




OFFICE OF THE CONTROLLER CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
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MEMORANDUM

TO: Citizens' General Obligation Bond Oversight Committee

FROM: Mark de la Rosa, Director of Audits 
Audits Division, City Services Auditor

DATE: February 17, 2023

SUBJECT: CSA Audits Activity Update

The following are highlights of the City Services Auditor (CSA) Audits Division's activity from December 5, 2022, through February 17, 2023.

Date Issued	Report
12/21/2022	<p>Public Integrity Reviews 2022 Update: Implementation Status of Recommendations From Assessments to Date</p> <p>In January 2020 the City Attorney's Office, with the support of the Controller's Office, launched an independent public integrity investigation and created a hotline in response to federal criminal charges against Mohammed Nuru for aiding and abetting honest services wire fraud in connection with an alleged scheme to bribe public officials. Concurrently, the Controller, in cooperation with the City Attorney, undertook a Public Integrity review of city contracts, purchase orders, and grants for red flags that could indicate process failures.</p> <p>The report provides an update on the legal actions to date and the implementation of our office's recommendations to improve transparency, reduce the risk of fraud, and safeguard public funds.</p>
1/5/2023	<p>Whistleblower Program Fiscal Year 2022-23 Quarter 1 Report</p> <p>During July 1 through September 30, 2022, (Quarter 1), the Whistleblower Program received 153 reports. The Whistleblower Program investigated 84 (55 percent) of the 153 reports it closed in Quarter 1.</p>

Date Issued	Report
1/10/2023	Field Follow-up of the 2018 Audit of Citywide Fleet Management and the Zero Emission Vehicle Ordinance The field follow-up assessment of the 2018 audit, <i>Fleet Management Must Be Repositioned in the Vehicle Procurement Process to Right-Size the City's Fleet and Maximize the Benefits of the Zero Emission Vehicle Ordinance</i> , found that Fleet Management, a unit of the Office of the City Administrator, has fulfilled the intent of 9 of the 11 recommendations, which, consequently, are now considered closed. The other two recommendations were deemed no longer applicable.
1/12/2023	Airport Commission: Kalitta Air, LLC, Paid Its Landing Fees in Accordance With Its Lease for July 1, 2019, Through June 30, 2021 Kalitta Air, LLC, correctly reported revenue aircraft arrivals, calculated landing fees, and remitted payment to the Airport for the audit period. The airline paid \$2,679,149 in landing fees due to the Airport in accordance with its lease and use agreement.
1/12/2023	Airport Commission: All Nippon Airways Corporation, Limited, Paid Its Landing Fees in Accordance With Its Lease for July 1, 2019, Through June 30, 2021 All Nippon Airways Corporation, Limited, correctly reported revenue aircraft arrivals, calculated landing fees, and remitted payment to the Airport for the audit period. The airline paid \$3,108,422 in landing fees due to the Airport in accordance with its lease and use agreement.
2/1/2023	Human Services Agency: The Department Needs to Improve Controls Over Gift Cards to Prevent Loss and Misappropriation The audit of the controls the Human Services Agency (Human Services) uses to mitigate the risk of loss or misappropriation of gift cards found that these controls need improvement. Human Services should update its policies and procedures to better comply with city rules for handling and distributing gift cards and should strengthen its oversight of community partners to ensure that their policies and procedures adhere to city guidelines and that their staffs adequately follow policies and procedures.
2/9/2023	Airport Commission: JetBlue Airways Paid Its Landing Fees in Accordance With Its Lease for July 1, 2019, Through June 30, 2021 JetBlue Airways correctly reported revenue aircraft arrivals, calculated landing fees, and paid the Airport for the audit period. The airline paid \$7,377,139 in landing fees due to the Airport in accordance with its lease and use agreement.

Date Issued	Report
2/16/2023	<p data-bbox="402 310 1430 426">SFPUC: Although Its Sewer System Improvement Program Management Consultant Complied With Contract Terms, the San Francisco Public Utilities Commission Should Improve Its Contract Management</p> <p data-bbox="402 468 1430 795">The audit of the Program Management Consultant (PMC) that assists San Francisco Public Utilities Commission’s Sewer System Improvement Program (SSIP) found that the PMC contract generally aligned with industry practices and other similar large-scale programs and the PMC fulfilled its contractual obligations. However, SFPUC envisioned that the resources for this contract would provide PMC services for 15 years, but inadequate long-term planning and management of task order costs and resources caused contract funds to be exhausted years earlier than anticipated. This indicates that SFPUC’s contract management practices need improvement.</p>