



## LEGISLATIVE ANALYST MEMORANDUM

**To:** Members of the Government Audits and Oversight Committee  
**From:** Adam Van de Water, Office of the Legislative Analyst  
**Date:** February 7, 2006  
**Re:** **Audit History Matrix**

### SUMMARY OF REQUESTED ACTION

Chair Ammiano requested that the Office of the Legislative Analyst update and present the Audit History Matrix (first presented to the Committee in March 2005) of all Budget Analyst audits, Controller audits and reviews, and Civil Grand Jury reports prepared for each City department.

### METHODOLOGY

In 2005, the OLA worked with the Budget Analyst, the Controller and representatives from the Civil Grand Jury to produce the enclosed matrix. The matrix was sent to all department heads to ensure that it was inclusive of all Budget Analyst management audits, Controller's Office performance audits, and management or performance audits conducted by external agencies since March 1997. With the help of the Controller and Budget Analyst, this information was updated in February 2006 to reflect all performance and management audits released in the prior year.

### EXPLANATION OF MATRIX CONTENTS

The attached matrix lists the following information for each of the 59 departments:

1. The department's total budget as contained in the Annual Appropriation Ordinance for the fiscal year ending June 30, 2006.
2. The Controller's "Citywide Risk Analysis for Performance Audits FY 2004-05" Score and Rank. This has not been updated since July 2004 though, according to Peg Stevenson, an update is currently underway. Scores are presented on a scale of 0% - 100% (with 100% representing the highest risk) and are computed as follows:
  - 20% of the total score = the number of post-audit findings in 2001 and 2003
  - 15% = whether the department was over, under or on-budget at the 6-month projection for FY 04-05
  - 15% = the size of the department's total budget
  - 10% = staff competence, turnover and general organization of the department
  - 10% = complexity of the department's organization and budget
  - 10% = the number of total departmental transactions in FY 02-03
  - 10% = attainment of departmental performance measures

- 10% = the number of significant events (such as changes in top management, significant increases in budget, new mandates, etc.) in the last 18 months
- 3. The date of the last management audit by the Board’s Budget Analyst, including two that are currently underway.
- 4. The date and brief title of recent audits or reviews by the Controller’s Audits Division.
- 5. Any related Civil Grand Jury reports and their date. **NOTE:** *The 2006 Civil Grand Jury has not yet completed any reports. Prior Grand Juries have completed five reports on the San Francisco Unified School District, one report on the San Francisco Redevelopment Agency, two on the Film and Video Arts Commission, and one each on the Treasure Island Development Authority, Citywide Overtime and the establishment of a Commission on Homelessness. These are not included in the matrix.*

**FINDINGS**

Board Rule 6.16 reads,

*“It is the policy of the Board that each program of the City and County and the Redevelopment Agency (over whose budget the Board has jurisdiction) be the subject of a performance or management audit at least once every eight years. It shall be the function of these audits to ensure that City departments and the agency make prudent and efficient use of city resources and that the departments and agency effectively perform the functions assigned to them by the Charter and applicable laws.” [emphasis added]*

This includes audits completed since February 1998.

**Finding #1: 23 Departments Have Been Comprehensively Audited**

Strictly interpreting Board Rule 6.16 to include only comprehensive management and performance audits, 23 of 59 departments (39 percent) have been audited within the last eight years. This is a net increase of one in the last calendar year, as audits were completed for Recreation and Park and TIDA while the Medical Examiner no longer met the definition of Rule 6.16. At least five additional audits (DPW, MUNI, DTIS, ECD, and Environment) are anticipated to be complete within the next 6-8 months.

Departments that have been comprehensively audited include:

- |                           |   |
|---------------------------|---|
| 1. Academy of Science     | 13. Parking and Traffic                   |
| 2. Adult & Aging Services | 14. Police Commission                     |
| 3. Adult Probation        | 15. Port Commission                       |
| 4. Airport Commission     | 16. Public Utilities Commission (PUC)     |
| 5. Board of Supervisors   | 17. PUC – Clean Water                     |
| 6. Building Inspection    | 18. Recreation and Park                   |
| 7. City Attorney          | 19. Sheriff                               |
| 8. City Planning          | 20. Status of Women                       |
| 9. Controller             | 21. Treasure Island Development Authority |
| 10. Fire Department       | 22. Treasurer/Tax Collector               |
| 11. Hetch Hetchy          | 23. Water                                 |
| 12. Juvenile Probation    |   |

**Finding #2: An Additional 9 Departments Have Had Significant Review**

An additional 9 of 59 departments (15 percent) have undergone significant review in the last eight years but have not had a department-wide management or performance audit since February 1998. As detailed in the matrix, this includes reviews or audits of a more limited scope on selected departmental programs, contracts, grants, or funds in addition to those financial reviews conducted of all departments.

Departments that have had significant but not comprehensive review, sorted from high to low Controller’s risk assessment rank (in parentheses), include:

- |                          |                                 |
|--------------------------|---------------------------------|
| 1. DPH/LHH/SFGH (2)      | 6. Elections (31)               |
| 2. District Attorney (5) | 7. Public Defender (35)         |
| 3. Human Resources (9)   | 8. Ethics Commission (42)       |
| 4. Human Services (9)    | 9. Administrative Services (47) |
| 5. Mayor’s Office (30)   |                                 |

**Finding #3: Nearly Half of All Departments Have NOT Been Audited Since 1998**

The remaining 27 of 59 departments (46%) have not had a management or performance audit in at least eight years. Not including the five audits of these departments currently underway, this consists of just one of the top 23 higher risk departments and 19 of the 23 lowest risk departments.

The departments that have NOT been audited since February 1998, sorted from high to low Controller’s risk assessment rank (in parentheses), include:

- |  |  |
|--|--|
| 1. Assessor (9)                        | 15. Trial Courts – Superior/Municipal (42) |
| 2. Public Works (9) *                  | 16. Civil Service Commission (45)          |
| 3. Public Transportation (MUNI) (14) * | 17. Economic and Workforce Devpt (45)      |
| 4. Art Commission (24)                 | 18. Children and Families Comm. (47)       |
| 5. Consumer Assurance (24)             | 19. Children, Youth and Families (47)      |
| 6. Telecommunications (24) *           | 20. Rent Arbitration Board (47)            |
| 7. Child Support Services (28)         | 21. Public Library (51)                    |
| 8. Convention Facilities Mgmt (28)     | 22. Law Library (52)                       |
| 9. Human Rights (35)                   | 23. Office of Contract Administration (52) |
| 10. Animal Care and Control (37)       | 24. Asian Arts Museum (54)                 |
| 11. Emergency Communications (37) *    | 25. Fine Arts Museum (55)                  |
| 12. Environment (37) *                 | 26. Medical Examiner (55)                  |
| 13. Retirement System (37)             | 27. Permit Appeals (55)                    |
| 14. Taxi Commission (42)               | 28. War Memorial (55)                      |

\* - *Currently in progress*