

File No. 100508

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date July 22, 2010

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

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Completed by: Alisa Somera Date July 16, 2010

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

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

1 [Directing the Budget and Legislative Analyst to Audit the Department of Children, Youth and  
2 Their Families]

3 **Motion directing the Budget and Legislative Analyst to audit the Department of**  
4 **Children, Youth and Their Families.**  
5

6 WHEREAS, On January 26, 2010, the Budget and Legislative Analyst of the Board of  
7 Supervisors issued a letter to the Board of Supervisors outlining criteria for the selection of  
8 audits, including those departments or programs that have not been recently audited; and  
9

10 WHEREAS, As part of that letter, a table was included of each department or program  
11 that has recently been audited, and it appears the Department of Children, Youth and Their  
12 Families is the largest City department that has not been subject of a performance audit, and  
13 which does not receive annual financial audits; and

14 WHEREAS, The Budget Analyst letter is on file with the Clerk of the Board of  
15 Supervisors in File No. 100508, which is hereby declared to be a part of this motion as if set  
16 forth fully herein; and

17 WHEREAS, In Fiscal Year 2009-2010, the Department of Children, Youth and Their  
18 Families had a total budget of \$136.6 Million, with \$23.7 Million in General Fund and \$112.9  
19 Million in departmental revenues; and

20 WHEREAS, Funding for the Department of Children, Youth and Their Families comes  
21 in part through the Children's Fund, a Charter mandated set-aside that fluctuates from year to  
22 year; and

23 WHEREAS, An audit of the Department of Children, Youth and Their Families will  
24 ensure that the Children's Fund allocations are proper, that programs are run in the most  
25

1 efficient manner possible, and that San Francisco's families and taxpayers get a good return  
2 on their investment; and

3 WHEREAS, Approval of this audit is the first step in making sure that every City  
4 department is audited on a regular basis to identify waste, fraud and abuse in City  
5 government, and ensure that programs are run in the most efficient manner possible; and

6 WHEREAS, This audit will encompass both the Department of Children, Youth and  
7 Their Families, and any programs or services it funds outside of City government; now,  
8 therefore, be it

9 MOVED, That the Board of Supervisors directs the Budget Analyst to conduct an audit  
10 of the Department of Children, Youth and Their Families when resources are available to do  
11 so; and, be it

12 FURTHER MOVED, That the Board of Supervisors authorizes the Youth Commission  
13 to recommend program areas of particular importance to be reviewed, which the Budget  
14 Analyst may consider as it develops the scope of such an audit; and, be it

15 FURTHER MOVED, That the Board requests the Budget Analyst report back in 60  
16 days on a potential audit schedule and scope of such an audit.

CITY AND COUNTY



OF SAN FRANCISCO

## **BOARD OF SUPERVISORS**

### **BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

January 26, 2010

Honorable David Chiu, President,  
Supervisor Eric Mar, Chair, Government Audit and Oversight Committee,  
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, Supervisor Mar, and Members of the Board of Supervisors:

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 have compiled a list of potential performance audit topics for 2010, based on the following criteria:

- City departments or programs that have not been recently audited by the Controller or the Budget and Legislative Analyst.
- City programs that are costly, inefficient, or have failed to achieve program goals 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.

Under the 2010 Budget and Legislative Analyst proposed work plan pending before the Board of Supervisors, the Budget and Legislative Analyst provides up to approximately 4,450 professional staff hours in performance audit services each year, including special projects. In developing our list of potential audit subjects, we have estimated the range of hours necessary to complete each performance audit. Because this range is only an estimate, the actual number of hours to

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complete each performance audit may change based on the initial audit survey and risk assessment and a resulting detailed audit work program.

The list of potential performance audits to be conducted by the Budget and Legislative Analyst is presented in the following table by department and program.

Department	Program	Audit Questions	Estimated Hours
Citywide	Revenues	Can the City increase General Fund revenues through new or increased fees, surcharges, negotiated lease increases and improved collection of lease revenues, improved collection of fines or penalties and delinquent accounts, revenue measures adopted by other jurisdictions, federal or state grants, or other non-tax sources?	1,200 to 1,500
Citywide	Revenues	Can the City increase revenues through auction of taxi medallions, condominium conversions, mobile food cart permits, and other limited permits.	240 to 360
Citywide	Revenues, Property	Would the City encounter legal restrictions from selling City properties that are not required for public purposes, including Administrative Code Section 23.2 requiring suitable properties to be used for affordable housing? What are the advantages or disadvantages of the property sale? What would be the potential one-time revenues?	240 to 360
Citywide, Department of Human Resources	Memoranda of Understanding	Does the Board of Supervisors want to adopt policies and/or criteria to better guide the City's negotiations with labor unions, such as minimum staffing requirements, special pay or benefits, performance bonuses, education and other trust funds, and other contract provisions?	480
Citywide	Operating Efficiency	What are the City's rules and requirements for employee travel costs; are these rules reasonable and are they enforced?	480

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Department	Program	Audit Questions	Estimated Hours
Assessor	Property Assessment	Has the Assessor filled the four new positions, approved in the FY 2009-10 budget to reduce the assessment backlog? Are property assessments current? What is the impact on FY 2009-10 and FY 2010-11 property tax collection?	500 to 750
Assessor and Department of Building Inspection	Property Assessment	Does the City have procedures for ensuring that building improvements result in new assessments, including DBI notification of the Assessor when building improvements should result in increased property assessment? Are values for improvements adjusted based on actual costs as opposed to estimated costs as stated on initial permits?	750
City Attorney's Office	Affirmative Litigation	What criteria does the City Attorney use to determine which cases to pursue on behalf of the City? How does the City Attorney assign staff and bill for such cases?	500
General Services Agency	Operating Efficiency	Has GSA realized the expected cost savings from consolidating the Department of Technology, Department of Public Works, and Department of Administrative Services into one department?	1,000 to 1,200
General Services Agency	Operating Efficiency	Has the City achieved the expected cost savings from the 311 Call Center?	750 to 1,000

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Department	Program	Audit Questions	Estimated Hours
General Services Agency, City Attorney's Office, and Various City Departments	Risk Management	Do the City's existing risk management procedures adequately address the City's claims experience? Does the City have adequate processes to track and develop procedures to reduce claims, and does the City appropriately assign financial liability for claims to City departments with significant claims experience? (This audit would include the City's general liability but would not look at medical or workers compensation liability.)	1,200 to 1,500
General Services Agency, Real Estate Division and Other City Departments	Property Leasing	Could the City achieve better results from contracting with professional property managers rather than using City department staff to negotiate and manage leases for City-owned property?	480
General Services Agency, Real Estate Division	Property Management	Has the City achieved expected cost savings by consolidating City departments into City-owned buildings?	480
Mayor's Office of Housing and Human Services Department	Housing Programs	A comprehensive analysis of housing, homelessness and supportive services in the City, including historical trend data identifying the number of shelters, beds, SROs, supportive housing programs and the costs for such services. Does the City evaluate programs and services? If so, which programs are working? Which are not and why not?	500 to 750
Municipal Transportation Agency	Revenues and Expenditures	Is the MTA managing revenues and expenditures in the most economical, effective, and efficient manner?	1,200 to 1,500
Municipal Transportation Agency	Revenue Collection	Does the MTA effectively monitor the contract for parking meter revenue collection to ensure accurate collections?	360 to 480

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Department	Program	Audit Questions	Estimated Hours
Municipal Transportation Agency	Revenue Collection	Does the MTA have sufficient controls over fare box collection and counting to ensure maximum collection free from waste or fraud?	360 to 480
Municipal Transportation Agency	Revenue Oversight	Does the MTA maintain sufficient controls over third party vendors of transit passes to ensure that purchasers of discounted passes meet the requirements and that all revenues are accounted for?	360 to 480
Municipal Transportation Agency	Revenue Oversight	Does MTA ensure that permit fees fully recover costs?	240 to 360
Municipal Transportation Agency	Operating Efficiency	Does the MTA deploy parking control officers to ensure effective enforcement of parking regulations?	360 to 480
Municipal Transportation Agency	Operating Efficiency	What are the costs of acquiring and operating historic street cars compared to cost of acquiring and operating replicas?	120
Municipal Transportation Agency	Proof of Payment Program	Has the MTA implemented Budget Analyst recommendations in the June 2009 audit?	120
Department of Public Health	Healthy SF	The Controller's Office presented a report on Healthy SF in 2007 with recommendations to assist the Department of Public Health in the planning and implementation of Healthy SF. What has been the cost of Healthy SF? What has been the participation and outcomes? Has the City set up systems to evaluate the program's costs, effectiveness, and improved outcomes (access to health care, improved healthcare)? If a Federal health insurance program is approved, how will Healthy SF be impacted?	1,200 to 1,500



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Department	Program	Audit Questions	Estimated Hours
Department of Public Health	Community Health Contracts	Does the Department of Public Health appropriately identify services to be provided by non-profit community organizations? Do these services duplicate in-house services? What performance standards has the Department of Public Health set up for contracts awarded to non-profit community organizations? Does the Department sufficiently monitor contract expenditures and performance?	1,200
Department of Public Health and Sheriff's Department	Jail Health Services and Inpatient Care at Ward 70	Does the Sheriff's Department reimburse the Department of Public Health for all costs incurred by the Department of Public Health for nursing and medical services provided to inmates in the Hall of Justice and San Bruno jails as well as for the costs for inmates who are hospitalized in San Francisco General Hospital's inpatient jail ward?	500 to 750
Department of Public Health and Sheriff's Department	Security Services	Does the Sheriff's Department provide security staffing for the Department of Public Health in the most efficient manner? Could the Sheriff's Department achieve cost savings through better resource allocation? Could the City achieve savings from contracting with a private security firm?	500 to 750
Recreation and Park Department and Department of Children, Youth and Their Families	Childcare Services	What are the different childcare services in the City (including afterschool care, daycare, recreation programs, school programs)? What different funding sources are currently and potentially available? Can better coordination of resources and information provide improved services?	500 to 750
Recreation and Park Department	Marina Yacht Harbor	Has the Recreation and Park Department implemented 2008 Marina Yacht Harbor Fund recommendations?	120

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Department	Program	Audit Questions	Estimated Hours
Treasurer/Tax Collector's Office	Revenue Collection	Does the City lose parking tax revenue because operators do not comply with the Business and Tax Code in recording all parking revenues? Has implementation of Business and Tax Code requirements for revenue control equipment and other requirements improved parking collection rates?	500 to 750

Attached to this memorandum is a list of audits previously conducted by the Budget Analyst or the Controller.

We are available to discuss these recommended performance audits or any other performance audits or special projects that may be of interest to the Board of Supervisors.

Respectfully submitted,



Severin Campbell, Audit Manager  
Budget and Legislative Analyst's Office

cc: Supervisor Alioto-Pier  
Supervisor Avalos  
Supervisor Campos  
Supervisor Chu  
Supervisor Daly  
Supervisor Dufty  
Supervisor Elsbernd  
Supervisor Mirkarimi  
Supervisor Maxwell  
Clerk of the Board  
Harvey Rose, Budget Analyst

Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
Academy of Sciences			Not current			
Adult Probation	Controller	Oct 2000 - Performance audit	Oct 2000			
Airport	Budget Analyst Controller	May 2003 - Airport Development Bureau June 98 - Parking Control System	May 2003	Yes		Concession and lease audits
Arts Comm			Not current	Yes		
Asian Art Museum			Not current	Yes		
Assessor/ Recorder	Controller	Aug 09 - Performance audit	Aug 2009		Assessment backlog	
Board of Appeals			Not current			
Board of Super.			Not current	Yes		
Building Inspection	Controller	June 2001 - Performance audit	June 2001		Property tax revenues from updated assessments  Parking tax revenues	
Children, Youth, and Families			Not current		Assessment of City childcare	Grant audits

Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
City Attorney	Controller	Jan 2002 - Performance audit	Jan 2002		Affirmative Litigation	
City Planning	Budget Analyst	June 2002 - Performance audit	June 2002			
Controller	Budget Analyst	Sep 2003 - Performance audit	Sep 2003			
Dept. of Tech	Budget Analyst	Oct 07 - Information technology practices	Oct 2007			
District Attorney	Budget Analyst Controller	Sep 09 - First Offender Prostitution Program Aug 05 - Financial, organization, staffing	Sep 2009			
Economic & Workforce Devel.	Budget Analyst Budget Analyst	Feb 10 - Office of Small Business Aug 07 - SF's workforce development programs	Feb 2010	Yes		
Elections			Not current			
Emerg. Mgmt	Budget Analyst	May 06 - Performance audit	May 2006			
Environ.	Controller	Oct 09 - Follow Up review of department audit	Oct 2009			
Ethics Comm.			Not current			
Fine Arts Museum			Not current			

Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
Fire	Budget Analyst	Jan 2002 - Performance audit	Jan 2002			
General Services Agency (except Public Works and Dept. of Techn.)	Budget Analyst GSA Study Controller Controller Controller Budget Analyst Budget Analyst	Dec 2009 - Citywide Commodity Purchasing 2008 - Fleet Management Study April 2003 - Sole Source Contracting Aug 2002 - County Clerk Dec 2001 - Real Estate April 1997 - Medical Examiner March 1991 - Purchasing and Storekeeping	Dec 2009		Savings from consolidation of DT, DPW, Admin Services  311 call center consolidation  Consolidation of City agencies in City-owned buildings  Potential use of professional property managers to negotiate leases and manage properties  Risk management	

Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
Health Service System	Controller	June 2005 - Performance Audit	June 2005			
Human Resources	Budget Analyst	Feb 1994 - Workers Compensation Division	Not current		Board of Supervisors criteria to guide labor negotiations  Employee travel costs	
Human Rights Comm.			Not current			
Human Services Agency	Controller Controller Controller Controller Controller Controller	Jan 09 - Follow Up of Family Services Division Apr 08 - Audit of Care Not Cash Feb 06 - Audit of Foster Care/Children's Services Mar 03 - Adult & Aging Services Whistleblower May 02 - Homeless Services (Citywide audit) Jun 99 - Public Guardian	Jan 2009			
Juvenile Probation	Controller Controller	Apr 05 -- Staffing analysis of Juvenile Hall June 98 - Management Audit	April 2005			
Law Library			Not current			
Mayor	Budget Analyst	Jun 02 -- MOH's affordable housing	June 2002		Housing assessment	

Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
Municipal Transp. Agency	Controller Controller Budget Analyst Budget Analyst Budget Analyst Controller Controller	Dec 2009 - Audit of Parking Garages Completed 2009 - MTA Transit Effectiveness June 2009 - Proof of Payment Program April 99 - Department of Parking and Traffic July 96 - Audit of the Municipal Railway Oct 94 - Cable Car Fare Collection Follow Up Sep 92 - Parking Ticket Process	Dec 2009	Yes	Management of revenues and expenditures  Oversight of parking meter collection contract  Oversight over fare box collection  Deployment of parking control officers  Third party transit pass vendors  Cost recovery permit fees  Proof of Payment audit follow up	Transit Effective. Project Implement;  Parking Garage Audits

Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
Police	Controller Controller Budget Analyst Budget Analyst Controller Controller	Oct 09 - Office of Citizen Complaints Dec 08 - Report on Organizational Assessment Apr 08 -- Foot patrol evaluation May 1998 - Phase II Management Audit Dec 1996 - Phase I Management Audit Feb 91 - 911 Call Center audit Aug 89 - Court Overtime Practice and Usage	Oct 2009			
Port	Controller Budget Analyst	Mar 08 -- Purchasing and Inventory Controls Apr 04 -- Audit of Port	Mar 2008	Yes		Concession and lease audits
Public Defender	Controller	Aug 03 -- Case management & staffing review	Aug 2003			
Public Health	Controller Controller Controller Budget Analyst Controller	Jun 08 -- DPH revenue maximization Dec 07 -- DPH market assessment/benchmarking Jul 07 - Audit of DPH contract with Conard House 2003 - SFGH Revenues & Expenditures Dec 91 - Performance review of SFGH	June 2008	Yes	Healthy SF costs and participation Management of community health contractors Sheriff's Department's reimbursements for DPH costs for incarcerated patients Security services	Medicare Reimburse.



Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
Public Library	Controller	Sep 07 - Branch Library Improvement Program	Sep 2007			
Public Utilities Comm.	Budget Analyst Controller	Aug 05 - Management audit of the PUC Nov 93 - PUC's Security Services	Aug 2005	Yes		Lease and Water System Improvement Program Contract Audits
Public Works	Budget Analyst Controller	Jan 07 - Management Audit of DPW Oct 93 - DPW's Capital Project Outlays	Jan 2007	Yes		Capital project fund balances
Recreation and Park	Budget Analyst Budget Analyst Controller Budget Analyst Controller Controller	Mar 08 - Marina Yacht Harbor Fund Jan 06 - Audit of Recreation & Park Department June 02 - Audit of the Marina Yacht Harbor May 00 - Management Audit of the Zoo June 95 - Audit of the Open Space Fund June 96 - Overtime at 3 Com Park	Mar 2006	Yes		Park Bond Program Audit
Rent Arbitration Board			Not current			
Retirement System			Not current			

Dept Title or Program	Auditor	Dates of Performance Audits	Most Recent Audits	Annual Fiscal Audits	Budget and Legislative Analyst's List of Potential Projects 2010	Controller Work Plan FY 2009- 2010
Sheriff	Budget Analyst Controller	Jun 08 - Fixed Post Staffing Analysis Nov 99 - Management Audit	June 2008		Sheriff's Department's reimbursements for DPH costs for incarcerated patients  Sheriff's Department's costs for providing security services	
Status of Women	Controller	Sep 99 - Management Audit	Sep 1999			
Superior Court			Not current			
Taxi Comm.			Not current			
Treasurer/ Tax Collector	Budget Analyst Controller	April 1995 - Audit of the Tax Collector's Office Sep 92 - Treasurer's Tax Collection Division	April 1995	Yes	Property tax revenues from updated assessments	
War Memorial	Controller	Nov 94 - Selected Assets	Nov 1994			