

City of Austin



**A Report to the
Austin City Council**

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Council Members
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Mike Martinez
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**Office of the
City Auditor**

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AUDIT REPORT

**FY 2012
Boards and Commissions
Risk Assessment**

May 2012



REPORT SUMMARY

Based upon the results of the risk assessment, the highest-ranked boards were the Planning Commission, Board of Adjustment, and Public Safety Commission. Issues contributing to higher rankings include, but not limited to, disagreement on board mission; limited or no monitoring of potential conflicts of interest; and inadequate board documentation such as meeting agendas, meeting minutes, and annual reports. Additionally, some boards are sovereign boards or subject to state or federal law.

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GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT TEAM

Rachel Snell, Assistant City Auditor, CIA, CFE, CICA
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Audit Report Highlights

Why We Did This Project

This project was conducted as part of the Office of City Auditor's FY 2012 Strategic Audit Plan, as required by City Code § 2-1-8 and § 2-1-46.

What We Recommend

No recommendations were issued during the course of this project. However; the highest-ranked boards will be considered as we develop our FY 2013 Strategic Audit Plan.



For more information on this or any of our reports, email oca_auditor@austintexas.gov

FY 2012 BOARDS AND COMMISSIONS RISK ASSESSMENT

Mayor and Council,

I am pleased to present this report on the Boards and Commissions Risk Assessment for Fiscal Year 2012.

BACKGROUND

According to City Code § 2-1-8 and § 2-1-46, the Audit and Finance Committee shall "direct the City Auditor to annually assess the risks related to boards utilizing available information about board actions and recommend boards for performance audits."

OBJECTIVE AND SCOPE

Our objective was to identify City Boards and Commissions for future audit work, based on risks and controls for each board. The project focused on operations from April 2011 through February 2012 for all boards and commissions subject to the City Code.

WHAT WE FOUND

Based on the results of the risk assessment, the highest-ranked boards were the Planning Commission, Board of Adjustment, Public Safety Commission, and Animal Advisory Commission.

Issues contributing to higher rankings include disagreement between liaisons and board members on board mission; limited or no monitoring of potential conflicts of interest; perceptions of inadequate support from liaisons and City staff; insufficient processes to ensure compliance with City requirements; and inadequate board documentation such as meeting agendas, meeting minutes, and annual reports.

Additionally, some boards are inherently higher-risk because they are sovereign boards, subject to state or federal law, or have higher levels of Council or public interest when compared to other boards and commissions.

In conducting our work, we observed issues with the information technology systems utilized by the Office of the City Clerk to track and manage board related information. Specifically, the Boards and Commissions Management System (BCMS) and Boards and Commissions Information Center (BCIC) website do not include the necessary fields to track all applicable board member data or contain enough space to store board meeting documentation such as videos or large maps. Also, we found that the Enterprise Document Imaging and Management System (EDIMS) is not compatible with Microsoft Office 2010, creating inefficiencies that effect both City Clerk staff and staff in other City departments that utilize the system to maintain board related information.

We appreciate the cooperation and assistance we received from the Office of the City Clerk, City Council Aides, board members, and board support staff.


Kenneth J. Mory, City Auditor

BACKGROUND

According to City Code § 2-1-8 and § 2-1-46, the Audit and Finance Committee shall “direct the City Auditor to annually assess the risks related to boards utilizing available information about board actions and recommend boards for performance audits.”

City Code Chapter § 2-1 governs boards. While some boards were created pursuant to State statute or City Charter, most were created by Ordinance and act in an advisory role to the City Council. Board members are appointed by and serve at the pleasure of Council Members. The City Manager designates staff support including liaisons for the boards while the Office of the City Clerk provides assistance related to the ordinance requirements.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Boards and Commissions Risk Assessment was conducted as part of the Office of City Auditor’s FY 2012 Strategic Audit Plan, as presented to the City Council Audit and Finance Committee.

Objectives

The objective of this project was to identify City boards and commissions for future audit work, based on risks and controls for each board.

Scope

The project scope focused on operations from April 2011 through February 2012 for 43 boards and commissions, subject to the City Code.

Methodology

To accomplish our audit objectives, we performed the following steps:

- Conducted interviews with Office of the City Clerk (OCC) staff
- Analyzed OCC procedures and internal reports to identify relevant controls
- Assessed local media coverage related to boards
- Surveyed Council Aides, City staff and executive liaisons, board chairs and vice chairs
- Conducted a risk and vulnerability assessment and created risk categories utilizing information from interviews, survey results, review of procedures and reports, analysis of local media coverage and board related information such as agendas, minutes, annual reports, relevant laws and regulations, and sovereign status. In order to prioritize boards, each category was summed and the boards were organized in order of highest-risk to lowest-risk with the highest score being 100.

PROJECT RESULTS

Based on the results of our risk assessment, we plan to consider the highest-ranked boards when developing our FY 2013 Strategic Audit Plan.

The Office of the City Auditor analyzed and compared board information such as agendas, minutes, annual reports, and membership and conducted a survey of key stakeholders to determine the level of congruence and compliance with City Code.

The survey was submitted to the 43 boards and commissions chairs, vice chairs, and board liaison subject to City Code Chapter §2-1 and City Council Aides. We received a response from 74 of 96 (or 77%) of board liaisons, 72 of 85 (or 85%) of board chairs or vice-chairs, and 6 of 14 (or 43%) of City Council Aides. The overall survey response rate was 78%.

The results of our risk assessment for the highest-ranked boards are shown in Exhibit 1 (see below). Boards with higher-rating scores indicate higher incidences of concern from stakeholders and higher risk of violations of or incongruence with the City Code. Factors that contributed to higher-rankings included:

- Congruence on board mission;
- Potential conflicts of interest;
- Support from liaisons and City staff;
- Compliance with City requirements.

Additionally, some boards are inherently higher-risk because they are sovereign boards, subject to state or federal law, or have higher levels of Council or public interest when compared to other boards and commissions. The highest possible rating a board or commission could receive was 100.

EXHIBIT 1
Highest-Risk Boards and Commissions

Rank	Board	Rating
1	Planning Commission	74
2	Board of Adjustment	72
3	Public Safety Commission	65
4	Animal Advisory Commission	62
5	Zoning and Platting Commission	58
6	Environmental Board	56
7	Residential Design and Compatibility Commission	53
8	Historic Landmark Commission	52
9	Building and Standards Commission	51
10	Electric Utility Commission	51
11	Parks and Recreation Board	51

SOURCE: OCA analysis of boards and commissions information.

Based on the results of our risk assessment, we will consider the highest-ranking boards in the FY 2013 Strategic Audit Plan. See Appendix A for a list of all 43 boards and their ratings.

Other Observations

In conducting our work, we observed issues with the information technology systems utilized by the Office of the City Clerk to track and manage board related information. Specifically, the Boards and Commissions Management System (BCMS) and Boards and Commissions Information Center (BCIC) website do not include the necessary fields to track all applicable board member data or contain enough space to store board meeting documentation such as videos or large maps. Also, we found that the Enterprise Document Imaging and Management System (EDIMS) is not compatible with Microsoft Office 2010 creating inefficiencies that effect both City Clerk staff and staff in other City departments that utilize the system to maintain board related information.

APPENDIX A

BOARDS AND COMMISSIONS RANKINGS

	Board	Final Score
	<i>possible points</i>	<i>100</i>
1	Planning Commission	74
2	Board of Adjustment	72
3	Public Safety Commission	65
4	Animal Advisory Commission	62
5	Zoning and Platting Commission	58
6	Environmental Board	56
7	Residential Design and Compatibility Commission	53
8	Historic Landmark Commission	52
9	Building and Standards Commission	51
10	Electric Utility Commission	51
11	Parks and Recreation Board	51
12	Downtown Commission	50
13	Mechanical, Plumbing and Solar Board	49
14	Sign Review Board	49
15	Electric Board	47
16	Building and Fire Code Board of Appeals	46
17	Human Rights Commission	46
18	Asian American Resource Center Advisory Board	45
19	Sustainable Food Policy Board	45
20	Construction Advisory Committee	43
21	Ethics Review Commission	41
22	Waterfront Planning Advisory Board	41
23	Austin Airport Advisory Commission	40
24	Austin Mayor's Committee for People with Disabilities	40
25	Commission on Immigrant Affairs	40
26	Mexican American Cultural Center Advisory Board	40
27	Robert Mueller Municipal Airport Plan Implementation Advisory Commission	40
28	Zero Waste Advisory Commission	40
29	African American Resource Advisory Commission	39
30	Commission for Women	39
31	Library Commission	39
32	Urban Forestry Board	39
33	MBEWBE/Small Business Enterprise Procurement Program Advisory Committee	38
34	Resource Management Commission	37
35	Austin Music Commission	36
36	Early Childhood Council	36

APPENDIX A

	Board	Final Score
37	Urban Transportation Commission	36
38	Arts Commission	35
39	Austin Community Technology and Telecommunications Commission	35
40	Community Development Commission	35
41	Downtown Austin Community Court Advisory Committee	35
42	Water and Wastewater Commission	34
43	Design Commission	33

SOURCE: OCA Risk Assessment, May 2012.