

Review of SFMTA Fiscal Year 2010-11 Work Orders

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Presentation Overview

CSA presented the findings and recommendations from its October 4, 2011 memorandum regarding its review of MTA's work orders to the Policy and Governance Committee on November 18, 2011.

The Committee asked CSA to present at a future meeting on the responses of the five other departments mentioned in the memorandum.

CSA requested responses from:

1. City Attorney
2. San Francisco Police Department
3. 311 Customer Service Call Center
4. Department of Public Works
5. Office of the Treasurer and Tax Collector

City Attorney Did Not Submit a Response

Findings

- Billings excluded key information that would allow SFMTA to better review the accuracy of its billings.
- SFMTA paid the City Attorney's bills without all required approvals.
- City Attorney used some incorrect billing rates for two of its staff. While this resulted in overbilling SFMTA by an insignificant amount, the errors indicate a risk of a more widespread problem that could result in significant overbilling.

Recommendations – SFMTA should:

6. Modify its MOU with City Attorney to specify what information City Attorney will provide that protects confidential information but provides SFMTA with sufficient information to verify the accuracy of the billing.
7. Ensure staff approves billings before paying them.
8. Request City Attorney to correct existing billings for incorrect rates.



San Francisco Police Department Findings

- SFMTA and the Police Department did not develop an approved annual work order budget as required by the five-year MOU.
- The Police Department MOU does not include sufficient cost information for the services to be provided.
- SFMTA paid the Police Department 's bills without obtaining all the required approvals.
- While the MOU requires the Police Department to bill SFMTA for the full actual cost of services, it only bills SFMTA one fourth of the annual budget. For the first two quarters of fiscal year 2010-11, this resulted in \$1.3 million of underbilling.



San Francisco Police Department Recommendations & SFPD Response

Recommendation 9: Ensure that an annual work order budget is developed and approved as specified in the Police Department MOU.

SFPD Response: Annual work order budgets are developed and approved through the City's budget process.

Recommendation 13: Modify its billing procedures with the Police Department to ensure that it pays only for actual costs and the MOU reflects current agreements on billing procedures and formats.

SFPD Response: The MOU should be updated as needed.



San Francisco Police Department

SFPD Response

Recommendation 10: Include in its MOU with the Police Department cost details of what it expects the Police Department to provide, including hourly labor rates.

Recommendation 12: Modify its MOU with Police to specify that the Police Department is to provide official employee pay rates before it submits its billings.

SFPD Responses: Including specific labor rates in the MOU and providing official pay rates to MTA before submitting billings are not necessary. SFPD charges SFMTA the Police Officers' Association MOU salary, overtime, and premium pay rates plus the City's benefits rates for uniform employees. This MOU is a public document.

Underlying issue: The cost details that are either outdated or missing from the MOU make it difficult for SFMTA to verify the appropriateness of SFPD's billings.



311 Customer Service Call Center

Finding

The 311 Center submitted its billings late and for six months rather than three months.

Recommendation

14. Request the 311 Call Center to submit bills in accordance with the billing cycle and deadlines specified in the MOU or modify the MOU to specify billing terms with which both parties can comply.

Response

311 does not feel any modification to the MOU is necessary and states it will comply with the billing cycle and deadlines in the MOU.

Department of Public Works

Findings

- The SFMTA and DPW agreed to an automated process for certain billings that is not included in the allowable billing formats specified in the MOU.
- SFMTA paid one DPW bill that lacked appropriate support.
- DPW billings some times lacked detailed labor information.
- One billing's approval signature of the requesting manager was not dated.
- DPW's billings did not comply with the billing cycles indicated in the MOU.



Department of Public Works

Recommendations & DPW Response

Recommendation 16: Ensure that DPW provides sufficient documentation in accordance with the MOU.

Recommendation 17: Review with DPW the billing formats in their MOU to ensure they specify an appropriate level of detail.

DPW Response: The issues in recommendations 16 and 17 have already been addressed.

Recommendation 15: SFMTA should modify its MOU with DPW to specify the expectations for its automated billing process.

Recommendation 19: Request DPW to submit bills in accordance with the billing cycle and deadlines specified in the MOU or modify the MOU to specify billing terms with which both parties can comply.

DPW Response: Regarding 15 and 19, DPW concurs with MTA's initial response and will work with MTA to modify the MOU as appropriate.

Treasurer and Tax Collector

Findings :

SFMTA did not amend the MOU with the Office of the Treasurer and Tax Collector when both parties agreed to change the services covered.

The Treasurer and Tax Collector did not comply with the MOU billing cycle requirements.

Recommendation 20: Ensure that its future MOUs with the Treasurer and Tax Collector include only the services and charges agreed to by both parties.

TTX Response: Taxi service is no longer included in MOU.

Recommendation 21: Request the department to submit bills in accordance with the billing cycle and deadlines specified in the MOU or modify the MOU to specify billing terms with which both parties can comply.

TTX Response: Concur and are billing quarterly.

