Case Study:
Performance Audit of the San Francisco Municipal Transportation Agency

Project Summary
The San Francisco Board of Supervisors requested an audit of the San Francisco Municipal Transportation Agency (SFMTA) as a response to the recent creation of the Agency, which has over 4,800 employees and an annual operating budget of over $915 million. The audit examined the Agency’s governance structure, processes, and transit operator’s scheduling practices and use of overtime.

In 1999, San Francisco voters established the SFMTA as an autonomous agency, combining the Municipal Railway (Muni) and the Department of Parking and Traffic into a single agency. The consolidation also gave the agency a minimum level of General Fund support for public transit and established a more autonomous governing board to direct the public transit system. In 2007, the voters of San Francisco approved new performance standards for public transit and augmented the Agency’s autonomous functions. The voters also transferred the Taxi Commission to the SFMTA.

The recent consolidation and newly established performance measures drove the audit’s focus. The performance audit was conducted in accordance with Government Auditing Standards, 2007 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. To convey the audit’s focus it was titled as “Limited Scope.”

Service and Topics Highlighted
Transportation, Overtime, Governance, San Francisco

Project Results
- HMR found that the SFMTA’s scheduling of Muni’s light rail and bus runs resulted in excessive costs to the City. This was compounded by the finding that SFMTA did not develop an effective program to manage; report to the SFMTA Board and executive management; or, reduce unscheduled absenteeism and overtime.

- HMR made recommendations regarding the SFMTA’s need to develop, professionalize, and formalize policies related to it’s oversight and management. Operational recommendations were also made to address the Agency’s overtime management.

- HMR recommended that the SFMTA Board strengthen its processes to better oversee the newly formed and complex transit agency. HMR also recommended the Board provide greater oversight over implementation of the Transit Effectiveness Project, financial reporting, and operational risks.

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