



ETHICS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

NOREEN AMBROSE
CHAIR

July 2, 2021

YVONNE LEE
VICE-CHAIR

To: Members of the Ethics Commission

DAINA CHIU
COMMISSIONER

From: LeeAnn Pelham, Executive Director
Gayathri Thaikkendiyil, Deputy Director & Chief Operating Officer

LARRY BUSH
COMMISSIONER

Subject: **AGENDA ITEM 9 - Status Report on Implementation of Recommendations of the August 2020 Budget & Legislative Analyst's (BLA) Performance Report of the Ethics Commission**

JAMES BELL
COMMISSIONER

LEEANN PELHAM
EXECUTIVE DIRECTOR

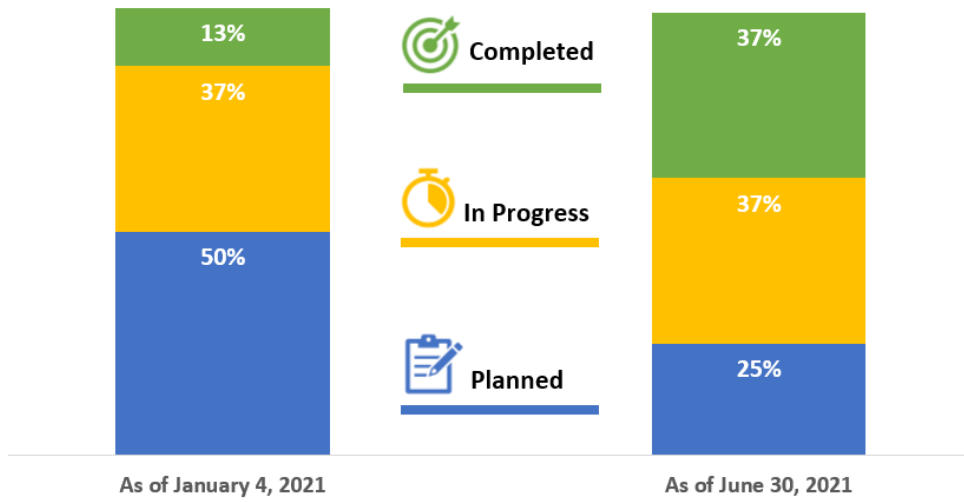
Summary: This item provides an updated status report on the implementation of recommendations contained in the BLA's August 2020 performance audit of the Ethics Commission.

Action Requested: No action is required by the Commission as this item is for informational purposes only.

As previously reported at the Commission's [August 2020](#), [December 2020](#) and [January 2021](#) monthly meetings, the performance audit of the Ethics Commission conducted at the request of the Board of Supervisors by the Budget & Legislative Analyst (BLA) was completed in August 2020. The audit assessed a range of Commission functions to look for opportunities to improve the effectiveness and efficiency of those operations. In its response to the audit, the Department fully agreed with the report's sixteen recommendations and noted that it had taken steps to begin implementing work process enhancements informed by the audit's findings. The Board of Supervisors' Government Audit and Oversight Committee discussed the audit ([BOS File No. 201158](#)) with the Department under [Item 10 at the Committee's November 19, 2020 meeting](#) and filed the report without taking further action.

In the [January 2021 implementation status report](#), Staff reported that two of the sixteen recommendations had been completed; six others were underway, and eight were planned for further action in the coming months. As illustrated in the chart below, as Fiscal Year 2021 came to a close, six recommendations in total had been completed as of June 30, 2021, another six remained in progress, and four were planned for further action in the fiscal year beginning July 1st.




Ethics Commission Implementation Status
of BLA Performance Audit Recommendations










Attachment provides a detailed status report on the implementation of recommendations as of June 30, 2021. We look forward to answering any questions you may have at the July meeting.





Status of Action on Recommendations of the Budget & Legislative Analyst – June 30, 2021

Ethics Commission Overview | August 10, 2020 Performance Audit of the Ethics Commission

Recommendation	Due	Status	Notes	Links
<p>4. Ensure adequate staffing in the Ethics Commission: that the Board of Supervisors request the Mayor’s Budget Office to (i) expedite approval of requests to fill vacant positions, and (ii) allocate Ethics Commission salary savings to the work order with the Department of Human Resources to increase Ethics Commission recruitment and hiring.</p>	31-Dec-2020	Completed 	<ul style="list-style-type: none"> • Hiring Plan established 10/13/2020 • Requests to Fill approved by 11/18/2020 • Job announcements posted Dec 10-11, 2020 • Five positions in FY21 Plan filled as of 4/19/2021 • Recruitment underway for two vacancies that occurred in FY21 	
<p>1. Produce an annual report that communicates the Department’s goals, activities, and outcomes to employees and members of the public; include specific performance measures for each function, with a focus on measures that capture outcomes, and establish goals for those measures.</p>	30-Jun-2021	Completed 	<ul style="list-style-type: none"> • Draft FY20 Annual report presented at 8/14/2020 Commission meeting • Final Draft FY20 Annual Report adopted at 9/11/2020 Commission meeting • FY20 Annual Report issued 9/11/2020 • Draft FY21 Annual Report presented to the Commission on 6/11/2021 • Revised draft report scheduled for Commission's action on 7/9/2021 • Process for producing reports established in FY21 and reports will be created annually going forward 	FY20 Annual Report
<p>2. Formalize and document procedures to provide training on ethics laws to City employees and officials specifying (a) how training needs will be assessed; (b) training goals; (c) a process for tracking progress towards achieving training goals; and, (d) a process for routinely evaluating, updating, and revising training procedures.</p>	31-Dec-2020	Completed 	<ul style="list-style-type: none"> • Ethics FY21 Training Plan formalized and documented 12/24/2020 	Ethics FY21 Training Plan

<p>3. Direct the Audit Division to produce a summary of audit findings after each audit cycle and submit to the Director of the Engagement and Compliance Division to inform compliance efforts.</p>	<p>30-Jun-2021</p>	<p>Completed </p>	<ul style="list-style-type: none"> • Audit Division Summary of 2018 Publicly Financed Candidate Audits provided to Engagement & Compliance 12/29/2020 • Summary of Discretionary Audit Findings for the 2018 Election Cycles provided to Engagement & Compliance 6/1/21 • Process now formalized in annual Audit Division work plan established following April 2021 hiring of Audit and Compliance Review Manager 	
<p>5. Establish overall goals for completing audits as well as goals for review of audit reports by the Executive Director, and report on results in relation to goals after completion of each audit cycle to the Ethics Commission.</p>	<p>30-Jun-2021</p>	<p>In Progress </p>	<ul style="list-style-type: none"> • Now in process with April 2021 hiring of Audit and Compliance Review Manager • FY22 audit completion goals will be established through Audit Division's work plan for the year and detailed in the Audit Project Plans • Updates will be provided to the Commission on no less than a semi-annual basis 	
<p>6. Approve procedures for a lobbyist audit program and conduct an initial lobbyist audit by end of FY21.</p>	<p>30-Jun-2021</p>	<p>In Progress </p>	<ul style="list-style-type: none"> • Now in process with April 2021 hiring of Audit and Compliance Review Manager • FY22 Lobbying Audit Project Plan established effective 7/1/2021 to identify approaches, deliverables, and timeframes for implementing Lobbyist Audit Program • Project Plan targets completion of information and data gathering, program analysis and design, and development of business processes and procedures by September 31, 2021. • Audit selection and initiation per Project Plan to be completed by December 31, 2021 	<p>FY22 Lobbying Audit Project Plan</p>

<p>7. Develop an updated audit manual or standard operating procedure that provides auditors with a step-by-step guide to conduct audits.</p>	31-Dec-2021	In Progress 	<ul style="list-style-type: none"> • With April 2021 hiring of Audit and Compliance Review Manager, evaluation of existing operating procedures has been initiated • Development of Audit Manual is prioritized for Audit Division FY22 work plan, will address core program components, and is targeted for completion by June 30, 2022 	
<p>8. Establish a formal training program for the Audit Division, which includes: (a) identification of training needs based on discussions with the acting audit supervisor and auditors; (b) training goals for each employee; (c) A process for tracking progress towards achieving training goals; and, (d) a process for routinely evaluating, updating, and revising the training program.</p>	30-Jun-2021	Planned 	<ul style="list-style-type: none"> • Prioritized for Audit Division's FY22 work plan with targeted completion date of December 31, 2021 	
<p>9. Develop a plan to: (a) increase annual case closure rate relative to the number of investigations opened, and (b) resolve open investigations that are more than two-years old; and report on progress quarterly to the Ethics Commission.</p>	31-Dec-2020	Completed 	<ul style="list-style-type: none"> • Established in Enforcement Division Case Closure Plan for FY21 dated 12/28/2020 	Enforcement FY21 Case Closure Plan
<p>10. Enhance investigation case tracking and performance management by: (a) establishing Division goals for completing investigations and interim milestones, such as completing preliminary review reports; (b) tracking additional dates to capture interim milestones; and (c) monitoring performance in relation to goals.</p>	30-Jun-2021	In Progress 	<ul style="list-style-type: none"> • Approach for expanded tracking of interim milestones developed in calendar year 2020 and began to be implemented in 2021 • Tracking methods to be refined and expanded with implementation of case management system with new budget funds pending approval for FY22 	

<p>11. Continue to develop the expanded Fixed Penalty Policy, and present for consideration to the Ethics Commission by January 2021 in order to enable streamlined resolution of an expanded portfolio of investigations. The presentation should include an evaluation of the portion of investigations that would fall under the expanded Fixed Penalty Policy and the estimated reduction in case timelines in order to better understand the projected relative benefit of this change.</p>	31-Dec-2020	Completed 	<ul style="list-style-type: none"> • Staff proposal distributed to Interested Persons 12/15/2020 and meetings held 1/5 and 1/7/2021 • Revised proposal presented at 2/12/21 Commission meeting, including predictive analysis of cases potentially subject to treatment under revised Fixed Fine Policy, was adopted by Commission 2/12/2021 • Streamlined Administrative Resolution Program implemented 2/15/2021 and as of 6/30/21 reflects the following: <ul style="list-style-type: none"> -- Six streamlined stipulations presented for Commission action -- 35% of 63 enforcement matters pending appear eligible for SARP resolution 	Adopted Revised Fixed Penalty Policy
<p>12. Report to the Ethics Commission on the results of using the case prioritization criteria within 18 months after implementation in order to assess which types of cases are closed based on which factor(s). This review would help to ensure that the criteria are achieving the desired intent of focusing the Division’s workload on the most significant cases and that they are applied in a standardized fashion for all cases.</p>	30-Jun-2021	Planned 	<ul style="list-style-type: none"> • For presentation at the August 2021 Commission Meeting 	
<p>13. Formalize and document the existing training program for investigators to ensure new and existing staff have sufficient training. The documented training policy should address the following: (a) how training needs will be identified for new and existing staff; (b) the establishment of training goals; (c) a process for tracking progress towards achieving training goals; and, (d) a process for routinely evaluating, updating, and revising the training program.</p>	30-Jun-2021	In Progress 	<ul style="list-style-type: none"> • Onboarding and training needs for new investigators identified in calendar year 2020 • Expanded onboarding and training for new investigators initiated in April 2021 • Other processes have been prioritized for FY22 and are in development 	
<p>14. Report on whistleblower retaliation case outcomes to the Ethics Commission on an annual basis to enhance transparency of these investigations.</p>	30-Jun-2021	Completed 	<ul style="list-style-type: none"> • FY21 Whistleblower data included in Commission FY21 Annual Report draft presented at 6/11/2021 Commission meeting • This data will be included in the annual report going forward 	

<p>15. Establish goals for completing whistleblower retaliation investigations and specify how whistleblower retaliation cases should be prioritized among other cases to ensure timely resolution (in coordination with recommendation 10).</p>	31-Dec-2020	Completed 	<ul style="list-style-type: none"> Established in Enforcement Division Case Closure Plan for FY21 dated 12/28/2020 	Enforcement FY21 Case Closure Plan
<p>16. Document specialized training for whistleblower retaliation investigations and build in mechanisms to verify that trainings occur and that they are useful and effective as needs change over time.</p>	30-Jun-2021	In Progress 	<ul style="list-style-type: none"> Developing processes for specialized training in concert with training being developed in Recommendation #13, above 	