BOARD OF SUPERVISORS:

Asian Women’s Shelter Did Not Use City Funds for Political Purposes

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May 2, 2007
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Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA  94102

President and Members:

The Office of the Controller (Controller) presents its report concerning the review of Asian Women’s Shelter (Shelter) and its compliance with the City and County of San Francisco (City) ordinance prohibiting the use of city funds for political activity. The review revealed that the Shelter did not use for political activity any of the $35,000 it received under its agreement with the Department of Public Health (Public Health).

We conducted this review to meet the San Francisco Administrative Code (Administrative Code) requirement that the Controller annually audit at least 10 persons or entities that enter contracts, grants, or loan agreements with the City. The Controller seeks to ensure that the persons or entities comply with Chapter 12G of the Administrative Code, which prohibits the use of city funds for political activity. The Administrative Code defines political activity as participating in, supporting, or attempting to influence a political campaign for any candidate or ballot measure.

The Shelter entered an agreement on July 1, 2005, with the City through Public Health to provide domestic violence counseling and support services to Asian communities. The agreement was subject to the prohibition on political activity.

Respectfully submitted,

[Signature]

Ed Harrington
Controller
INTRODUCTION

BACKGROUND

The prohibition on the use of city funds for political activity became part of the San Francisco Administrative Code (Administrative Code) after voters in the City and County of San Francisco (City) passed Proposition Q on November 5, 2002. The former proposition is now Chapter 12G of the Administrative Code, which defines political activity as participating in, supporting, or attempting to influence a political campaign for any candidate or ballot measure. Chapter 12G also requires that all City contracts, grants and loan agreements disclose the prohibition.

Section 12G.2 of the Administrative Code requires the Office of the Controller (Controller) to audit at least 10 persons or entities that enter contracts, grants, or loan agreements with the City to ensure compliance with the prohibition on the use of city funds for political activity. This year we randomly selected Asian Women’s Shelter (Shelter), a California non-profit corporation, as one of our 10 mandated audits.

The Shelter entered an agreement on July 1, 2005 with the City, through the Department of Public Health (Public Health) to provide domestic violence counseling and support services to Asian communities. As amended, the agreement, which was subject to the prohibition on political activity, requires the Shelter to provide services through June 30, 2006, for an amount not to exceed $39,200. During the audit period, Public Health paid the Shelter a total of $35,000 for services rendered under the agreement.

SCOPE AND METHODOLOGY

The purpose of this review was to determine if the Shelter inappropriately expended any city funds participating in, supporting, or attempting to influence a political campaign for any candidate or ballot measure.

To conduct the review, we first verified that the Shelter had a contract with the City that included the prohibition of using city funds for political activity. We verified all payments that the City made to the Shelter under the contract for work performed from July 1, 2005, through June 30, 2006. We also assessed the Shelter’s procedures for approving and recording financial transactions and tested selected expenditures. Additionally, we reviewed the Shelter’s most recent tax return and inquired of its officers whether the Shelter had spent city or other funds for purposes related to political activity. Finally, we searched the San Francisco Campaign Finance Database and the State of
California’s Cal-Access database, which both report campaign contributions, to find instances where the Shelter made political contributions.
RESULTS

THE SHELTER COMPLIED WITH THE REQUIREMENT TO NOT USE CITY FUNDS FOR POLITICAL ACTIVITIES

The Shelter did not use any of the $35,000 of city funds that it received to participate in, support, or attempt to influence a political campaign for any candidate or ballot measure. During our review of the Shelter's records including its Internal Revenue Service's Return of Organization Exempt From Income Tax (Form 990), we found no evidence of expenditures for political activities. Additionally, we obtained written management representation that the Shelter had no expenditures related to any political activity. Furthermore, the City's Campaign Finance Database and the State of California's Cal-Access database did not show any evidence that the Shelter made any political contributions from July 1, 2005, through June 30, 2006, which was the period we reviewed.

We conducted this review in accordance with generally accepted government auditing standards. We limited our review to those areas specified in the scope and methodology section of this report.

Staff: Elisa Sullivan, Audit Manager
       Edwin De Jesus

cc: Mayor
    Board of Supervisors
    Civil Grand Jury
    Budget Analyst
    Public Library
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Controller's Office Report Feedback

Report: Board of Supervisors: Asian Women’s Shelter Did Not Use City Funds for Political Purposes

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