



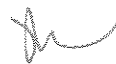
CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF THE CONTROLLER

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

## MEMORANDUM

TO: Citizens General Obligation Bond Oversight Committee

FROM: Tonia Lediju, Director of City Audits  
City Services Auditor Division 

DATE: January 12, 2015

SUBJECT: CSA Audits Activity Update

The following are highlights of the City Services Auditor Division (CSA) Audits Unit's activity during November 13, 2014, through January 12, 2015.

Date Issued	Report
1/6/2015	<i>Citywide Contract Compliance Audits: Combined Report, Fiscal Years 2011-12 and 2012-13</i>  The majority of audits concluded that selected contractors generally complied with contract terms and conditions; however, city departments can strengthen their contract administration and oversight. The ten audit reports include a total of 43 findings and 87 recommendations. The overarching finding in this report summarizes the need for the seven departments audited to either develop or improve contract administration and monitoring policies and procedures.
12/16/2014	<i>Whistleblower Fiscal Year 2014-15 Quarter 1 Report</i>  During July through September 2015 (Quarter 1), 80 complaints were filed with the Whistleblower Program, which had 64 open complaints as of July 1, 2014. The Whistleblower Program closed 88 complaints in the quarter, leaving 56 complaints open on October 1, 2014.

Date Issued	Report
12/11/2014	<p><i>Recreation and Park Department: The Department Adequately Oversaw the Close-out of the Mission Clubhouse and Playground Renovation Project but Did Not Always Follow the Contract's Close-out Procedures</i></p> <p>The Recreation and Park Department (Rec and Park) generally complied with required close-out provisions in its contract with D.F.P.F. Corporation, doing business as Fine Line Construction, for the Mission Clubhouse and Playground Renovation project. However, Rec and Park did not adhere to all contract close-out provisions.</p>
11/26/2014	<p><i>Police Department: The Department Needs to Make Major Improvements to Its Payroll Process</i></p> <p>The payroll operations and the administration of overtime compensation and various premium pays at the Police Department need major improvement to reduce risks related to the payroll process, such as input errors that result in incorrect payments to employees.</p>
11/17/2014	<p><i>San Francisco Municipal Transportation Agency: The Central Subway Project's Cost Reporting Practices Have Improved</i></p> <p>The Central Subway Project (CSP) is required to submit to the Federal Transit Administration (FTA) monthly progress reports detailing costs, schedules, and other project-related information, such as staffing levels and safety and security issues. However, past cost reporting errors and the failed implementation of a capital program control system raised concerns about the accuracy and adequacy of those reports and the use of federal funds by the San Francisco Municipal Transportation Agency (SFMTA).</p> <p>The audit found that, despite the various challenges faced by the CSP with respect to reporting project costs to FTA, current reported costs are supported by reliable source data and past variances have been resolved and accepted by FTA.</p>

Date Issued	Report
11/13/2014	<p data-bbox="430 275 1403 415"><i>San Francisco Municipal Transportation Agency: Parking Meter Collections and Citation Fines Equal 96 Percent of Expected Parking Meter Revenue, Excluding \$31.1 Million in Forgone Revenue Given Various Legal Exemptions</i></p> <p data-bbox="430 457 1403 896">In fiscal year 2012-13 SFMTA collected parking meter revenue of \$54.6 million and issued citation fines of \$23.2 million, totaling \$77.8 million, which was 96 percent of the \$81.0 million of expected parking meter revenue. However, had occupied city meters been fully paid during the meters' operational hours, the meters would have generated \$112.1 million in parking meter revenue. SFMTA only collected \$54.6 million, resulting in \$57.5 million of potential parking meter revenue that was not collected. Various nonpayment circumstances impacted SFMTA's ability to collect parking meter revenue, including the widespread use in San Francisco of disabled parking placards, which accounted for an estimated \$22.7 million in nonpayment and 20 percent of occupied on-street parking meters in fiscal year 2012-13.</p>