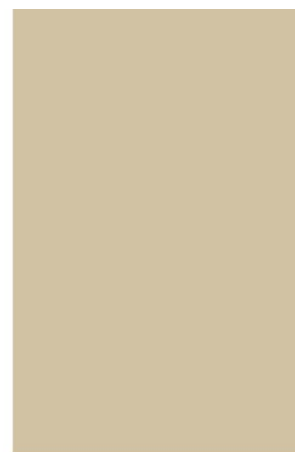


# City Services Auditor

## Fiscal Year 2025-26 Annual Work Plan

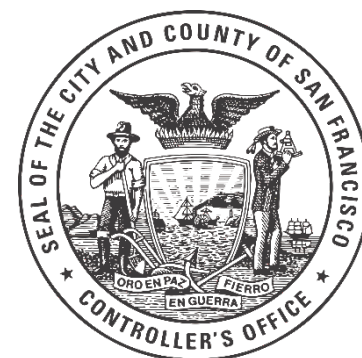
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Prepared by

**OFFICE OF THE CONTROLLER  
CITY SERVICES AUDITOR**

**August 28, 2025**



## About the Controller's Office

The Controller is the chief financial officer and auditor for the City and County of San Francisco (City). We produce regular reports on the City's financial condition, economic condition, and the performance of city government. We are also responsible for key aspects of the City's financial operations — from processing payroll for City employees to processing and monitoring the City's budget.

Our team includes financial, tech, accounting, analytical and other professionals who work hard to secure the City's financial integrity and promote efficient, effective, and accountable government. We strive 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 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; and
- Ensure financial integrity and improve the overall performance and efficiency of city government.

In November 2024, San Francisco voters approved a Charter amendment to create the role of an inspector general within the Office of the Controller. The Inspector General (IG) is granted expanded investigative powers and integrates the IG into the Controller's Whistleblower Program and referral process with a broad mandate to address public corruption and enhance public integrity.

Throughout the fiscal year, CSA will publish 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, and will continue to provide input as the work plan develops throughout the year.

### For more information, please contact:

Mark de la Rosa  
Director of Audits  
City and County of San Francisco  
[mark.p.delarosa@sfgov.org](mailto:mark.p.delarosa@sfgov.org) | 415-554-7574

Natasha Mihal  
City Performance Director  
City and County of San Francisco  
[natasha.mihal@sfgov.org](mailto:natasha.mihal@sfgov.org) | 415-554-7429

Media inquiries: [con.media@sfgov.org](mailto:con.media@sfgov.org)

 [sf.gov/controller](https://sf.gov/controller)

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# Table of Contents

---

**Table of Contents**..... **3**

**City Services Auditor**..... **4**

**Our Mission** ..... **4**

        About the Audits Division .....4

        About the City Performance Division.....5

**Our Fiscal Year 2024-25 Accomplishments** ..... **6**

**Audits Division** ..... **6**

**City Performance Division** ..... **8**

**Our Fiscal Year 2025-26 Priorities**..... **10**

**Audits Division** ..... **10**

        Inspector General (Proposition C Implementation) ..... 10

        Public Integrity and Whistleblower Program..... 10

        Disaster Cost Recovery ..... 11

**City Performance Division** ..... **12**

        Citywide Performance & Governance..... 12

        Capital Delivery ..... 12

        Nonprofit Monitoring ..... 12

        Public Health, Human Servies, and Homelessness..... 13

**Our Major Planned Audits and Projects** ..... **14**

# City Services Auditor

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## OUR MISSION

San Francisco's City Services Auditor (CSA) is divided into two distinct divisions which together perform critical services for city government. CSA's **Audits Division** provides an independent, risk-based assessment of the City's \$15.9 billion budget for major public service offerings, infrastructure, suppliers, contractors and community-based organizations. Audits staff have expertise in performance and compliance audits, investigations, data analytics, network and system security evaluations, capital project and contractor audits, and operations and leading practices assessments. CSA's **City Performance** team has a broad portfolio of analysis, design, implementation and performance management projects to improve public services in San Francisco. City Performance's areas of work include data analysis and visualization, facilitation and inter-departmental collaboration, project management, process improvement, performance measurement and management, and contracting.

CSA is funded through a commitment of two-tenths of one percent of the City's annual budget. In fiscal year 2025-26, the San Francisco budget allocates approximately \$27.5 million for CSA's functions required by the City Charter, plus an additional \$9.5 million from bond sales linked to multi-year capital programs. CSA has approximately 76 full-time equivalent positions, including auditors, performance analysts, project managers, and operations staff.

## About the Audits Division

The Audits Division delivers impactful audit and investigative services that provide actionable recommendations to city leaders, which in turn promote and enhance accountability and improve the overall performance and efficiency of city government. The members of our multidisciplinary staff come from a variety of educational and professional backgrounds, in areas including government policy, economics, information science, statistics, and finance. Our collective experience allows us to provide expert knowledge on a wide range of issues across the City. We perform our audits in accordance with the generally accepted government auditing standards (GAGAS) set by the U.S. Government Accountability Office, and we have passed every peer review we have undergone.

Our division is arranged into teams with the following functions:

- **Performance & Compliance Audits:** We conduct performance audits of city departments, contractors, and functions to improve efficiency and effectiveness of service delivery and business processes.
- **Whistleblower Program:** We investigate complaints about the quality of city services, and waste, misuse, and impropriety in the city government.

- **Public Integrity:** In collaboration with the City Attorney's Office (City Attorney), we assess selected city policies and procedures to evaluate their adequacy in preventing abuse and fraud.
- **Information Technology Cybersecurity Assessments:** We evaluate and make recommendations to improve the effectiveness of cybersecurity risk management, controls, and governance processes. Specifically, we conduct systematic evaluations of IT infrastructures within select city departments to identify vulnerabilities, assess risks, and recommend solutions that enhance the overall security posture. Our cybersecurity program includes penetration tests and maturity assessments.
- **Cost Recovery:** We track expenses, compile documentation, and submit reports to claim reimbursement from federal, state, and other funding entities for the City's emergency response during and/or after a declared emergency or disaster incident.
- **Internal Support:** We ensure our audit reports adhere to GAGAS, which requires high standards of independence, competence, and professionalism through a strong system of quality control.

## About the City Performance Division

The City Performance team measures the performance and impact of City services and provides consulting-style engagements to help City departments improve service delivery. Our team of analysts, project managers, and policy specialists have knowledge of the City's critical issues across public health, homelessness, human services, transportation, public safety, nonprofit contracting and monitoring, capital delivery, and other areas. We aim to:

- Support city departments to make transparent, data-driven decisions in policy development and operational management.
- Guide city departments to align programming with resources for greater efficiency and impact.
- Provide City departments with tools and training they need to streamline processes and improve services for city residents.

Our staff are skilled in data analysis, performance management, facilitation, project management, and process improvement. City Performance staff members provide consulting services to multiple departments every year to streamline and coordinate City processes, conduct analyses to answer key policy questions, promote meaningful collaboration between departments, and support a culture of transparency and accountability.

# Our Fiscal Year 2024-25 Accomplishments

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## AUDITS DIVISION

In fiscal year 2024-25, the Audits Division continued to provide high-quality, impactful audit and investigative services to improve and promote transparency, accountability, and integrity in city government. As part of the City's emergency response, we continue to lead the disaster cost recovery efforts in support of the City's economic recovery. We continued to provide critical information to city leaders and promote best practices and accountability through best-in-class audit, investigative, and analytical services. In the last year we:

- Performed **risk-based audits and assessments** involving multiple departments to improve effectiveness and efficiency of city operations, including audits and assessments of:
  - The City's progress towards its [digital accessibility](#) and inclusion standard goals.
  - Construction close-out compliance for contracts at the [Recreation and Park Department](#), [Port Commission](#), and [Public Works](#).
  - The Fire Department's ethical policies, controls over inspection, and data capabilities at its [Bureau of Fire Prevention](#).
  - [General obligation](#) bond capital program expenditures.
  - Leases and concessions, as mandated by the San Francisco Charter and Administrative Code.
- Continued to collaborate with the City Attorney on joint **public integrity investigations**, leading to the issuance of public assessments reports to provide transparency when city officials, employees, and/or contractors are involved in criminal conduct. We conducted an assessment of the contracts and grants between [city departments and Rudolph Dwayne Jones](#) and his related entities after criminal charges and suspension. We also issued our [2024 update on the implementation status of recommendations](#), summarizing findings on public corruption from 2008 to 2020 and the progress of
- 79 recommendations, including corrective actions taken between 2020 and 2024. Initiated **two joint audits and investigations with the City Attorney at the request of Controller Greg Wagner as a result of alleged misuse of city funds by the former Human Rights Commission director**.
- Continued to develop and implement citywide audits and risk assessments, including those related to procurement, contracting, construction, payroll, and eligibility that informed the selection and prioritization of executing our annual audit work plan.
- Investigated hundreds of reports received by the **Whistleblower Program** related to fraud, waste, and abuse of city resources, resulting in corrective and preventive actions. The Whistleblower Program managed the high number of reports received by leveraging its multidisciplinary team of CSA staff, its network of trained program liaisons at each city department, and a coordinated referral and follow-up process with departments such as the City Attorney, District Attorney, and Ethics

Commission. To promote leading fraud hotline practices and effective investigative techniques across all levels of government, the program hosted two national webinars. In November 2024, the auditor general and deputy auditor general of Hamilton, Ontario presented [\*Vehicle Safety in Accessible Transit Services\*](#). In April 2025, the senior internal auditor from the Auditor's Office of Charlotte, North Carolina presented [\*Using AI To Fight Fraud\*](#).

- Continued to lead the City's **disaster cost recovery efforts** for COVID-19 and 2023 California Winter Storms, resulting in reimbursement submissions to the Federal Emergency Management Agency (FEMA) and California Governor's Office of Emergency Services (CAL-OES), to-date, totaling \$881 million and \$92 million, respectively. Through this work, we developed and launched the City's first citywide cost recovery dashboard for internal stakeholders. The dashboard consolidates citywide claiming, reimbursement, and financial reporting activities for disaster recovery work led by the Audits Division, capturing response activities and eligible reimbursement costs incurred by more than 50 city departments.
- Conducted high-impact **information security initiatives**, including cybersecurity maturity assessments, penetration tests, and vulnerability assessments of critical systems, and continued to partner with city leaders to ensure high-risk cybersecurity issues are remediated appropriately and in a timely manner.
- Continued to implement, maintain, and mature division and department-wide **racial equity policies** and practices to promote a more racially equitable operating environment, both internal to our organization and external with city and community stakeholders.
  - Led five Racial Equity Acknowledgement and Learning sessions, hosted quarterly heritage potlucks to raise awareness of issues affecting marginalized communities, and enhanced the Equity Assessment Toolkit with race-based factors to improve audit and assessment planning.
  - Contributed to the department's deployment of its second racial equity survey to over 300 employees with a 58% response rate and engaged staff in citywide equity convenings, working groups, and trainings to enhance understanding and compliance with the City's Racial Equity Ordinance.
- Continued to [\*follow up on our recommendations\*](#) because we recognize that the value of our work is not only in the findings and conclusions reported, but also in the **corrective actions implemented** by departments to address our recommendations. Through this work, we concluded that departments have so far implemented 99 percent of the 2,887 recommendations we issued from July 1, 2010, through June 30, 2025.
- Continued to be recognized as a **leader in local government auditing and investigations** through our professional participation in the Association of Local Government Auditors, Western Intergovernmental Audit Forum, Institute of Internal Auditors, Association of Certified Fraud Examiners, and Information Systems Audit and Control Association, among others.



## CITY PERFORMANCE DIVISION

In fiscal year 2024-25, the City Performance team continued to support City departments to innovate, work across boundaries, and problem-solve to improve services for city residents. City Performance achieved key milestones and accomplishments in the following areas:

- Led and facilitated the **Muni Funding Working Group**, a group comprised of elected officials, City leadership, labor, business, and advocacy organizations to [gather public input, identify solutions, and provide recommendations](#) to address near-term and medium-term funding gaps facing public transit in San Francisco. The final report includes six packages of options of different combinations of service cuts, funding options, and efficiencies to address the estimated \$320 million budget shortfall.
- Conducted an **assessment of the City's shelter system** to provide San Francisco residents and City leadership with clear and easily interpretable insights into the City's emergency shelter and crisis intervention programs overseen by the Department of Homelessness and Supportive Housing. [The assessment](#) includes a broad overview of the shelter system, an analysis of shelter system client experiences and outcomes, and findings around shelter policies and operations.
- Expanded the **Citywide Nonprofit Monitoring and Capacity Building Program** to include both [fiscal and contract monitoring](#) components. Issued the fiscal year 2023-24 Fiscal Monitoring Program [annual report](#) and developed and issued a [suite of new policies and reports](#) guiding the City's monitoring of nonprofit contractors, including:
  - A new [policy on contract monitoring](#) expectations and updated [guidelines on financial monitoring](#) practices.
  - A new [policy on financial auditing requirements](#) for nonprofits.
  - Updates to the City's nonprofit [corrective action policy](#).
  - [Recommendations](#) on how the City should improve public reporting about nonprofit contracting.
  - New [dashboards on the City's spending on nonprofits](#).
- Worked with the Assessor-Recorder and Assessment Appeals Board to create a data-driven scheduling approach to handle the historic number of **assessment appeals** filed to ensure the City meets the two-year appeals deadlines, balances staff workload, reflects recent operational timelines around rescheduling and postponements, and preserves some regular property assessment for the City.
- Reported on City performance, including issuing the following:
  - A redesigned [Performance Scorecard](#) website that shows how San Francisco government is performing in key service areas.
  - Highlights of key City performance measures and full results of departmental performance measures and progress towards meeting stated goals in the [fiscal year 2023-24 Annual](#)



[Performance Report](#), as well as maintaining online dashboard to view [performance measures by department](#).

- Evaluation of the city's parks against established maintenance standards for fiscal year 2023-24, including [updated dashboards](#) showing results for every park feature and location.
- Results of the [streets and sidewalks standards evaluations](#), which are objective evaluations of cleanliness and conditions, including citywide trends, neighborhood-level findings, and comparison with 311 service requests.
- Fiscal year 2023-24 [Our City, Our Home Fund annual report](#), highlighting results and outcomes of the City's \$316.8 million spending across permanent housing, mental health, homelessness prevention, and shelter and hygiene programs.
- Participated on and provided analytical support for the **Commission Streamlining Task Force**, created by Proposition E on the November 2024 ballot to make recommendations to modify, eliminate or combine the City's boards and commissions [to improve the administration of City government](#).
- Facilitated the **Residential Care and Treatment Workgroup**, which was convened by Mayor London Breed and Supervisor Rafael Mandelman in partnership with the Department of Public Health, the Department of Disability and Aging Services, and other stakeholders, to create [a framework](#) to address the shortage in appropriate long-term residential placements for individuals with complex behavioral health needs.
- Worked with the Department of Public Health (DPH) on a portfolio of projects to support DPH's strategic priorities. Building on prior work looking at the system-wide view of patient flow through DPH's system of care, our team conducted analysis to understand client needs and existing utilization to inform DPH's planning of bed expansion investments. City Performance teams also supported the development of new behavioral health service models and assessed current network of drop-in, drop-off centers.
- Managed the **Data Academy** for City employees interested in improving their data management, analysis and visualization skills. In fiscal year 2024-205, [1,539 attendees participated in 51 classes](#). City Performance also developed and began piloting a new process improvement class.
- Facilitated workshops, interviewed department staff, and analyzed performance data to support the development of citywide [permitting performance measures and targets](#) as part of **Permit SF**.

# Our Fiscal Year 2025-26 Priorities

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## AUDITS DIVISION

In fiscal year 2025-26, the Audits Division will continue its work in the following areas:

### High-Risk Audits and Assessments

- Conduct work in critical, high-risk areas, including **performance and compliance audits and assessments** of nonprofit contracts/grants, homeless services, construction and bond programs, transit services, 311 Service Call Center, public safety, fees and rebates to government programs and services, and internal controls over procurement, inventory, and payroll. Some of these assessments may involve applying a more focused racial equity lens.
- Proactively **assess the City's information technology tools, systems** and computing environments by conducting penetration tests of critical city systems and networks and assessing departments' compliance with cybersecurity risk management and **artificial intelligence policies**.
- Perform **mandated audits and assessments** (required by the San Francisco Charter and/or Administrative Code), including those related to tenant leases and airline operating agreements, contractors' political activity, city parking garages leases, and treasury quarterly reviews.
- Conduct **data-driven risk assessments** in areas of high financial, ethical, and governance risk, such as nonprofit and construction procurement contracting.
- Follow up on **all unresolved audit recommendations** twice per year to ensure corrective actions.

### Inspector General (Proposition C Implementation)

- Continue implementing Proposition C by establishing the role of **Inspector General (IG)** within the Office of the Controller. Recruit qualified candidates and develop the necessary policies and procedures to ensure the IG fulfills the mandate to address public corruption and enhance public integrity.

### Public Integrity and Whistleblower Program

- Monitor the implementation of corrective actions taken in response to **public integrity** recommendations, issue two joint audits and investigations, and implement audit programs on relevant internal controls and city operations.

- Provide best-in-class **Whistleblower Program** services by investigating reports about the quality of city services, and waste, misuse, and impropriety in city government. The Whistleblower Program will also:
  - Continue training program staff and its department liaison network to efficiently and effectively address issues identified in reports received.
  - Host two webinars for local, state, federal and tribal fraud hotline programs to promote emerging investigative techniques and operational best practices.

## Disaster Cost Recovery

- Lead efforts to **recover costs of the City's emergency response** to the multi-year COVID-19 pandemic and the 2023 Winter Storm disasters by collaborating with FEMA, CAL OES and city departments to maximize the City's reimbursement for its disaster response expenditures and activities, including appealing FEMA ineligibility determinations and coordinating closeout requirements with the City Attorney.
- Lead the **single audit of FEMA's public assistance emergency disaster grants** to support the City's financial reporting and compliance requirement for federally funded programs, including ensuring no reportable findings or deficiencies in financial reporting and internal controls.

## CITY PERFORMANCE DIVISION

In fiscal year 2025-26, City Performance will continue to support major efforts to improve services for City residents. Highlights across key areas include the following:

### Citywide Performance & Governance

- Issue **fiscal year 2024-25 performance results** for departmental performance measures, parks and streets and sidewalk standards programs, and the Our City, Our Home fund, in addition to updating monthly performance results on the Performance Scorecards website.
- Support the development of the final report of the **Commission Streamlining Task Force** which will include recommendations to modify, eliminate or combine the City's boards and commissions to be submitted to the Board of Supervisors for changes to the City's Administrative Code and Charter.
- Conduct projects to support improvements in the **City's contracting processes**, including data reporting enhancements, request for qualification pools efficiency opportunities, and departmental procure-to-pay reporting needs.
- Issue an assessment of the City's **Dream Keeper Initiative** to report on spending, programs, and performance measurement for the initiative started in 2021 to reinvest into San Francisco's diverse Black communities.

### Capital Delivery

- As part of a multi-year plan to support and report on capital delivery, assess the City's progress in meeting scope, schedule and budget for the City's \$3.7 billion active **general obligation bond** portfolio, including changes and delays in the past two years.
- Work with **Public Works and departments who partner on construction projects** to develop any needed standards for roles and responsibilities, project management tools between departments, and other expectations setting and progress monitoring resources.
- Conduct **projects to support capital planning and delivery**, including reporting requirements outlined in the 2024 Vibrant, Healthy and Safe San Francisco general obligation bond, assessing a pilot program to streamline facilities renewal projects, and conducting other process improvement efforts.

### Nonprofit Monitoring

- Administer the **Citywide Nonprofit Monitoring and Capacity Building Program** to coordinate contract and fiscal monitoring across departments, set policy and standards for monitoring, and develop tools and resources to support departments and nonprofits. The program will also conduct

trainings for City staff and contractors and capacity building related to nonprofit financial management and governance, administrative management, and contract compliance.

- Issue the first contract monitoring annual report to focus on department efforts to establish **contract monitoring policies and procedures** aligned to the new Controller's Office policy, as well as the fiscal year 2024-25 fiscal monitoring results.
- Conduct projects to support **departments' improvement** of ongoing contract management and monitoring of nonprofit contracts, and finish an assessment of contracting and related accounting functions in smaller departments.

## Public Health, Human Services, and Homelessness

- Conduct a suite of projects with the Department of Public Health that align with and support DPH's strategic priorities, including short- and long-term service and needs planning efforts to improve patient care and flow throughout the city's health services.
- In line with the Controller's Office goal to systematically assess the effectiveness of all parts of the homelessness response system, conduct an **assessment of Rapid Rehousing**, which provides a time-limited housing subsidy in the private market paired with light case management support and connection to services.
- Provide support to the Department of Homelessness and Supportive Housing for the **2026 Point-in-Time (PIT) Count**, including project management, survey and data analysis, and reporting.

# Our Major Planned Audits and Projects

The City Services Auditor work planning process is dynamic and responds to changing priorities with our available resources. The following fiscal year 2025–26 projects are not listed in sequential order.

Department	Project or Audit Title
Bonds	Bond Expenditure Audits
City Administrator	311 Call Center Audit
City Administrator	Film Commission Rebate Program Audit
Citywide	Artificial Intelligence Assessment (22J)
Citywide	Capital Report FY2024-FY2025
Citywide	Chapter 6 Insurance Compliance Audit
Citywide	City Survey 2026
Citywide	Citywide Contracting - Data Management and Reporting from Peoplesoft for Requisitions, Purchase Orders, and Project Teams
Citywide	Citywide Contracting - Improving Request for Qualifications (RFQ) Pools
Citywide	Citywide Enterprise Resource Planning (ERP) Reporting Transition
Citywide	Citywide Data Systems Inventory Assessment
Citywide	Citywide Emergency Disaster Cost Recovery Program
Citywide	Citywide P-Card Audit
Citywide	Citywide Prop Q Procurement Audit
Citywide	Citywide Single Payment Supplier Audit
Citywide	Commission Streamlining Task Force
Citywide	Construction & Capital Audits & Risk Assessment
Citywide	Construction Project and Contract Closeout Audits
Citywide	Data Academy
Citywide	Data Analytics Program
Citywide	Fiscal Sponsorship Audit
Citywide	Friends Organization Audits FY26
Citywide	Information Technology/Cybersecurity Audits & Assessments
Citywide	Nonprofit Monitoring & Capacity Building Program
Citywide	Public Integrity Assessments & Audits
Citywide/Mayor/Department of Technology	Technology Transformation
Human Services Agency	In-Home Supportive Services Program (IHSS) Provider Assistance Center Transition Benchmarking
Multiple Departments	Capital Project Delivery - Client Resources
Multiple Departments	Dream Keeper Initiative Assessment
Multiple Departments	Mandated Audits on Leases, Contracts, and Compliance
Multiple Departments	Our City Our Home (OCOH) Compliance Audit

Department	Project or Audit Title
Multiple Departments	Redevelopment Plan Activities Audit
Municipal Transportation Agency	Analytical and facilitation projects
Police	Case Clearances Process Analysis
Police	Police Academy Recruitment and Retention
Public Health	Analytical and Facilitation Projects
Public Health	Improving Community Healthcare and Patient Flow
Public Health	Needs Analysis of Post-Acute Care Beds
Public Health	Patient Rates Options Analysis
Public Utilities	Performance and Compliance Audits
Public Works	Street and Sidewalk Standards Program
Recreation and Park	Park Standards Program