



DENNIS J. HERRERA
City Attorney

KENNETH D. ROUX
Deputy City Attorney

TO: Chair, Citizens' General Obligation Bond Oversight Committee
 FROM: Kenneth D. Roux
 Deputy City Attorney
 DATE: September __, 2014
 RE: Committee Mandated Responsibilities

You have asked the Office of the City Attorney to summarize this body's mandated responsibilities when sitting as the Citizens' General Obligation Bond Oversight Committee ("GOBOC" or the "Committee") or as the Citizens' Audit Review Board (the "Audit Review Board") and to advise on how to fulfill its obligations when sitting as the Audit Review Board.

1. GOBOC

On March 5, 2002, the voters of the City and County of San Francisco (the "City") passed Proposition F, which amended the City's Administrative Code to establish the Committee. The Committee was established to "inform the public concerning the expenditure of general obligation bond proceeds. The committee shall actively review and report on the expenditure of taxpayers' money in accordance with the voter authorization. The committee shall convene to provide oversight for: (1) ensuring that bond revenues are expended only in accordance with the ballot measure, and (2) ensuring that no funds are used for any administrative salaries or other general governmental operating expenses, unless specifically authorized in the ballot measure for such bonds."¹

Administrative Code Section 5.31(b) lists a set of permissive activities the Committee may undertake in furtherance of this purpose but Proposition F established only one mandate for the Committee:

- "The committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year."²

2. Audit Review Board

The voters passed Proposition C on November 4, 2003, which added Appendix F to the Charter and amended Charter Section 3.105 to designate the Controller as City Services Auditor.³ Proposition C also designated GOBOC to serve as the Citizens' Audit Review Board.

¹ Administrative Code Section 5.31(a).

² Administrative Code Section 5.32(b). Section 5.32(b) also requires the Committee to make available on the Board's website Committee meeting minutes, and all documents received and all reports issued by the Committee.

³ Charter Section 3.105(c) ("The Controller shall also serve as City Services Auditor for the City and County. As City Services Auditor, the Controller shall be responsible for monitoring the level and effectiveness of services rendered by the City to its residents, as set forth in Appendix F to this Charter.")

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Proposition C provides that “[i]n addition to its duties under Article V of Chapter 5 of the Administrative Code, the Citizens' General Obligation Bond Oversight Committee shall serve as a Citizens Audit Review Board. In its role as the Review Board, the Oversight Committee shall provide advisory input to the Controller on matters pertaining to the functions set forth in this Appendix[.]”⁴

Proposition C establishes three mandates for the Audit Review Board:

- “Review the Controller's service standards and benchmarks to ensure their accuracy and usefulness;”⁵
- “Review all audits to ensure that they meet the requirements set forth [in Appendix F];”⁶ and
- “... [R]eview citizen and employee complaints received through the whistleblower/complaint hotline and website and the Controller's disposition of those complaints[.]”⁷

Service Standards and Benchmarks: Pursuant to Charter Section F1.101, the Services Audit Unit of the Controller’s Office develops service standards and benchmarks in consultation with the various City departments delivering services to the public. In order to fulfill its duties under Charter Section F1.111, the Committee or its designee should review the current status of these standards and benchmarks each time the Services Audit Unit compiles and publicizes the results of its examinations. The Citywide Performance Measure Report is issued annually after the close of the fiscal year and would be an appropriate trigger for the Committee’s review work under this mandate. [Peg: this is done annually, correct? Has the Committee liason seen or reviewed these?] Upon receipt of such results, the Committee or its designee should review such standards and benchmarks to ensure their accuracy and usefulness to the citizens of the City, and should transmit its feedback to the Services Audit Unit for incorporation into the service evaluation process. In addition, the Committee should provide notice to the public of the results of its review.

Review of Audits: Upon publication of final performance audits by the Controller pursuant to Charter Section F1.105, the Committee or its designee should review each such audit report to ensure that it meets applicable requirements. Performance audits are issued on the Controller’s website and provided directly to the Committee several times a year. [Peg: same questions as above.] The Committee may, but is not required to, conduct a public hearing regarding any audit report under review.

⁴ Charter Section F.111.

⁵ Charter Section F.111(1).

⁶ Charter Section F.111(2).

⁷ Charter Section F.111(3). Charter Section F111.1(4) also provides that the Audit Review Board “[w]here it deems appropriate, [may] hold public hearings regarding the results of benchmark studies and audits to encourage the adoption of “best practices” consistent with the conclusions of the studies and audits. An audio or video recording of such hearings shall be made available for public inspection free of charge.”

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Review of Whistleblower Complaints: The Committee should review citizen and employee complaints received by the Controller and their disposition by the Controller pursuant to the authority granted in Charter Section F1.107. In order to perform this review, the Committee should consult with the Controller to develop the most efficient methods of presenting such information for the Committee's review. The method of presenting such information shall ensure the complainants' confidentiality, as the City Attorney deems required under applicable laws and ordinances of the City. In addition, the Committee's review shall in no event compromise the confidentiality of complaints alleging conduct that may constitute a violation of a criminal law or a governmental ethics law which are referred by the Controller to the District Attorney, the City Attorney or the Ethics Commission

Please contact me directly with any questions or comments.