

File No. 120149

Committee Item No. 2

Board Item No. 16

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date February 23, 2012

Board of Supervisors Meeting Date March 6, 2012

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
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Completed by: Alisa Miller Date February 17, 2012

Completed by: Alisa Miller Date February 20, 2012

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Setting the 2012 Budget and Legislative Analyst Services Work Plan]

2
3 **Motion approving the Budget and Legislative Analyst Services work plan for 2012,**
4 **which (a) allocates hours for calendar year 2012, (b) authorizes the Budget and**
5 **Legislative Analyst to reallocate up to 10% of the hours between service categories**
6 **based on Board of Supervisors service needs, and (c) requires Board of Supervisors**
7 **approval of hours re-allocation greater than 10%; and establishes performance goals**
8 **and sets a date for the 2012 annual performance evaluation of the Budget and**
9 **Legislative Analyst Joint Venture Partnership.**

10
11 WHEREAS, The Board of Supervisors approved the contract for Budget and
12 Legislative Analyst services on December 8, 2009, which became effective on January 1,
13 2010; and

14 WHEREAS, The contract for Budget and Legislative Analyst services defines the scope
15 of services to include: (1) detailed review of the Annual Appropriation Ordinance and Annual
16 Salary Ordinance from a financial and policy perspective, or Budget Analysis; (2) evaluation of
17 legislation pending before the Board and its committees, or Legislative Analysis; (3) policy
18 analysis and recommendations on legislative initiatives, or Policy Analysis; and (4)
19 performance and management audits of City and County departments and programs; and

20 WHEREAS, The contract for Budget and Legislative Analyst services requires (1) the
21 Budget and Legislative Analyst to submit an annual work plan for input, review and approval
22 by the Board of Supervisors, estimating the allocation of staff hours for each service category
23 and major project; and (2) the Board of Supervisors to conduct a formal annual performance
24 evaluation of Budget and Legislative Analyst services with pre-established goals and
25 evaluation criteria so that Board members, or a designated committee, can provide structured

1 feedback and suggest changes in Budget and Legislative Analyst services to respond to the
2 Board's changing analytical needs; now, therefore, be it

3 MOVED, That the Board of Supervisors approves the proposed Budget and Legislative
4 Analyst work plan for calendar year 2012, which (a) allocates hours for Budget Analysis,
5 Legislative Analysis, Policy Analysis and Performance Audits and Special Projects, (b)
6 authorizes the Budget and Legislative Analyst to reallocate up to 10 percent of these hours
7 based on Board of Supervisors service needs, and (c) requires the Board of Supervisors
8 approval to reallocate greater than 10 percent of these hours; and, be it

9 FURTHER MOVED, That the Board of Supervisors establishes performance goals for
10 Budget and Legislative Analyst services and sets a date of no later than December 15, 2012,
11 for the Board of Supervisors to complete the 2012 annual performance evaluation of the
12 Budget and Legislative Analyst Joint Venture Partnership.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

February 17, 2012

TO: Government Audit and Oversight Committee

FROM: Budget and Legislative Analyst

SUBJECT: February 23, 2012 Government Audit and Oversight Committee Meeting

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BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

February 17, 2012

Supervisor Mark Farrell, Chair, and
Members, Government Audit and Oversight Committee,
City and County of San Francisco
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Supervisor Farrell and Members of the Government Audit and Oversight Committee:

Charter Section 16.114 grants the Board of Supervisors powers of inquiry. Under Charter Section 16.114, the Board of Supervisors directs the Budget and Legislative Analyst to conduct performance audits of City and County departments and functions by approval of a motion of the Board of Supervisors.

To assist the Board of Supervisors in determining which performance audits to assign to the Budget and Legislative Analyst, we are recommending three performance audits in 2012, based on the following criteria:

- City departments or programs that have not been recently audited by the Budget and Legislative Analyst or Controller.
- City programs that are costly, inefficient, or have failed to achieve program goals, and that the Budget and Legislative Analyst has previously identified in our reports submitted to the Board of Supervisors.
- Significant programs or issues identified by members of the Board of Supervisors.

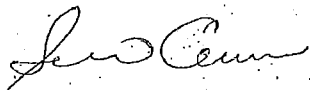
The Budget and Legislative Analyst's proposed 2012 work plan, pending before the Government Audit and Oversight Committee, allocates approximately 5,550 hours to performance audits and special requests of individual members of the Board of Supervisors. We are proposing that approximately 3,600 hours be allocated to the following performance audits, based on the hours that we have estimated for each audit. Because these performance audit hours are only an estimate, the actual number of hours to complete each performance audit may change based on the initial audit survey and risk assessment and a resulting detailed audit work plan.

The list of proposed performance audits to be conducted by the Budget and Legislative Analyst is presented in the following table, according to the priority in which we believe the audits should be conducted.

Supervisor Mark Farrell, Chair, and
 Members, Government Audit and Oversight Committee
 February 17, 2012
 Page 2 of 2

Priority Order	Audit Topic	Departments	Scope	Est. Hours
1	Professional Services Contracts	Department of Public Health, Human Services Agency	Evaluation of (a) how DPH and HSA determine, measure, and report service levels and changes; (b) policies and procedures for contract performance and performance measurement; and (c) departmental contracting policies and compliance.	1,200
2	Transfer of Redevelopment Agency Assets and Functions to the City	Mayor's Office of Housing, Administrative Services	Evaluation of the assignment of former SFRA staff, assets, and functions to City departments as a result of the dissolution of SFRA. Assessment of the ability of City departments to effectively absorb and manage new functions, especially development functions, and assets.	1,200
3	Public Safety Realignment	Sheriff, Adult Probation	Evaluation of 1st year of public safety realignment, including (a) increases in caseload and average jail population, (b) effectiveness of new programs, and (c) reasonableness of staffing levels and costs.	1,200
Total				3,600

Respectfully submitted,



Severin Campbell
 Budget and Legislative Analyst's Office

cc: Supervisor Farrell
 Supervisor Elsbernd
 President Chiu
 Supervisor Avalos
 Supervisor Campos
 Supervisor Chu
 Supervisor Cohen
 Supervisor Kim
 Supervisor Mar
 Supervisor Olague
 Supervisor Wiener
 Clerk of the Board
 Cheryl Adams
 Controller
 Kate Howard

BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150 San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

February 13, 2012

Honorable David Chiu, President,
and Members of the Board of Supervisors
City and County of San Francisco
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear President Chiu and Members of the Board of Supervisors:

The Agreement between the Budget and Legislative Analyst Joint Venture Partnership and the City and County of San Francisco requires that the Budget and Legislative Analyst submit an annual work plan to the Board of Supervisors for approval. Appendix A of the Agreement states:

Annual Work Plan and Evaluation

1. The Budget and Legislative Analyst will prepare and submit an annual work plan for input, review and approval by the Board of Supervisors, prior to the beginning of each year. The plan will estimate the allocation of staff hours for each service category and major project. The Budget and Legislative Analyst will also submit a quarterly report of actual hours used, and will work collaboratively with the Board to shift the emphasis of the annual work plan, as necessary. Though this work plan will be in place at the start of each year, periodic updates to the work plan and changes to the reporting templates could occur during the year as new project and information needs are identified by the Board of Supervisors. This annual work plan is intended to ensure that the approach used, allocation of hours and topics to be analyzed and audited are consistent with Board priorities and are feasible within the total number of staff hours supported by the funding level proposed for this contract.
2. The Board of Supervisors will conduct a formal annual performance evaluation of Budget and Legislative Analyst services with pre-established goals and evaluation criteria so that Board members, or a designated committee, can provide structured feedback and suggest changes in Budget and Legislative Analyst services to respond to the Board's changing analytical needs.

BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

Proposed 2012 Work Plan and Service Hours Allocation

The proposed annual work plan and service hours allocation are attached to this memorandum.

Proposed 2012 Performance Goals

The Budget and Legislative Analyst proposes the following performance goals for 2012: The Board of Supervisors may approve, revise, and add to these performance goals at their discretion.

Legislative Reports	
Performance Goal	Criteria
Provide weekly legislative reports to the Budget and Finance Committee three business days in advance of meetings.	◆ Reports provided timely
Provide a weekly briefing on our Legislative Reports to any member of the Board of Supervisors who so requests.	◆ Weekly Legislative Report briefings provided to members of the Board of Supervisors who so requested.
Revise Legislative Report format, if requested by Budget and Finance Committee.	◆ Revised report formats implemented (if requested).
On an ongoing basis, identify policy considerations and options for Board of Supervisors in addition to Legislative Report recommendations.	◆ Policy considerations and options included in Legislative Reports as appropriate.

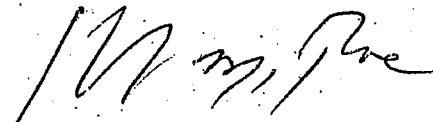
Performance Audits and Special Projects	
Performance Goal	Criteria
Provide recommendations for Performance Audit and Special Project topics to the Board of Supervisors.	<ul style="list-style-type: none"> ◆ Recommended topics submitted prior to January 31, 2012.
Requesting Supervisors and Chair of Government Audit and Oversight Committee to be kept apprised of status of Performance Audits and Special Projects.	<ul style="list-style-type: none"> ◆ Estimated vs. actual number of project hours and date of completion for each Performance Audit or Special Project provided to the Chair of the Government Audit and Oversight Committee. ◆ Consultations and status reports provided to Chair of the Government Audit and Oversight Committee, the Supervisor requesting the audit or project, and their staffs including any expected revisions to project hours or completion dates before incurring the additional hours or postponing the completion date
Submit final Performance Audit and Special Project reports on time and on budget.	<ul style="list-style-type: none"> ◆ Final Performance Audit or Special Project reports provided within the estimated hours and by the expected completion date.
Performance Audit and Special Project reports to be clearly presented and to address all audit or project objectives.	<ul style="list-style-type: none"> ◆ Clearly presented reports that address audit or project objectives. ◆ Clearly stated and specific recommendations in Performance Audit and Special Project reports that can be practically implemented by appropriate City officials.

Policy Analysis	
Performance Goal	Criteria
<p>Respond to Board member or staff requesting a Policy Analysis by email within 48 hours receipt by the Budget and Legislative Analyst.</p> <p>Contact requesting member's office within 72 hours of receipt to discuss the specific request.</p> <p>Assign Budget and Legislative Analyst staff to project within 48 hours of discussing the specific request.</p> <p>Provide proposed project approach and timeline to requesting Board member's office prior to commencement.</p>	<ul style="list-style-type: none"> ◆ Responses provided in a timely manner to requests from individual members of the Board of Supervisors for Policy Analysis projects.
<p>Requesting Supervisors to be kept apprised of status of Policy Analysis projects.</p>	<ul style="list-style-type: none"> ◆ Requesting member's office consulted with regarding project status and any revisions to timeline.
<p>Policy Analysis reports to be clearly presented.</p> <p>Policy Analysis reports to be responsive to intent of request.</p>	<ul style="list-style-type: none"> ◆ Clearly presented reports that are responsive to intent of request. Recommendations provided, if requested, that can be practically implemented by appropriate City officials. ◆ Research completed and verbal or written report provided within originally estimated, or revised and approved, timeline.

Budget Analysis	
Performance Goal	Criteria
Submit final Budget Analysis reports on time.	◆ Budget analysis and recommendation reports for May and June, 2012 Budget and Finance Committee hearings in advance of hearings.
Budget Analysis reports contain useable recommendations.	◆ Reports contain clearly stated and specific recommendations that can be practically implemented by the appropriate City officials.
Provide analysis on Citywide budget topics, as directed by the Budget and Finance Committee, in advance of the Mayor's submission of the recommended FY 2012-2013 budget.	◆ Analyses of Citywide budget issues provided to Budget and Finance Committee in advance of Mayor's submission of FY 2012-2013 budget.

Proposed 2012 Performance Evaluation

The Board of Supervisors will conduct a formal performance evaluation of the Budget and Legislative Analyst Joint Venture Partnership prior to December 15, 2012.



Harvey M. Rose

- cc: Supervisor Avalos
- Supervisor Campos
- Supervisor Cohen
- Supervisor Chu
- Supervisor Elsbernd
- Supervisor Farrell
- Supervisor Kim
- Supervisor Mar
- Supervisor Olague
- Supervisor Weiner
- Clerk of the Board

BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

Proposed Budget and Legislative Analyst 2012 Work Plan

Service	Description	Estimated Hours Allocation
<p>Budget Analysis</p>	<p>Detailed review of the Annual Appropriation Ordinance and Annual Salary Ordinance from a financial and policy perspective:</p> <ul style="list-style-type: none"> ◆ Prepare three-year summary budget projection in coordination with the Controller's Office and the Mayor's Office (Administrative Code Section 3.6). ◆ Review the City's long range financial policies and budget compliance with these policies (Proposition A, approved by the voters in November 2009). ◆ Conduct analyses of various budget topics, as directed by the Budget and Finance Committee, in advance of release of the Mayor's proposed FY 2012-13 budget. ◆ Review, analyze and report on the proposed two-year budgets for the Airport, Port, and Public Utilities Commission in May 2012. ◆ Review, analyze and report on other proposed non-General Fund department budgets in May 2012, as directed by the Board of Supervisors. ◆ Review, analyze and report on General Fund department budgets in June 2012, as directed by the Board of Supervisors. ◆ Attend budget hearings and present results of analyses. ◆ Provide any member of the Board of Supervisors who so requests a briefing on our budget analysis and recommendations. 	<p>3,000</p>

Proposed Budget and Legislative Analyst 2012 Work Plan

Service	Description	Estimated Hours Allocation
<p align="center">Legislative Analysis</p>	<ul style="list-style-type: none"> ◆ Review all legislation introduced by the Board of Supervisors for “fiscal impact” determination¹. ◆ Evaluate legislation pending before the Budget and Finance Committee determined to have fiscal impact as defined in the Administrative Code and prepare weekly written reports on those items. ◆ Provide any member of the Board of Supervisors who so requests a briefing on our weekly Legislative Analysis reports. ◆ Submit weekly electronic legislative reports to all members of the Board of Supervisors, the Clerk of the Board, the Controller’s Office, the City Attorney and the Mayor’s Office in advance of committee meetings. Hard copies of the reports will be provided upon request. ◆ Attend weekly Budget and Finance Committee meetings to present an overview of the legislative reports, findings, and recommendations, and respond to any questions from the Committee. 	<p align="center">8,450</p>

¹ Section 2.6-3 of the Administrative Code requires that the Budget Analyst of the Board of Supervisors review introduced legislation for fiscal impact, defined as an expenditure or commitment of City funds in any fiscal year in excess of \$200,000, or a total expenditure or commitment of City funds in excess of \$1,000,000 over a five year period.

Proposed Budget and Legislative Analyst 2012 Work Plan

Service	Description	Estimated Hours Allocation
<p>Performance Audits, Special Projects and Policy Analysis</p>	<ul style="list-style-type: none"> ◆ Provide recommended Performance Audit and Special Project topics to members of the Board of Supervisors in January 2012 based upon (1) identified City departments or programs that have not been audited previously but present potential risk to the City, (2) identified City programs that are costly, inefficient, or have failed to achieve program goals that we have previously identified in our reports submitted to the Board of Supervisors, and (3) significant programs or issues identified by members of the Board of Supervisors. ◆ Conduct Performance Audits and Special Projects as requested by the Board of Supervisors through approved motions, provide written reports summarizing the findings and recommendations, and brief the requesting Supervisor or other members of the Board of Supervisors as requested. ◆ Present Performance Audit findings and recommendations to the Government Audit and Oversight Committee and respond to Committee questions. ◆ Provide Policy Analysis research reports as requested by individual members of the Board of Supervisors. These will cover projects that will require 150 staff hours or less. ◆ Coordinate the Board of Supervisors response to Grand Jury recommendations directed to the Board of Supervisors 	<p>5,550</p>
<p>Total</p>		<p>17,000</p>

1. Submit quarterly reports to the Clerk of the Board on service hours provided for each of the four service categories and conduct quarterly reviews and assessments of hours provided to the Clerk of the Board.
2. Provide monthly reports to the Clerk of the Board of Supervisors on the status of each Performance Audit, Special Project and Policy Analysis project, the latter reported by requesting Supervisor.

Proposed Budget and Legislative Analyst 2012 Work Plan

3. Based on the quarterly assessments and any requests for analyses by the Board of Supervisors, the Budget and Legislative Analyst may re-allocate service hours among the three service areas by up to 10 percent of total hours.
4. The Budget and Legislative Analyst must obtain Board of Supervisors approval for re-allocation of hours between service categories that exceeds 10 percent of the total hours.

