

OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
 Controller
 ChiaYu Ma
 Deputy Controller

DATE: July 17, 2024
 TO: Dennis Herrera, General Manager, Public Utilities Commission
 FROM: Greg Wagner, Controller
 SUBJECT: **Results of CY2023 Post Audit & Continuous Monitoring Program**

Thank you for your staff’s support of the Controller’s continuous monitoring and post audit program. This letter summarizes the audit work completed and explains observations that may have been found during that work. We recognize the extra work and resources required to collect the subject documentation, especially under these extraordinary circumstances, and we truly appreciate your department’s effort and assistance.

Department Financial Activity Highlights:

Financial Activity	Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023	
	Count	Amount	Count	Amount	Count	Amount
Voucher	33,409	1,588,215,434.88	33,546	1,622,368,235.70	35,423	1,833,779,271.55
Expense Report	994	184,424.25	869	210,397.36	1,275	540,631.46
GL Journal	5,074	23,145,784,893.40	5,262	30,660,350,651.21	5,062	24,837,227,226.30
KK Journal	1,717	11,736,739,230.79	1,740	12,810,672,792.25	1,607	13,912,451,596.13
Purchase Order	8,303	160,968,291.09	8,068	270,421,420.00	8,885	234,470,863.81
Accounts Receivable	5,147	1,965,463,122.99	6,812	2,004,061,324.43	8,095	2,445,986,483.87
Totals	54,644	38,597,355,397.41	56,297	47,368,084,820.95	60,347	43,264,456,073.12

Program Overview

The continuous monitoring and post audit program are designed to help assess each department’s accounting and internal control practices and compliance with City laws, regulations, and policies. The monthly monitoring reports that we send you or your staff provide regular feedback about processing in your department. They can help identify areas that are working well and highlight those that may need immediate attention for change and improvement.

Post-Audit Approach

The post audit examines the effectiveness of the design and implementation of each department’s internal control. This year, a risk-based approach was used to determine the transaction cycles selected for testing. Each department was assigned a departmental risk level for each transaction cycle based on the materiality of the department’s operations to the City’s financial reporting objectives. This was done primarily on the magnitude, volume, and complexity of the department’s transactions, and adjusted for factors such as separate reporting funds and new systems, personnel, or management. Departments with more transactions, higher dollar amounts, more complex

transactions, and separate financial statements were assigned a higher risk. The assessment of inherent risk is used to design audit procedures and is not a reflection on your department's management or performance.

Financial transactions were selected for analysis and testing on a risk basis. Documentation provided by your department as well as preliminary inquiries of key personnel were used to evaluate the adequacy of the design of the controls on selected cycles. Subsequent testing was used to evaluate the adequacy of the implementation of the controls. In all cases, the existence of citywide controls and potential compensating controls are considered in the evaluation.

Procedures

Our audit team:

- Reviewed your response to our internal control questionnaire
- Reviewed your continuous monitoring results
- Reviewed your responses to our manual carryforward survey
- Reviewed your P-Card transactions in both US Bank Access Online and in PeopleSoft
- Reviewed your prior year's post audit results and your response
- Examined your written policies and procedures pertaining to the audit areas
- Interviewed key staff members to understand the design of controls

Strengths

The following areas are highlighted as your strengths. Your cooperation in timely preparation and organization of backup documentation contributed to an efficient post audit. The Controller's Office thanks you for your prompt response to our inquiries throughout the duration of the post audit.

1. **Documentation.** Your department provided processes and procedures for all requested cycles for this post audit. This demonstrates commitment by management to implement an effective system of internal controls.
2. **Promptly Clearing Unidentified Receipts.** Your department has maintained performance with no exception in this area.
3. **Manual Carryforward Survey & Transactions.** Your department has maintained performance with no findings in this area.
4. **Budget Entry Documents.** Your department has maintained performance with no findings in this area.

Areas for Improvement

Based on the test work performed, there were certain areas that were found to need improvement or requested documentation was not received. Specific areas include:

1. **Purchasing & Payables Processing.** Three invoices we reviewed were paid more than 30 days after the invoice receipt date. The department should ensure that invoices are processed following City's prompt payment rule of 30 days. See Appendix A, Transaction Documentation for details.
2. **Employee Recognition.** Three vouchers we reviewed were related to Employee Recognition. The department drafted an Employee Recognition Policy; however, it was not finalized and

approved by Controller's Office. Also, the vouchers should be recorded in account code 523050, employee recognition, instead of the food account code of 546990. We recommend the department finalize the Employee Recognition Policy and obtain Controller's Office approval before incurring expenses related to employee recognition. See Appendix A, Transaction Documentation for details.

3. **Expense Reports Processing.** One employee reimbursement for food exceeded Controller's threshold of \$200 per single vendor and should have gone through the procurement process. We recommend the department remind employees of the Controller's guidelines to ensure reimbursements fall within the policy. Six employee reimbursements were for employee recognition and should have been recorded in account code 523050, employee recognition, instead of the food account code of 546990. See Appendix A, Transaction Documentation for details.
4. **Community Based Organizations.** One voucher for a nonprofit organization was submitted late. The nonprofit did not follow the disbursement schedule. We recommend the department work with the nonprofit to send disbursement funding request according to the contract's requirements/schedule. Three vouchers for two separate nonprofits were paid more than 30 days after the invoices were received. We recommend the department review and update their payment procedures to ensure that invoices are paid within the City's prompt payment rule of 30 days. See Appendix B, Community Based Organizations for details.
5. **General Ledger Entry Submitted After Year-End Deadline.** We recognize your department's fiscal staff's effort in meeting the year-end schedule, but improvements could be utilized in meeting the year-end deadlines as department requested exceptions to post accounting transactions after the year-end deadline. Your department's request has grown from one journal entry to three journal entries over the last three fiscal years. One journal entry was processed for CleanPowerSF FY23 expense accruals related to FY24 vouchers. One journal entry was processed for PUC Bureau FY23 Q4 overhead and recovery from Water, Hetchy Water, Power, Clean Power and Wastewater. The last journal entry was processed for PUC Bureau to abate FY23 Q1 to Q3 City Attorney infrastructure charges to various PUC Peoplesoft chartfields. We encourage the department to reconcile the accounting transactions in a timely manner to ensure a smooth fiscal year-end closing.

Summaries of all higher risk findings are presented in **Appendix A: Fieldwork Test Results** on page 5, **Appendix B: Community Based Organizations** on page 8, and **Appendix C: P Card** on page 10.

Year-End Close

An ongoing goal of the Controller’s office is to have a well-managed process for CCSF’s Year-End Close. To accomplish this goal, departments must meet the year-end schedule, respond promptly to Controller’s request for information and required actions. This ensures that the processes for the issuance of our Annual Comprehensive Financial Report (ACFR) provides financial data integrity, accuracy, and timeliness. Below is your department’s last three year’s statistics on budget and journal entries submitted after the month 13 deadline and deleted vouchers that were not fully approved by the year-end deadline.

Financial Activity	Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023	
	Count	Amount	Count	Amount	Count	Amount
Deleted Vouchers	32	1,718,100.54	58	2,001,160.95	29	1,258,696.65
GL submitted after year-end deadline	1	18,630,319.28	2	27,906,130.56	3	7,512,306.98
KK submitted after year-end deadline	-	-	2	18,604,087.04	-	-

Follow-up

A detailed audit matrix that reflects test work for each area of the Post Audit was provided to your Deputy Chief Financial Officer and discussed at the exit conference. We have not removed findings which we believe are valid although your staff may disagree. In those cases, we have communicated our reasons for retaining the finding to your staff and included any comments in the appendices.

By September 13, 2024, please provide us with a response for the observations that were reported above. If you have any questions about the audit or this report, please call Jocelyn Quintos at 415-554-6609 or Lilly Ting at 415-554-7567.

- Cc: Nancy Hom, Chief Financial Officer and Assistant General Manager, Business Services
- Laura Busch, Deputy Chief Financial Officer, Public Utilities Commission
- Vivian Chen, Deputy Chief Financial Officer, Public Utilities Commission
- Sailaja Kurella, Director, Office of Contract Administration
- Jocelyn Quintos, Director of Accounting Operations and Supplier, Controller’s Office

Appendix A: Fieldwork Test Results

Overview

Communication, documentation, and monitoring of compliance are critical elements of every sound financial system, and policies and procedures are an essential part of establishing internal controls. For this year's post audit, departments were asked to respond to an internal control questionnaire and submit copies of their policies and procedures for the basic accounting cycles, submit selected transaction documentation for review and to conduct walkthroughs on accounting cycle procedures.

Internal Control

While it was not within the scope of this audit to perform an extensive internal control review, the status of procedure documentation your department has submitted on requested cycles is below.

Cycle	Status
Cash Handling	Received
Revenue and Receivables	Received
Purchasing & Payables	Received
Payroll	Received
Grants	Not received. Department follows the Controller's Policies.
Journal Entries & Financial Closing	Received
Budget Changes	Not received. Department follows the Controller's Policies.
Debt	Received
Fixed Assets	Received
Inventory	Received
Trustee Accounts	Received
Claims	N/A

Transaction Documentation

The following documents were selected for review, document numbers in bold indicate issues found. Please find our observations below.

Employee Recognition	Findings and Recommendation
<p>Vouchers:</p> <p>Hetch Hetchy CleanPower</p> <p>02664107 02532896</p> <p>02681984 02831878</p> <p>02764959</p> <p>02609797</p> <p>02621773</p> <p>Water PUB</p> <p>02762011 02655613</p> <p>02762000 02654248</p> <p>02826955 02542516</p> <p>02825392 02780633</p> <p>02726161 02815892</p> <p>Wastewater</p> <p>02569422</p> <p>02662173</p> <p>02786292</p> <p>Expense Report: PUB</p> <p>Hetchy Hetchy 0000106085</p> <p>0000106691 0000108938</p> <p> 0000110580</p> <p> 0000110576</p> <p> 0000110714</p>	<p>Our review found thirteen higher risk items in this category.</p> <p>Three vouchers we reviewed were paid more than 30 days after the invoices were received. We recommend the department review and update their payment procedures to ensure that invoices are paid within the City’s prompt payment rule of 30 days.</p> <p>Three vouchers and six expense reports we reviewed were food purchases related to Employee Recognition. The department drafted an Employee Recognition Policy; however, it was not finalized and approved by the Controller’s Office. However, the department incurred employee recognition expenses prior to final policy approval. In addition, these three vouchers and six expense reports should be recorded in account code 523050, employee recognition, instead of account code 546990, food. We recommend the department finalize the Employee Recognition Policy, obtain Controller’s Office approval and comply with Controller’s reimbursement guidelines.</p> <p>One expense report we reviewed was for food purchases related to Employee Recognition event. The food purchases were over \$200 per single supplier. We recommend the department follow Controller’s reimbursement guidelines to process expense reports.</p> <p>Other observations have been noted in the Fieldwork Summary which was presented to your finance staff.</p>

Manual Appropriation Carryforward of Annual Funds	Findings and Recommendation
<p>Hetch Hetchy</p> <p>KK23MCF014_19 PUB KK23MCF014_24 KK23MCF012_6 KK23MCF014_24 KK23MCF012_18 KK23MCF014_36 KK23MCF012_25 KK23MCF014_42 KK23MCF012_30 KK23MCF014_48</p> <p>Water</p> <p>KK23MCF015_8 Wastewater KK23MCF015_11 KK23MCF016_9 KK23MCF015_24 KK23MCF016_10 KK23MCF015_69 KK23MCF016_19 KK23MCF016_49 KK23MCF016_57</p> <p>CleanPower</p> <p>KK23MCF013_8</p>	<p>After reviewing your Manual Appropriation Carryforward Survey, our process consisted of sampling nineteen of your Manual Appropriation Carryforward requests. Twelve financial and procurement transactions were selected for analysis and tested for compliance with your FY23 Manual Appropriation Carryforward Request.</p> <p><u>Purchase Orders Tested</u></p> <p>0000762103 0000752666 0000813628 0000813188 0000738919 0000744938 0000720194</p> <p><u>Requisition Tested</u></p> <p>0000292843 0000292477 0000292124 0000293816 0000282396</p> <p>Our review did not result in any findings for the documents.</p> <p>Other observations have been noted in the Fieldwork Findings Summary which was presented to your finance staff.</p>

Appendix B: Community Based Organizations

The following Community Based Organizations were selected for review, below are our observations.

Community Based Organizations	Findings and Recommendation
<p>BAY AREA VIDEO COALITION Contract# 1000025334 - \$105,000 PO# 0000712460 -\$35,000 Voucher# 02790699 - \$28,907.64 Voucher# 02803896 - \$6,092.36</p>	<p>Our review found no higher risk items in this category.</p> <p>Other observations have been noted in the Fieldwork Findings Summary which was presented to your finance staff.</p>
<p>SAN FRANCISCO CONSERVATION CORPS Contract # 1000026697 - \$5,853,016 PO# 0000654718 - \$1,056,309.92 Voucher# 02546184 - \$89,108.43 Voucher# 02650089 - \$211,136.33</p>	<p>Our review found one higher risk item in this category.</p> <p>Our review found that one voucher was submitted late. The nonprofit submitted the March invoice on 5/03/23 when the disbursement was due on 4/30/23 per Appendix B of the grant agreement which states "SFCC must submit monthly financial invoice within 15 business days, and no more than 30 calendar days of the last day of the month, in which services were provided". We recommend the department work with the nonprofit to send disbursement funding request according to the contract's requirements/schedule.</p> <p>Other observations have been noted in the Fieldwork Findings Summary which was presented to your finance staff.</p>
<p>SUNSET YOUTH SERVICES Contract # 1000025347 - \$105,000 PO# 0000622332 - \$33,950 Voucher# 02528470 - \$13,961 Voucher# 02643872 - \$19,541</p>	<p>Our review found no higher risk items in this category.</p>

Community Based Organizations	Findings and Recommendation
<p>EARTH LAND INSTITUTE Contract # 1000026639 - \$480,000 PO# 0000655598 - \$160,000 Voucher# 02448049 - \$20,000 Voucher# 02555072 - \$20,000</p>	<p>Our review found one higher risk item in this category.</p> <p>One of the vouchers we reviewed was paid more than 30 days after the invoices were received. Invoice was received on 5/5/23 and paid on 6/5/23. We recommend the department review and update their payment procedures to ensure that invoices are paid within the City's prompt payment rule of 30 days.</p> <p>Other observations have been noted in the Fieldwork Findings Summary which was presented to your finance staff.</p>
<p>OLD SKOOL CAFE Contract # 1000025384 - \$105,000 PO# 0000625082 - \$33,950 Voucher# 02529963 - \$33,950</p>	<p>Our review found no higher risk items in this category.</p> <p>Other observations have been noted in the Fieldwork Findings Summary which was presented to your finance staff.</p>
<p>YOUTH LEADERSHIP INSTITUTE Contract # 1000025349 - \$75,000 PO# 0000622339 - \$24,250 Voucher# 02498534 - \$13,683.3 Voucher# 02560784 - \$9,855.58</p>	<p>Our review found two higher risk items in this category.</p> <p>Two vouchers we reviewed were paid more than 30 days after the invoices were received. One invoice was received on 3/1/23 and paid on 4/19/23 and the other invoice was received on 4/28/23 and paid on 6/7/23. We recommend the department review and update their payment procedures to ensure that invoices are paid within the City's prompt payment rule of 30 days.</p>

Appendix C: Procurement Card (P-Card)

Overview

The City Procurement Card (P-Card) program enables designated City employees to make authorized purchases during declared emergencies and for certain employee reimbursement items. All transactions should comply with both the citywide P-Card policy and your pre-approved departmental policy. P-Card purchases are monitored monthly and quarterly using reports available from SF Financials & Procurement and US Bank. Departments must respond to all inquiries from the P-Card team and/or fund accountant to ensure that transactions are compliant and that any potential violations are reviewed and granted an exception.

Transaction Documentation

The following documents were selected for review. Document numbers in bold indicate exceptions found. Please find our observations below.

Voucher#	Observations	Recommendations
02401427 02632357 02632769 02802758	Missing supporting documentation with justification related to Lomo Libre delivery fee.	Supporting documentation for purchases must be accessible to multiple individuals.

Table A: Audit Criteria

The following table summarizes the criteria considered for the audit.

Audit Criteria Fulfilled		Exceptions Found
Authorization and Pre- Authorization	<ul style="list-style-type: none"> All requests for business travel/lodging require approval in advance by the Department Head or an Authorized Travel Signatory. Purchases must be made after P-Card Request Authorization form was signed 	None
Supporting Documents	<ul style="list-style-type: none"> Supporting documents such as receipts and registration must be retained and match pre-approvals. Travel expense form must be completed to be used for travel, training, or other employee reimbursement items 	02401427
Items That Should be Procured through Purchase Orders	Recurring purchases that should be obtained through a purchase order or requisition are strictly prohibited	None
Purchases Made by Non- Cardholder Employees	Purchases must be authorized by the person whose name is on the card. P-Cards must be properly stored and handled	None

Audit Criteria Fulfilled		Exceptions Found
Sales Tax Accrual	The department must accrue sales tax when shopping online where sales tax is not charged	None
Employee Recognition	Department must have an approved employee recognition policy before making program-related purchases	None
Food Policy	Department must have a food policy before purchasing food for employees, guests, and/or clients	None
Prohibited Items	Prohibited purchases include, but are not limited to: <ul style="list-style-type: none"> • Personal purchases of any kind (personal purchases are defined as purchases of goods or services intended for non-work-related use or use other than for official business) • Donations or gifts to a charity, a gift to an entity, or a political contribution • Fuel for personal cars since the personal vehicle expenses will be compensated through mileage reimbursement • Refer to the P-Card Policies & Procedures for additional prohibited items 	None
IT Related Items	Departments should utilize the Technology Marketplace and not use P-Cards to circumvent City procurement policies	None
Payments for Recurring Subscriptions	Purchases of recurring subscriptions must be pre-approved and documented in the Departmental policy	None
>\$200 Non-Travel	Purchases should follow non-travel expense reimbursement guidelines when applicable	None
Payment of Existing Invoices for After-the-fact Purchases	P-Card should not be used to pay for after-the-fact purchases	None
Segregation of Duties	An employee cannot be both the Authorized Cardholder and the Purchase Approver	None
Timely Payment	Payment (Scheduled Due Date) must be made within fourteen (14) days of the statement date	None
Voucher amount matches US Bank transactions	Voucher should match transaction receipts and cardholder/managing statements	None
Payment made using assigned department Supplier ID	To ensure that payments are applied to the correct managing account, Departments should use the correct	None

Audit Criteria Fulfilled		Exceptions Found
	Supplier ID Number when processing payment in PeopleSoft.	

Table B: Strengths and Improvements Needed


Strengths
Clear separation of duties amongst department P-Card staff.
Detailed tracking of emails and receipts for supporting documentation.
Payments are made within fourteen days of the statement date.


Needs Improvement
Supporting documents should be readily available to other P-card supporting staff.



Date: September 20, 2024

To: Greg Wagner, Controller

Through: Dennis J. Herrera, General Manager 

From: Nancy L. Hom, Chief Financial Officer and Assistant General Manager, Business Services 

Subject: **Management Response to CY 2023 Post Audit Findings**

Thank you for your Post Audit Report dated July 17, 2024, which outlines the findings from the Calendar Year 2023 Post Audit & Continuous Monitoring Program. The Controller’s Office monitoring and review program is invaluable in supporting SFPUC’s commitment to adhering to citywide policies and procedures. We appreciate your recognition of our department’s strengths, as well as the insightful observations included in the report. SFPUC staff will continue to seek opportunities to enhance compliance in the monitored areas, with a particular focus on the issues highlighted by recent findings.

Below are SFPUC’s detailed responses and action plans:

A. Purchasing & Payable Processing

Findings	Response/Action Plan
<p>Three vouchers we reviewed were paid more than 30 days after the invoices were received. We recommend the department review and update their payment procedures to ensure that invoices are paid within the City’s prompt payment rule of 30 days.</p>	<p>SFPUC Accounting will conduct ongoing training sessions for divisional purchasing and accounts payable staff on the City’s Prompt Payment policy, emphasizing the importance of prioritizing payment processing for invoices with discounts.</p> <p>SFPUC’s Payment Processing Checklist offers clear guidelines and procedures for staff at every stage of payment processing, ensuring all staff understands and adheres to the relevant policies and procedures.</p> <p>SFPUC’s Accounts Payable GoPaperless (APGP) system includes automated tracking to flag invoices for expedited processing. Divisional staff are instructed to use the 'Expedited' checkbox to ensure timely handling of discounted invoices. A</p>

- London N. Breed**
Mayor
- Tim Paulson**
President
- Anthony Rivera**
Vice President
- Newsha K. Ajami**
Commissioner
- Kate H. Stacy**
Commissioner
- Dennis J. Herrera**
General Manager



	system enhancement adds the label field labeled "Eligible for Discount," which will remind accounts payable staff to take advantage of discounts, when possible.
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B. Employee Recognition

Findings	Response/Action Plan
<p>Three vouchers we reviewed were food purchases related to Employee Recognition. The department drafted an Employee Recognition Policy; however, it was not finalized and approved by the Controller's Office. However, the department incurred employee recognition expenses prior to final policy approval. In addition, these three vouchers should be recorded in account code 523050, employee recognition, instead of account code 546990, food.</p> <p>We recommend the department finalize the Employee Recognition Policy, obtain Controller's Office approval and comply with Controller's reimbursement guidelines.</p>	<p>The SFPUC Employee Recognition Policy was not fully approved in calendar year 2023 and is currently being finalized. Once approved by the Controller's Office, SFPUC Accounting and Human Resource Services will conduct comprehensive training to ensure all employees are well-informed about the purchasing policy.</p> <p>Accounting staff are trained to ensure the proper account codes are used for these transactions.</p>

C. Expense Reports Processing

Findings	Response/Action Plan
<p>Six expense reports we reviewed were food purchases related to Employee Recognition. The department drafted an Employee Recognition Policy; however, it was not finalized and approved by the Controller's Office. However, the department incurred employee recognition expenses prior to final policy approval. In addition, these six expense reports should be recorded in account code 523050, employee recognition, instead of account code 546990, food.</p>	<p>The SFPUC Employee Recognition Policy was not fully approved in calendar year 2023 and is currently in the finalization stage. Once approved by the Controller's Office, SFPUC Accounting and the Human Services Department will conduct comprehensive training to ensure all employees are well-informed about the policy details.</p> <p>Accounting staff receive training to ensure the proper account codes are used for these transactions.</p>

<p>We recommend the department finalize the Employee Recognition Policy, obtain Controller's Office approval and comply with Controller's reimbursement guidelines.</p> <p>One expense report we reviewed was for food purchases related to Employee Recognition event. The food purchases were over \$200 per single supplier.</p> <p>We recommend the department follow Controller's reimbursement guidelines to process expense reports.</p>	<p>Employees and managers have been instructed to follow the appropriate purchasing guidelines for future employee recognition-related expenses.</p> <p>All policy violations are documented and reviewed/approved by the Division Manager, Assistant General Manager, and Deputy Chief Financial Officer.</p>
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D. Community Based Organization

Findings	Response/Action Plan
<p>1. One voucher for a nonprofit organization was submitted late. The nonprofit did not follow the disbursement schedule.</p> <p>We recommend the department work with the nonprofit to send disbursement funding request according to the contract's requirements/schedule.</p> <p>SF Conservation Corps - \$89,108.43</p>	<p>This finding relates to the joint contribution to the San Francisco Sheriff's Department, which is responsible for processing the payment.</p> <p>The nonprofit submitted the invoice in SOLIS, but the voucher was processed by Sheriff's Department, as they issued the contract and purchase order.</p> <p>The invoice correction was the main cause of the delay, as the original invoice was submitted timely.</p> <p>SFPUC Accounting has informed the Sheriff's Department to ensure that grantee/nonprofit organizations submit their disbursement funding requests according to the grantor's specified requirements and schedule.</p>

<p>2. Three vouchers for two separate nonprofits were paid more than 30 days after the invoices were received.</p> <p>We recommend the department review and update their payment procedures to ensure that invoices are paid within the City's prompt payment rule of 30 days. See Appendix B, Community Based Organizations for details.</p> <p>a. Earth Land Institute - \$20,000.00 b. Youth Leadership - \$13,683.30 and \$9,855.58</p>	<p>2.a. SFPUC strictly follows the City's Prompt Payment policy. This invoice was paid one day late due to a delay during the Infrastructure Review stage. We have informed the Review team about the importance of timely payments to contractors.</p> <p>2.b. The two late payments were due to staffing changes resulting in the absence of the AP Receiver. To prevent similar issues in the future, a backup AP Receiver has been assigned and trained within the Capital Projects & Grants team to ensure timely payments.</p>
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E. General Ledger Entry Submitted After Year-End Deadline

Findings	Response/Action Plan
<p>We recognize your department's fiscal staff's effort in meeting the year-end schedule, but improvements could be utilized in meeting the year-end deadlines as department requested exceptions to post accounting transactions after the year-end deadline.</p> <p>Your department's request has grown from one journal entry to three journal entries over the last three fiscal years. One journal entry was processed for CleanPowerSF FY23 expense accruals related to FY24 vouchers. One journal entry was processed for PUC Bureau FY23 Q4 overhead and recovery from Water, Hetchy Water, Power, Clean Power and Wastewater. The last journal entry was processed for PUC Bureau to abate FY23 Q1 to Q3 City Attorney infrastructure charges to various PUC Peoplesoft</p>	<p>SFPUC makes every effort to submit fiscal year end entries on time.</p> <p>However, occasional unique circumstances exist beyond our control that affect timeliness of entries. These include:</p> <ul style="list-style-type: none"> • Third-party invoices received in mid-Q1/2025 from CleanPowerSF vendors requiring necessary extensive reconciliation by staff. • City Attorney's Office work order billings submitted after the year-end closing deadline, delaying our necessary internal management review and reconciliation, abatement, and recovery entries. <p>SFPUC will continue to work and collaborate closely with City departments and vendors to ensure timely submission of transactions.</p>

chartfields.	
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We encourage the department to reconcile accounting transactions in a timely manner to ensure a smooth fiscal year-end closing.	
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We appreciate the Controller's Office staff's time dedicated to this audit and will ensure that SFPUC management and staff carefully review and consider all observations and recommendations made in this report. Thank you.

cc: Jocelyn Quintos, Director of Accounting Operations and Systems,
Controller's Office
Sailaja Kurella, Director of Office of Contract Administration
Ronald P. Flynn, Deputy General Manager
Vivian Aiyi Chen, Deputy Chief Financial Officer
Irella C. Blackwood, Audit Director