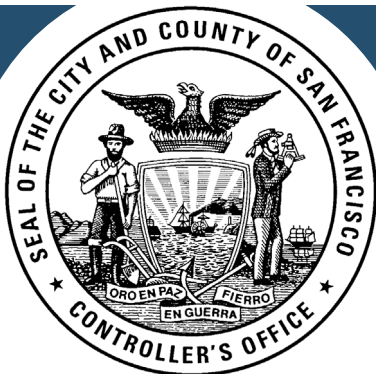


Presentation to Board of Supervisors Government Audit & Oversight Committee

Citywide Nonprofit Performance Audit:

The City Should More Effectively Evaluate the Impact
of Services Provided by Community-Based Organizations



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller - City Services Auditor

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February 16, 2023

- City Services Auditor (CSA) issued Citywide Nonprofit Performance Audit (*August 30, 2022*)
 - 5 primary findings and 3 recommendations
 - Initiated based on CSA's risk assessment
- Audit conducted in accordance with government audit standards
 - Objective and Independent
 - Risk-Based Approach
 - Appropriate and Sufficient Evidence
 - Quality Assurance Process
- CSA follows up on recommendations every 6 months to ensure corrective actions and report on status of implementation
- CSA's audits related to nonprofits

- The City and County of San Francisco (City) spent nearly \$680 million in fiscal year (FY) 2017-18 to fund the work of 703 community-based organizations (CBOs). The City had 2,494 agreements with these CBOs, totaling over \$1.6 billion in funding over the lives of the agreements.
- The programs and services CBOs provide on behalf of city departments cover a wide range of program areas. For this audit, we applied the National Taxonomy of Exempt Entities (NTEE) framework at the program level to gain a deeper understanding of the services CBOs provide across San Francisco. We identified 16 program areas across the City and chose the following 9 for the audit.
 - Community Improvement and Capacity Building
 - Crime & Legal-Related
 - Education
 - Employment
 - Health Care
 - Housing & Shelter
 - Human Services
 - Mental Health & Crisis Intervention
 - Youth Development
- The City significantly invests in the Housing & Shelter, Human Services, and Mental Health & Crisis Intervention program areas. In fiscal year 2017-18 these three areas accounted for \$440 million (62 percent) of the City's CBO funding.

Audit Objective

Evaluate the frameworks city departments use to measure the impact of services provided by CBOs based on departmental practices and leading practices in program monitoring.

Scope

The following six departments were selected:

- Adult Probation Department (Adult Probation)
- Department of Children, Youth and Their Families (Children, Youth and Their Families)
- Department of Public Health (Public Health)
- Human Services Agency (Human Services)
- Mayor's Office of Housing and Community Development (Housing and Community Development)
- Office of Economic and Workforce Development (Economic and Workforce Development)

Note: The Department of Homelessness and Supportive Housing was not selected because it did not have policies in place at the start of the audit, as it had just launched in July 2016.

Sampled CBO Funding

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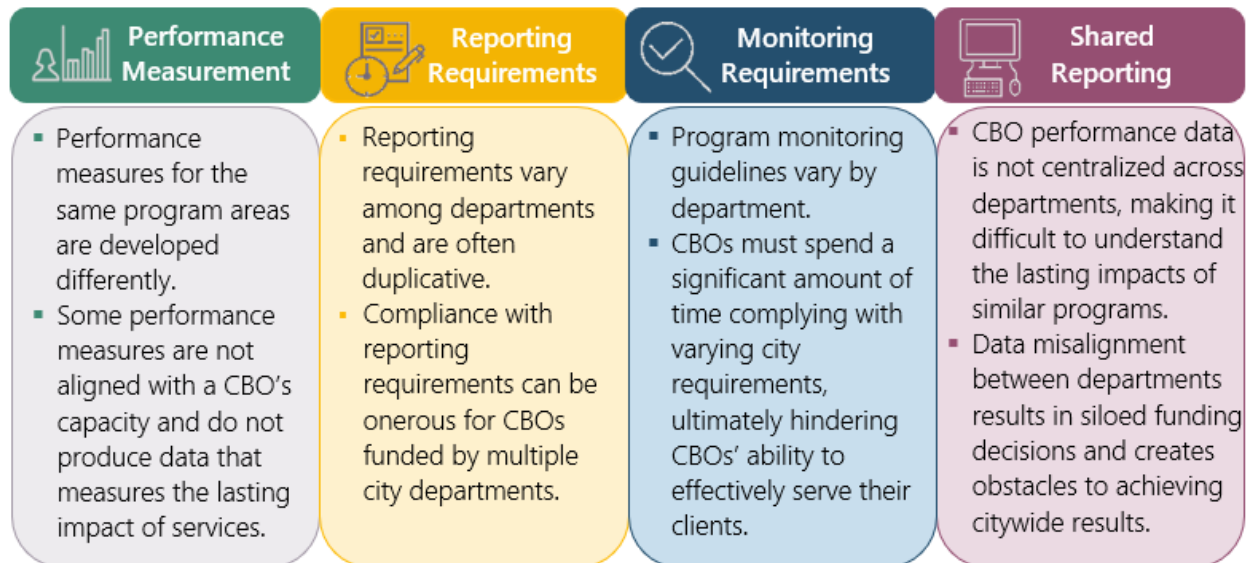
CBO	Department						Payments From City in FY 2017-18	Program Areas Sampled
	Adult Probation	Children, Youth & Their Families	Economic & Workforce Development	Housing & Community Development	Human Services	Public Health		
Booker T. Washington Community Service Center		✓		✓			\$1,739,477	<ul style="list-style-type: none"> • Education • Youth Development
Community Works West Inc.		✓					1,315,489	<ul style="list-style-type: none"> • Crime & Legal-Related
Community Youth Center of San Francisco		✓		✓		✓	2,686,501	<ul style="list-style-type: none"> • Crime & Legal-Related • Health Care • Human Services
Five Keys Charter Schools and Programs	✓						428,530	<ul style="list-style-type: none"> • Crime & Legal-Related
Hamilton Families				✓	✓		9,131,881	<ul style="list-style-type: none"> • Housing & Shelter
Mission Language & Vocational School			✓		✓		314,273	<ul style="list-style-type: none"> • Employment
Renaissance Entrepreneurship Center			✓	✓			298,208	<ul style="list-style-type: none"> • Community Improvement & Capacity Building
Renaissance Parents of Success		✓	✓				34,280	<ul style="list-style-type: none"> • Employment • Youth Development
Richmond Area Multi-Services, Inc.					✓	✓	16,127,813	<ul style="list-style-type: none"> • Employment • Mental Health & Crisis Intervention
Self Help for the Elderly				✓	✓		7,996,887	<ul style="list-style-type: none"> • Housing & Shelter • Human Services
Success Center SF		✓	✓				448,727	<ul style="list-style-type: none"> • Youth Development
United Playaz	✓	✓		✓			206,833	<ul style="list-style-type: none"> • Crime & Legal-Related • Human Services
Young Community Developers		✓	✓		✓		\$2,105,748	<ul style="list-style-type: none"> • Employment • Youth Development

Audit Findings

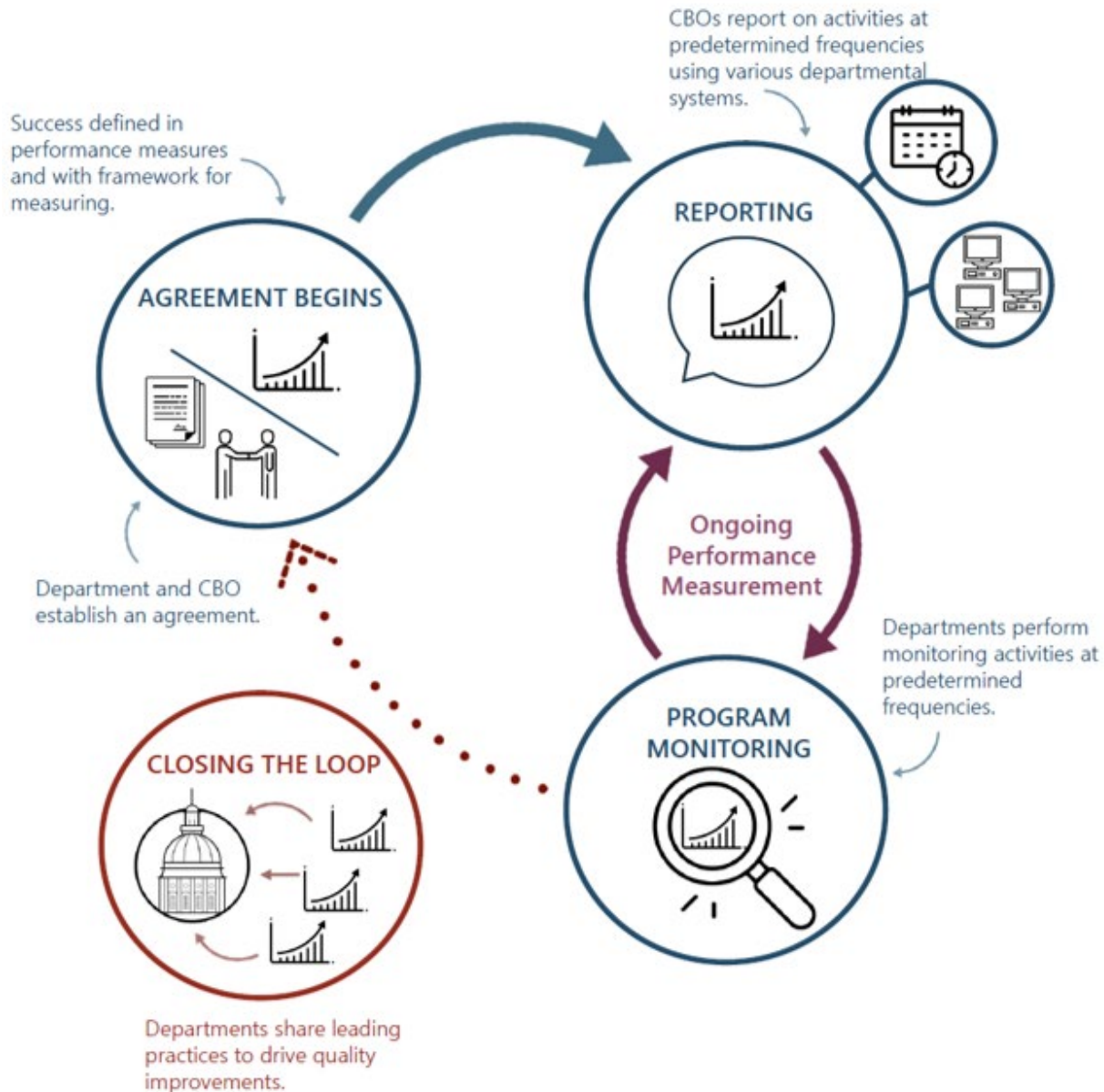
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The audit found that the City could:

- Take advantage of opportunities to **standardize some elements of performance measurement and program monitoring** to improve consistency and transparency and to evaluate the quality of the services CBOs provide.
- Benefit from **shared performance measurement and reporting**, particularly for similar programs funded across multiple departments, so that departments better understand the impacts of those similar programs funded across the City.
- **Expand its use of leading practices** to create a collaborative program evaluation loop to ensure city departments and their stakeholders use the results of program monitoring to drive quality improvements and data-driven funding decisions.



Use Results of Monitoring to Drive Quality Improvements



To strengthen the City's CBO performance measurement and program monitoring, the Office of the Controller's City Performance Division should support the implementation of the following recommendations for all city departments to:

1. Improve performance measurement by:

- a. Standardizing common definitions for performance measures (for example, output and outcome) across departments and applying them to existing performance measures.
- b. Creating and/or identifying common performance measures to be tracked, focusing on important outcome measures and the indicators that must be tracked to understand the outcomes.
- c. Ensuring measures are calculated in the same way so results can be compared across program areas.

2. Strengthen program monitoring practices by:

- a. Creating a forum to share lessons learned and successful strategies.
- b. Collaborating on developing minimum requirements for program monitoring activities, such as site visits.
- c. Evaluating the quality of services provided, such as through surveys or interviews of program participants and observations of services provided, where appropriate.
- d. Ensuring results from program monitoring activities inform technical assistance needs.

3. Explore the possibility of implementing a system with data from multiple departments integrated to track the performance of community-based organizations from a citywide perspective. If this is not feasible, work with information system suppliers to identify opportunities to share data or centralize data reporting among departments, where appropriate.

Thank you.

Any questions?

SPEAK UP

City and County of San Francisco Whistleblower Program

RIGHT TO REPORT

Speak up if you see **misconduct, waste, or abuse** in City government. It's your duty to report:

- Bribery ● Theft of Cash ● Conflicts of Interest
- Misuse of City Property ● Theft of City Property
- Kickbacks ● Bid Rigging ● Falsified Expenses

ONLINE: www.sfcontroller.org/whistleblower

EMAIL: whistleblower@sfgov.org

CALL: 311

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KNOW YOUR RIGHTS. If you believe you have experienced whistleblower retaliation, reach out to the **Ethics Commission** as soon as possible (www.sfethics.org or call 415-252-3100). A complaint must be filed within two years of any suspected retaliation.



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