Our 2017-18 Accomplishments

AUDITS DIVISION

In July 2017 CSA Audits passed the triennial peer review required U.S. Government Accountability Office with no findings based on an evaluation from the [Association of Local Government Auditors](#). This accomplishment validates the strength of CSA Audits' robust quality assurance program, its staff's independence, competence, professionalism, and diligence to ensure adherence to generally accepted government auditing standards.

CSA Audits continued to provide critical information to city leaders and promote best practices and accountability through best-in-class audit services by:

- ✓ Enhancing Transparency of Construction Projects and Capital Programs Citywide: Completed audits of the 2008 and [2012 Clean & Safe Parks](#) bond expenditures, pre-construction procedures for the 2014 Earthquake Safety and Sewer System Improvement bond programs, and construction contract close-outs at the Port of San Francisco (Port) and San Francisco Public Works (Public Works).
- ✓ Proactively Assessing Information Technology (IT) Systems and Computing Environments to Improve Cybersecurity and IT Governance: Conducted IT penetration tests, a meaningful use assessment regarding health information, and payment card security compliance services. Completed audits of [IT governance at the Sheriff's Department](#), San Francisco Municipal Transportation Agency (SFMTA), and San Francisco Public Library (Public Library).
- ✓ Recommending Measures to Strengthen Key Business Processes Through Risk-Based Audit Programs: Completed audits and assessments involving multiple departments on [cash transactions](#), contract compliance, nonprofit organizations that contract with the City, program eligibility, and procurement card transactions. With the July 2017 implementation of the City's new financial system, CSA Audits also provided audit-related services after go-live.

In February 2018 the California Society of Municipal Finance Officers awarded CSA Audits' Whistleblower Program the prestigious Innovation Award for its excellence in fraud hotline outreach and education. The program hosted four webinars on best practices for jurisdictions across North America.

The value of audit work is not only in the findings and conclusions reported, but also in the corrective actions implemented by departments to address audit recommendations. City departments implemented 98 percent of CSA Audits' recommendations within two years of when they were issued. Highlights of actions taken by departments in fiscal year 2017-18 include increased oversight of SFMTA's [cable car fare collection](#), the Sheriff's Department's request for a chief information officer position as part of budget deliberations, and implementation of improved procedures over general obligation bond expenditure documentation.

In addition to audit services, CSA Audits also successfully assisted city leaders and stakeholders by pre-auditing mutual aid reimbursement requests as part of the North Bay Fires response, assisting the [San Francisco Housing Authority](#) in identifying improvements to its financial management controls, and completing a benchmarking assessment on bond oversight best practices.

CITY PERFORMANCE DIVISION

For the third year in a row, the International City/County Management Association's Center for Performance Analytics awarded the City Performance Division the Certificate of Excellence, which recognizes local governments for demonstrating excellence in analysis, public transparency, training, and support to staff and decision makers. In fiscal year 2017-18 City Performance:

- ✓ Continued to manage the [Data Academy](#) to provide training in analytical software, information design, process analysis, and other quantitative tools for city staff. Over 25 city employees taught 61 workshops during the fiscal year, providing training to [1,171 attendees](#).
- ✓ Completed the development of numerous metrics and dashboards for the network of care delivery of the Department of Public Health (DPH), implementing 35 best practice metrics, training 60 DPH users as dashboard developers, and putting into place other processes and governance structures to support over 900 DPH Tableau data visualization users.
- ✓ The City Performance Lean Program taught nine half-day Lean 101 process improvement workshops to over 150 city staff and completed a Lean partnership with the Structural Maintenance Yard of the Recreation and Park Department to improve processes for capital projects blueprint review, repair work requests, and [layout and storage](#) at the Yard.
- ✓ Convened SFMTA staff to [improve the process](#) for responding to customer feedback and complaints about SFMTA employees, which make up approximately 60 percent of all feedback submitted to the agency. The cross-divisional project team created guidelines for processing feedback, key questions for SF311 call center operators taking complaints, and templates to make responding to the public quicker and easier.
- ✓ Supported the City's new Healthy Streets Operations Center, which coordinates the City's response to homeless encampments, drug use and sales on the streets, and street cleaning. City Performance analyzed weekly operational data to show results and facilitated discussions to develop process maps, plans, and performance measures for coordinated interventions used by multiple departments in prioritized zones of San Francisco.
- ✓ In May 2018 City Performance and the San Francisco Police Department (SFPD) completed a year-long effort to develop SFPD's first Community Policing Strategic Plan. The working group, composed of community members, service providers, SFPD sworn staff from all ranks and civilian personnel, and representatives of other city agencies, developed goals, objectives, and measurable outcomes to ensure that community policing values are integrated into all SFPD practices.
- ✓ City Performance also worked with the SFPD to conduct a [sector car patrol staffing analysis](#), measuring the amount of officer hours consumed by responding to calls for service. Setting standards for sector car workload will help determine how the SFPD does community policing and how many officers are needed to cover the City and respond to citizen needs.
- ✓ City Performance's Performance Program added [citywide benchmarking dashboards](#) to the San Francisco [Performance Scorecards](#) website and also worked with all city departments to revise performance measures to align with strategic goals for the [Mayor's budget book](#).

Our Plans for 2018-19



PUBLIC HEALTH & HUMAN SERVICES

San Francisco has a strong commitment to public health and human services and strives for the best, most effective delivery of health care and safety net programs. The City must continually work to match its public health services to changing demographics, conditions, funding, and mandates. CSA assists DPH, the Department of Homelessness and Supportive Housing (HOM), Human Services Agency (HSA), and others by providing analytical services, contracting assistance, audits, and support for departmental process and system improvements in high-priority areas. In fiscal year 2018-19 CSA will:

- Complete an audit of DPH's Environmental Health Division.
- Audit DPH's City Option Program to assess compliance with the Health Care Security Ordinance and evaluate program operations' effectiveness and efficiency.
- Audit homeless shelter operations to evaluate compliance with contract terms and assess operational effectiveness.
- Audit departments' protocols for monitoring nonprofit organizations' compliance and performance under city contracts.
- Based on risk assessment results, audit nonprofit organizations providing human services.
- Manage expert consultants who are helping DPH plan and implement managed care contracts and other strategies in the changing care environment.
- Work with DPH and HOM to support continuity of funding for "Whole Person Care," a five-year pilot program that allows providers to bill Medicaid for non-medical behavioral health, case management, and related services to homeless adults enrolled in Medicaid.
- Help HOM evaluate a redesign of how families access housing services.
- Continue analytical support for the Healthy Streets Operations Center, an interdepartmental problem-solving group to take in, triage, and respond to calls related to homelessness, tent encampments, and street conditions.
- Assist HSA to appropriately and securely share data with both HOM and the Office of Economic and Workforce Development, so that the City offers well-coordinated services to its clients.
- Develop a funding model to help the Office of Early Care and Education use new voter-approved funding to assist middle-income San Franciscans who struggle to afford childcare but do not qualify for existing subsidies.



TRANSPORTATION & STREETS

To improve responsiveness and efficiency, CSA provides transportation-related auditing and consulting services. In fiscal year 2018-19 CSA will:

- Work with SFMTA to improve customer satisfaction with the agency's public outreach process for small to medium-sized projects.
- Evaluate the operational, revenue, and customer service impacts of the cable car pre-payment program.
- Use Lean process improvement methods in a partnership with SFMTA's Human Resources unit on improving the transit operator hiring process.
- Work with Public Works to update and refine the methodology and standards that are used to evaluate the condition of the City's streets and sidewalks.
- Complete a performance audit of SFMTA's Capital Programs and Construction Division.
- Audit aspects of SFMTA's operations, including contracting, cash handling, workers' compensation, and eligibility programs.



INFRASTRUCTURE, CAPITAL, & FACILITIES

To promote fiscal sustainability, government efficiency, and interdepartmental collaboration, CSA provides audit, oversight, and technical assistance services related to the City's capital improvement programs and bond expenditures. In fiscal year 2018-19 CSA will:

- Continue work to improve permitting and other customer processes and performed by the 12 city departments and divisions moving into the new municipal building under construction at 49 South Van Ness Avenue. The majority of the City's "brick and mortar" permitting services will be consolidated at this site.
- Develop the annual General Obligation Bond Program report, which provides a high-level overview of the scope, schedule, and budget status of the City's nine active general obligation bond programs in the City's \$3.5 billion general obligation bond portfolio.
- Support the City's effort to move departments and inmates out of the seismically-deficient Hall of Justice as soon as possible.
- Develop standard information and data visualizations of the City's real estate portfolio to inform decision-making related to space planning and capital asset management.
- Partner City Performance's Lean Program with Public Works' Bureau of Building Repair to improve the layout of the Bureau's shops and yard through better inventory control, shorter dispatch times, and freed-up physical storage space.
- Audit general obligation bond expenditures from the 2014 Earthquake Safety and Emergency Response, 2014 Transportation and Road Repaving, and 2015 Affordable Housing bond programs.
- Audit construction contract close-out and capital bond program close-out procedures.

- Assess the effectiveness and efficiency of the Real Estate Services Division of the San Francisco Public Utilities Commission.
- Audit various inspection programs, including at the Department of Building Inspection and Planning Department.



PROCUREMENT & CONTRACT OVERSIGHT

To improve government efficiency and responsiveness and promote affordability, CSA performs work on the City's contracting and procurement efforts. In fiscal year 2018-19

CSA will:

- Work with the staffs of the Controller and Office of Contract Administration to maximize the efficiency and reporting of—and document best practices and procedures for—the contracting and procurement tools in the City's new financial system.
- Analyze the potential adoption of the City's DocuSign agreement across a larger array of city departments to further streamline the signature process.
- Administer a competitive solicitation (request for qualifications) to procure technical assistance for nonprofit organizations that contract with the City.
- Continue implementing the purchase card (P-card) continuous audit program and develop the procure-to-pay continuous audit program.
- Audit the information technology procurement process and contracting practices of the Public Library.



PUBLIC SAFETY

To ensure government efficiency and effective collaboration with public safety agencies, CSA has done a variety of work. In fiscal year 2018-19 CSA will:

- Develop business intelligence dashboards to enable SFPD management to better understand trends in officer workload, utilization, and response times. Consistent data and analyses in these areas will better inform SFPD's budgeting, staffing and deployment decisions.
- Continue to support efforts to safely reduce the City's jail population.
- Continue working with SFPD to build the capacity of its Crime Data Warehouse to manage traffic collision reports and provide analysis for the City's Vision Zero goals of reducing and eventually eliminating pedestrian deaths and injuries
- Participate on a task force on strategic police staffing.
- Provide audit-related services to SFPD and the Department of Police Accountability, including auditing SFPD's use-of-force data.
- Audit staffing practices at the Sheriff's Department, including assessing what drives overtime.



INFORMATION TECHNOLOGY & CYBERSECURITY

CSA continues to assist departments in minimizing security breaches and risks to city systems and applications and helps to develop solutions to the City's information technology needs. To further improve the City's information technology structure, in fiscal year 2018-19 CSA will:

- Continue to conduct thorough network vulnerability and penetration tests to determine the effectiveness of departments' security measures.
- Continuously collaborate with the Department of Technology to address important cybersecurity issues, share insights on and mitigate emerging threats and vulnerabilities, and ensure compliance with cybersecurity frameworks and regulations.
- Audit and review work to ensure that departments align with the Committee on Information Technology's governance, risk, and compliance policies.
- Continue to provide post-implementation audit services related to the City's new financial system.



PERFORMANCE PROGRAM

To enhance government responsiveness, City Performance's Performance Program continues to improve the City's performance reporting programs and products. In fiscal year 2018-19 CSA will:

- Create and facilitate a process with key stakeholders to discuss and address city performance, using the Performance Scorecards results to focus attention on improving low-performing measures and to ensure measures are relevant, timely, and cover key city services and processes.
- Continue to work with city departments to collect performance data, revise measures as needed, and publish results on the Performance Scorecards website and in the Annual Performance Measurement Report and Mayor's budget book.
- Update the benchmarking dashboards on the Performance Scorecards website with the most recent annual data and develop new benchmarking results for selected policy areas.
- Administer and publish the 2019 City Survey. The bi-annual survey collects and analyzes citizen opinion on the quality and effectiveness of San Francisco's public services.



WHISTLEBLOWER PROGRAM

To promote government efficiency, responsiveness, and interdepartmental collaboration, CSA operates the Charter-mandated Whistleblower Program. In fiscal year 2018-19 CSA will continue to provide:

- A best-in-class Whistleblower Program that effectively resolves complaints to support government efficiencies.
- Hotline webinars that promote innovative operational leading practices.
- Resources and training materials that educate employees and the public about fraud prevention and other matters related to the Whistleblower Program.

MAJOR PLANNED PROJECTS & AUDITS

Listed below is a variety of the audits and projects planned for fiscal year 2018-19. CSA's complete work plan includes many other smaller initiatives and continuous programs. Additional detail is available upon request.

Department	Project or Audit Title
Airport	Inventory Audit
Citywide	Audit Follow-up Program
Citywide	Benchmarking Dashboards
Citywide	City Survey 2019
Citywide	Crime Data Warehouse Collision Reporting – Phase II
Citywide	Data Academy
Citywide	Data Reliability Risk Assessment
Citywide	Development Impact Fees Collection and Distribution Assessment
Citywide	Disaster Preparedness Policy Compliance Review
Citywide	Emergency Cost Recovery Program
Citywide	Enterprise Risk Assessment Program
Citywide	Financial System Project – Audit & Technical Assistance Services
Citywide	Inspection Programs Audit (Multiple Departments)
Citywide	IT and Cybersecurity Audit Program
Citywide	IT Cybersecurity Risk Assessment
Citywide	Lean Program
Citywide	Management Employment Practices Program
Citywide	Network Architecture and Security Review
Citywide	Nonprofit Contract Monitoring Audit
Citywide	Nonprofit Monitoring and Capacity Building Program
Citywide	P-Card Usage Continuous Audit Program
Citywide	Performance Program
Citywide	Permit Center Implementation
Citywide	Procure-to-Pay Continuous Audit Program
Citywide	Response to Street Homelessness
Citywide	Whistleblower Program
Health Service System	Lean Partnership
Homelessness & Supportive Housing	Nonprofit Compliance and Operations Audit
Homelessness & Supportive Housing	Shelter Operations Audit
Human Services	County Adult Assistance Programs Time and Motion Study

Department	Project or Audit Title
Human Services	Early Learning Scholarship Moderate Income Pilot Analysis
Human Services	Elderly Residential Care (RCFE) Options
Human Services	Eligibility Audit of Early Care & Education Programs
Mayor	Eligibility Audit of Below Market Rate Housing Program
Municipal Transportation	Cable Car Pre-payment Program Evaluation
Municipal Transportation	Capital Program and Construction Division Audit
Municipal Transportation	Community Service Program Audit
Municipal Transportation	Transit Economic Benefit Indicator
Municipal Transportation	Transit Operator Hiring Lean Partnership
Police	Audit Assistance
Police	Staffing Management Dashboards
Police Accountability	Audit Assistance
Port	Dashboards for Operational Management Decision-Making
Public Health	City Option Program Operations Audit
Public Health	Implementation of SharePoint for Contract Tracking and Workflows
Public Health	Managed Care Strategy and Contracting
Public Health	UCSF Compliance/Separation of Funds Audit
Public Health	Whole Person Care Financial Sustainability Support
Public Library	Alignment of Patron Data Collection
Public Library	IT Procurement and Inventory Audit
Public Utilities	Agency-wide Community Impact Dashboard
Public Utilities	Real Estate Division Audit
Public Works	Lean Partnership With Bureau of Building Repair
Public Works	Street and Sidewalk Maintenance Standards
Recreation and Park	Park Maintenance Standards
Sheriff	Staffing Audit