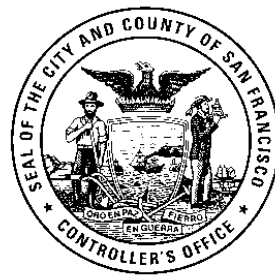
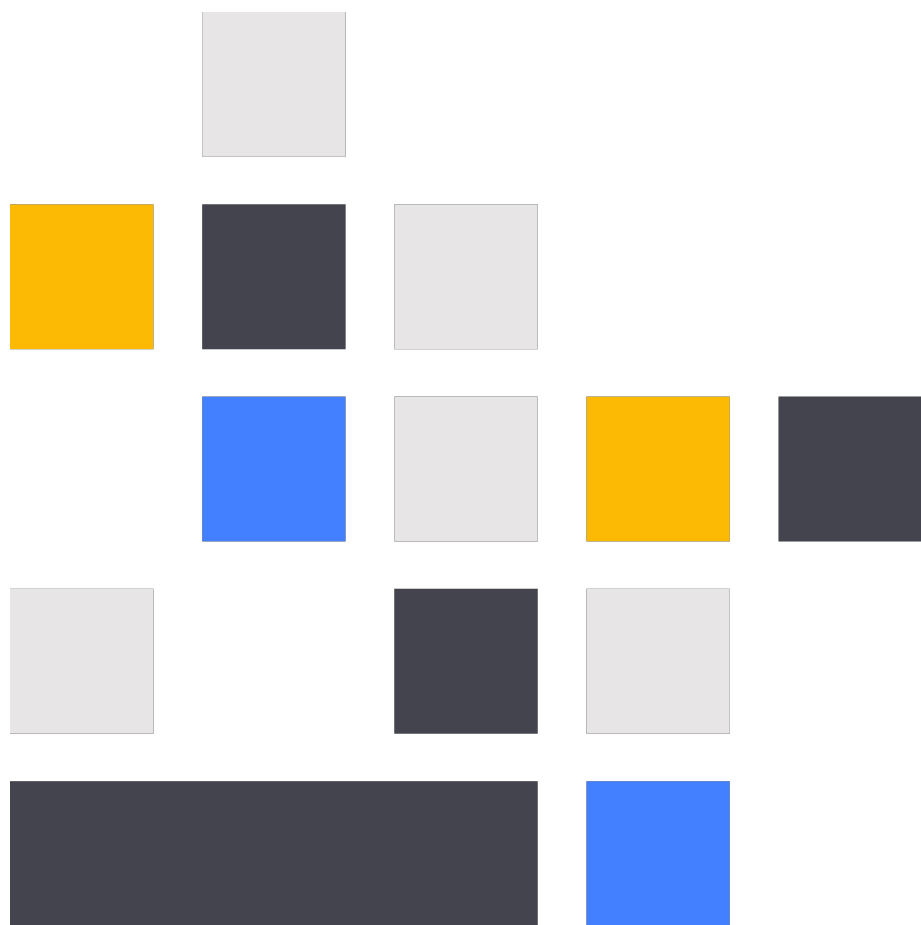


City Services Auditor Annual Work Plan

Fiscal Year 2019-20

The work plan highlights the division's accomplishments during fiscal year 2018-19 and describes audits, projects, and programs planned for fiscal year 2019-20.



July 2, 2019

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

About the Office of the Controller

The Office of the Controller works to ensure the City's financial integrity and to promote efficient, effective, and accountable government. The Controller's Office strives to be a model for good government and to make the City a better place to live and work.

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.

The Citizen's General Obligation Bond Oversight Committee has and will provide input on the CSA annual work plan, which is subject to refinement and change throughout the year.

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 [@sfcontroller](https://twitter.com/sfcontroller)

Our Organization

MISSION

The City Services Auditor (CSA), part of the Office of Controller, 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 \$12 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 2019-20 approximately \$20 million is budgeted for CSA's functions under this Charter requirement, plus an additional \$3 million from bond sales linked to multiyear capital programs. CSA has approximately 70 full-time equivalent staff, including auditors, performance analysts, project managers, and operations staff.

Table of Contents

Our Organization.....	1
Mission.....	1
Work	1
Goals	1
Audits Division	1
City Performance Division	1
Resources.....	1
Table of Contents.....	2
Our 2018-19 Accomplishments	3
Audits Divison	3
City Performance Division	5
Our Plans for 2019-20.....	6
Public Health & Human Services	6
Transportation & Streets	6
Infrastructure, Capital & Facilities	7
Procurement & contract Oversight	7
Public Safety	8
Information Technology & Cybersecurity.....	8
Performance Program	9
Whistleblower Program.....	10
Major Planned Projects & Audits.....	11

Our 2018-19 Accomplishments

AUDITS DIVISION

In fiscal year 2018-19 the Audits Division continued to provide high quality, impactful services to its audit stakeholders. The division maintained a high client satisfaction rate, while continuing to be recognized as a leader in the auditing field, with staff presenting at numerous local, regional, and national conferences and trainings on topics including performance and construction auditing, finance, whistleblower investigations, and information technology and cybersecurity.

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

- ✓ **Recommending Measures to Strengthen Key Business Processes and Internal Control Environments Through Risk-Based Audit Programs:** Completed audits and assessments involving multiple departments on cash transactions, including cash collections on cable cars, nonprofit organizations that contract with the City, program eligibility, inventory, and procurement card transactions. The division also continued implementing continuous audit programs to help identify high-risk areas and test controls in the City's new financial system.
- ✓ **Proactively Assessing Information Technology (IT) Systems and Computing Environments to Improve Cybersecurity and IT Governance:** Conducted high-impact information security initiatives that went beyond traditional IT general controls auditing—including penetration tests and vulnerability assessments of critical systems—and proactively assessed the City's cybersecurity efforts to ensure the City invests in appropriate safeguards from wide-ranging attacks. Evaluated the City's efforts to ensure the confidentiality, integrity, and availability of sensitive data and adherence to the Committee on Information Technology (COIT) policies and standards. The division continues to partner with the Department of Technology, the City's chief information security officer, and departments' information security professionals to ensure that high-risk issues identified through our work are remediated appropriately and in a timely manner.
- ✓ **Enhancing Transparency of Construction Projects and Capital Programs Citywide:** Completed audits of the 2014 Earthquake Safety and Emergency Response and 2014 Transportation and Road Improvement bond programs, issued recommendations for implementing leading practices in citywide facilities maintenance practices, and provided workshops to city staff responsible for various aspects of capital projects on lessons learned from audits of bond programs, construction safety, contracting for construction services, change management, and project management.
- ✓ **Recommending Measures to Improve Effectiveness, Efficiency, and Economy of Departmental Operations:** Made recommendations to more efficiently use city vehicles and minimize the environmental impact of the City's fleet management, to shorten response times and provide better information through 311, to strengthen the ethical climate and improve the timeliness of

inspections by the Department of Public Health (PUBLIC HEALTH) Environmental Health Branch, and to improve administrative and staffing operations while reducing overtime and risk of officer fatigue at the San Francisco Sheriff's Department.

- ✓ **Ensuring Accountability Through Investigations of Fraud, Waste, and Abuse of City Resources:**
The Audits Division's Whistleblower Program is a multidisciplinary team that collectively possesses the experience and expertise to address the diverse range of allegations. The Whistleblower team investigated and closed 251 reports, resulting in over 100 corrective and preventative actions.

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 the audit recommendations. City departments implemented 98 percent of the Audits Division's recommendations within two years of when they were issued. In addition to its audit services, the division also successfully assisted city leaders and stakeholders by pre-auditing mutual aid reimbursement requests as part of the Camp Fire response and hosted two webinars on issues related to fraud hotline operations and investigations.

CITY PERFORMANCE DIVISION

For the fourth 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 2018-19 City Performance:

- ✓ Issued the 2019 biennial [City Survey](#) assessing residents' use of and satisfaction with city services they experience every day: streets, parks, Muni, and libraries. The survey asks about residents' perceptions on topics such as safety, street conditions, and homelessness. New interactive dashboards on the City Survey website allow users to explore and understand the data.
- ✓ The Performance Program continued to update the San Francisco [Performance Scorecards](#) website, including the [citywide benchmarking dashboards](#). The program published biannual performance reporting for all departments in the [fiscal year 2017-18 annual performance measure report](#) and the fiscal years 2019-20 and 2020-21 [Mayor's budget book](#).
- ✓ [Reported on the impact](#) of the City's **Healthy Streets Operations Center**, which coordinates the City's multi-agency response to homeless encampments, people in distress, drug use and sales on the streets, and related street conditions. We supported city teams to develop new tracking methods and analyzed weekly data to show results from the City's efforts to make street responses and interventions more consistent, thoughtful, and service-based.
- ✓ Added new courses and continued to grow the [Data Academy](#) to provide training in analytical software, information design, process analysis, and other tools for city staff. Over 25 city employees taught 78 workshops during the fiscal year, providing training to 1,415 attendees.
- ✓ The [City Performance Lean Program](#) coached staff from 16 departments to complete 27 improvement projects in two Lean Leaders cohorts. Staff worked with human resources divisions at the Public Library and the Public Utilities Commission to reduce time-to-hire, trained over 150 city employees in Lean 101, and launched a new Lean for Executives training.
- ✓ Launched a [Parks Scores Dashboard](#) with interactive visualization of quarterly park maintenance scores, including highest- and lowest-scoring parks, how scores have changed over time, and details about individual parks.
- ✓ Provided critical project management, process improvement, and analytical support to the effort to open a new **One-Stop Permit Center** in summer 2020 at the City's new office building at 49 South Van Ness Avenue. The center will bring together approximately 16 departments and streamline permitting services for a more efficient and customer-friendly experience.
- ✓ Completed oversight of a three-year health consultant contract that provided **Public Health** with strategic analyses and recommendations to succeed in the managed care environment. This included assessing Public Health's capabilities for contract expansion, the financial impact of commercial contracting, the division of financial responsibilities and capitation revenue splits with the San Francisco Health Plan, the requirements of a state license to more broadly participate in insurance plans, and an optimization of in-network transgender surgeries.

Our Plans for 2019-20



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 Public Health, the Department of Homelessness and Supportive Housing, Human Services Agency, and others by providing analytical services, contracting assistance, audits, and support for departmental process and system improvements in high-priority areas. In fiscal year 2019-20 CSA will:

- Work with Public Health to improve measurement of behavioral health services provided by city clinics, nonprofit community providers and others. The City needs common names, units of service definitions, a population health analysis and related metrics to better understand and drive toward improving service offerings and outcomes in behavioral health (mental health and substance abuse).
- Audit Public Health's City Option Program.
- Audit shelter operations to evaluate compliance with contract terms and assess operational effectiveness.
- Audit nonprofit organizations' compliance and performance under city contracts.
- Coordinate a process with Public Health emergency medical services, the Fire Department, and private ambulance providers to focus on two critical metrics in cardiac care, understand the system and how we can improve tracking and patient outcomes.
- Continue analytical support for the Healthy Streets Operations Center—a joint command approach to responding to calls on homelessness and related street conditions. Our work is key to the City's goals of improving effectiveness of interventions and client outcomes.
- With the Department of Homelessness and Supportive Housing, work to transition its service contracts toward a system of performance-based, active contract management. New approaches in this area have helped cities increase efficiency, understand the costs of services, and give flexibility to high-performing organizations.
- Analyze and map child abuse prevention services in San Francisco to assist the Human Services Agency in meeting state mandates in this area.



TRANSPORTATION & STREETS

To improve responsiveness and efficiency, CSA provides transportation-related auditing and consulting services. In fiscal year 2019-20 CSA will:

- Provide support to a working group convened by the Mayor and members of the Board of Supervisors to review Muni's service reliability, organizational issues, and performance metrics and provide guidance as the search for a new Municipal Transportation Agency (MTA) director proceeds.
- Implement revised standards to measure street and sidewalk maintenance and cleanliness so the City can better respond to public concern and service needs. Expand reporting to provide more real-time results to Public Works and other City departments.
- Complete a performance audit of MTA's Capital Programs and Construction Division.
- Audit aspects of MTA's operations, including contracting, cash handling on cable cars, 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 2019-20 CSA will:

- Continue work to support the City's planned new permit center now under construction at 49 South Van Ness. Those seeking plan approvals and permits from the City will have customer service help, simple and fast ways to get advice on their project, straightforward transactions, and transparency on wait and processing times. We are working with a dozen departments to design and improve how permits are done in San Francisco.
- Work with the departments that build capital projects on planned analyses of the labor, bidding environment, and other features of the construction market that affect the City's costs, time to build, and ability to deliver the ten-year Capital Plan.
- Audit various general obligation bond programs' expenditures, project management practices, and construction contract close-out procedures.
- Audit the Recreation and Park Department's Strategic Plan.
- Complete audits of the City's below market rate program and development impact fee collection and distribution practices.



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 2019-20 CSA will:

- Support the City's nonprofit providers by convening a quarterly forum on city policy, funding, standards, and programming that affects the sector. Work will also include implementing the City's first round of funding provided to contractors under the Minimum Compensation Ordinance.

- Assist with the Controller's Office effort to bring more of the City's bids for services and supplies—and its contracting processes overall—into the central system used for all financial transactions and reporting.
- Work with the Office of Contract Administration, Ethics Commission, and other stakeholders on standardizing ways to test for and prevent possible conflicts of interest in public contracting.
- Audit third-party contract compliance and risks.
- Continue implementing the purchase card (P-card) and procure-to-pay citywide audit programs.
- Audit the IT 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 2019-20 CSA will:

- Refine and use analyses to set targets and assist Police Department managers using data dashboards to plan staffing and deployment with the overall goal of improving response timeliness and consistency. These data analyses were first done in fiscal year 2018-19 to understand the City's emergency response times and how they are affected by 911 operations, dispatch, Police operations, and the City's environment.
- Continue work with the Police Department to monitor civilianization efforts and to implement reforms detailed in the Department of Justice report of 2016, along with the department's own strategic goals to improve community policing, crisis intervention training, and use of force, among other organizational priorities.
- Provide analysis and support for the City's Vision Zero goals of reducing and eliminating pedestrian deaths and injuries.
- Work with the Sheriff's Office to develop a master staffing plan.
- Provide audit-related services to the Police Department and Department of Police Accountability.
- Audit the Fire Department's Inspections Bureau.
- Audit the Police Department's equipment inventory controls and practices.



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 2019-20 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 and City's chief information security officer 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 key enterprise systems and critical infrastructure.
- Work with other agencies to identify additional software and tools to grow toward an overall integrated data environment for San Francisco's public services. The City has steadily increased the number and usability of datasets that are available to the public through the Data SF portal and related tools.
- Support the City's Committee on Information Technology with a training program for managers who are responsible for technology projects. The training will address how to better plan, scope, contract for, and generally manage time and resources in the systems and technology field.



PERFORMANCE PROGRAM

To enhance government responsiveness, the City Performance Division's Performance Program continues to improve the City's performance reporting programs and products.

In fiscal year 2019-20 CSA will:

- Work with the Mayor's Office and certain departments to develop and monitor Accountability and Equitable Outcome plans for select budget initiatives. Our work will help policymakers track progress in implementing new and/or expanded services toward established goals, performance measures, timelines, and expected outcomes.
- Facilitate performance data collection and reporting for all departments' performance measures and revise measures for certain departments to align with strategic goals. Develop tools and trainings to enhance city staff's knowledge of performance measurement and management best practices.
- Publish results to expected targets on the [Performance Scorecards website](#) and in the Annual Performance Measurement Report and Mayor's budget book.
- Develop additional reporting from the [2019 City Survey](#) results, including district-level results.
- Update the [benchmarking dashboards](#) on the Performance Scorecards website to compare San Francisco to peers in eight policy areas. Develop new benchmarking results for selected metrics, including financial benchmarks.



WHISTLEBLOWER PROGRAM

To promote government efficiency, responsiveness, and interdepartmental collaboration, CSA operates the Charter-mandated Whistleblower Program. In fiscal year 2019-20 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 city employees and the public about fraud prevention and other matters related to the Whistleblower Program.

MAJOR PLANNED PROJECTS & AUDITS

The following list of major audits and projects planned for fiscal year 2019-20 have at least 500 staff hours allocated for each effort. CSA's complete work plan includes many other smaller initiatives. Additional detail is available upon request.

Department	Project or Audit Title
Airport	Fuel Procurement Dashboard
Airport	Inventory Audit
Bonds	Annual General Obligation Bond Program Report
Bonds	Construction Project Close-Out
Bonds	Improve City Construction Contractor Bid Pool
Cannabis	Cannabis Impact Year 1 Report
Citywide	2019 City Survey – District Reports and Focus Reports
Citywide	Audit Follow-up & GAO Program
Citywide	Citywide Benchmarking
Citywide	Citywide Eligibility Audit (Reappraisal)
Citywide	Citywide Emergency Cost Recovery Program
Citywide	Citywide Enterprise Risk Management Program
Citywide	Citywide Nonprofit Monitoring and Capacity Building Program
Citywide	Citywide Procure to Pay Continuous Monitoring
Citywide	Data Academy
Citywide	Data Sharing
Citywide	Development Impact Fees Collection and Distribution Audit
Citywide	Equity Indicators
Citywide	Financial System Project Assistance
Citywide	Healthy Street Operations Center Performance Management
Citywide	Housing Data
Citywide	Interagency Metrics – DPH, HSH, HSA
Citywide	IT and Cybersecurity Audit Program
Citywide	IT and Cybersecurity Research Requests
Citywide	Lean Team
Citywide	Nonprofit Contracting Forum and Policy Implementation
Citywide	Procurement Card Usage Continuous Monitoring
Citywide	People & Pay Data Quality Review
Citywide	Performance Program
Citywide	Permit Center Implementation
Citywide	Whistleblower Program
Citywide	Workforce Analysis - Management and Employment Mandates
Ethics	Data-Matching Design
Fire	Audit of Fire Department's Inspections Bureau
Health Services	Health Services System Lean Partnership
Homelessness & Supportive Housing	Analysis of Costs of Contracted Services and Planning for Performance-Based Contracts

Department	Project or Audit Title
Homelessness & Supportive Housing	Evaluation of Family Coordinated Entry Access Points
Homelessness & Supportive Housing	Shelter Operations Audit
Housing Authority	San Francisco Housing Authority Assistance
Human Services	Child Abuse Prevention - Phase 2 / FFPSA Implementation Support
Municipal Transportation	Cable Car Cash Assessment
Municipal Transportation	Citywide Eligibility Audit (MTA Free Fare)
Municipal Transportation	Vision Zero Support
Municipal Transportation	Capital Program and Construction Division Audit
Municipal Transportation	Operational Audit
Municipal Transportation	MUNI Reliability Working Group
Police	Compliance Audit
Police Accountability	Department of Police Accountability Audit Assistance
Public Health	Population View of Prevalence and Need of Behavioral Health Services in the Community
Public Health	Managed Care Strategy and Contracting
Public Utilities	External Affairs Divisional Audit
Public Works	Opportunities for Expanding Contractor Bid Pool
Public Works	Street and Sidewalk Standards Planning & Reporting
Recreation & Park	Park Standards Planning & Reporting
Recreation & Park	Performance Audit of Rec and Park's Strategic Plan