

Risk Assessment

BOARDS AND COMMISSIONS: YEAR 1

May 19, 2009

**Office of the City Auditor
Austin, Texas**

BACKGROUND

This assistance project was approved by the City of Austin Council Audit and Finance Committee (AFC) as part of the Office of the City Auditor's FY 2009 Service Plan. On November 18, 2008, the AFC approved a three-year list of the City's Boards and Commissions (Boards) required to conduct an annual review in accordance with City Code §§ 2-1-8 and 2-1-46. Accordingly, the Office of the City Auditor (OCA) conducted this project to analyze the submissions and conduct a risk assessment of the first one-third of the selected City Boards to identify Boards that could benefit from a performance audit.

The rules governing City Boards are in City Code Chapter 2-1. While a few Boards were created pursuant to statute or 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

Objectives:

The objectives for this assistance project were to assess risk related to selected City Boards in order to:

- Identify Boards that indicate a need to be audited by the Office of the City Auditor (OCA) and
- Identify general stakeholder concerns and issues related to the Boards ordinance.

Scope:

OCA analyzed the following information for the selected Boards:

- 2006-2007 *Annual Review and 2007-2008 Work Plan* submissions;
- CY 2008 City Board agendas and minutes; and
- Stakeholder input related to the Boards process as well as specific Board operations.

OCA also consulted the following statutes:

- City Code of the City of Austin, Texas and
- State of Texas Health and Safety Code Chapter 823 (Animal Shelters).

Methodology:

For the selected Boards, OCA:

- Analyzed the 2006-2007 *Annual Review and 2007-2008 Work Plan* documents;
- Collected and analyzed CY 2008 agendas and minutes;
- Consulted the City Code and other relevant statutes and summarized the requirements for each; and

- Collected information from relevant stakeholders including conducting a survey of selected Board chairs, executive liaisons, and staff liaisons.

OCA analyzed and compared the Annual Review and Work Plan documents, agendas and minutes, establishing and directive language from the City Code as well as other relevant statutes, and information gathered from stakeholders to determine the level of congruence and code compliance for each of the selected Boards. Based on this analysis, OCA identified and recorded each Board’s possible violations of or incongruence with the City Code as a raw score. In order to prioritize possible violations and to account for variables affecting the raw scores (such as meeting frequency), we applied weights to the raw scores that converted them to relative risk scores. The relative risk scores were summed to create a risk assessment rating figure which determined the corresponding risk rank. Where two or more Boards shared a risk assessment rating, the raw scores from that group were used to assign rank. Where there was still a shared rating within the group, auditor judgment was used to assign rank. A matrix of the methodology is displayed in Exhibit 1 (see below).

EXHIBIT 1
Year 1 Boards and Commissions Risk Assessment Methodology

Factor	Input	Raw Score	Risk Score Conversion	Possible Points
Congruence of stated mission/performance with documented mission/performance	Annual Review and Work Plan; Agendas and minutes; City Code/other statutes	Five points for each instance of two possible violations	No conversion	10
Input from relevant staff and stakeholders	City Auditor staff; City Clerk staff; Survey of each selected Board chair, executive liaison, and staff liaison	Zero to Six points possible (based on source/severity of information); Ten, seven, or five bonus points possible based on specific information	No conversion	16
Compliance with ordinance requirements	Possible violations related to: <ul style="list-style-type: none"> • agendas, minutes, and other procedural requirements; • attendance requirements (two possible violations); • quorum requirement; • citizen communication requirement 	One point for each instance of possible violations (in each of the four categories)	If Raw Score was, then Risk score is: 7.5 or more, then 5; 5.5 – 7, then 4; 3.5 – 5, then 3; 1.5 – 3, then 2; 0.5 – 1, then 1; 0, then 0	20

SOURCE: OCA Boards and Commissions risk assessment methodology.

RESULTS

Based on the results of our risk assessment, we suggest that the Audit and Finance Committee consider approving up to three Boards for audit in FY 2010. The results of our risk assessment for the year 1 Boards are displayed in Exhibit 2 (see below). Specifically, we suggest that the Boards be selected for audit based on their rank and rating. Boards with higher rating scores indicate a higher risk of violations of or incongruence with the City Code. Therefore, these Boards could benefit from a performance audit. The Historic Landmark Commission scored highest, in part, because it was alone in not submitting the Annual Review and Work Plan. Other contributing factors to high rating scores include possible violations related to a Board’s mission as well as specific requirements related to minutes, agendas, attendance, quorum, and citizen communication.

**EXHIBIT 2
Year 1 Boards and Commissions Risk Assessment Ratings**

Rank	Board Name	Rating
1	Historic Landmark Commission	21
2	Board of Adjustment	15
3	Water and Wastewater Commission	14
4	Robert Mueller Municipal Airport (RMMA) Plan Implementation Advisory Commission	12
5	Animal Advisory Commission	12
6	Downtown Austin Community Court Advisory Committee	9
7	Renaissance Market Commission	9
8	Commission for Women	8
9	Parks and Recreation Board	8
10	Mexican American Cultural Center Advisory Board	8
11	Minority-Owned and Women-Owned Business Enterprise (MBE/WBE) and Small Business Enterprise Procurement Program Advisory Committee	8
12	Solid Waste Advisory Commission	7
13	Planning Commission	5
14	Ethics Review Commission	5
15	Arts Commission	5
16	Downtown Commission	4
17	Commission on Immigrant Affairs	4
18	Community Development Commission	3
19	Zoning and Platting Commission	3
20	Urban Forestry Board	2

SOURCE: OCA analysis of Boards and Commissions documentation.

Some possible violations of City Code may be related to City staff actions or inactions and may not be within a Board’s control. For instance, while City Code § 2-1-43(G) notes that “[e]ach board shall keep minutes of its meetings,” that task is performed by the staff liaison. In a few instances, staff could not provide copies of meeting minutes. We noted missing minutes as a possible Code violation by the Board.

General Observations

In this section, we present general observations about common issues related to the Boards process gathered through our work. Specifically, we created a Boards survey which we submitted to each Board’s chair, executive liaison, and staff liaison. We received a response from at least one stakeholder for 17 of the 20 Boards. For the selected Boards, 60 percent of chairs, 33 percent of executive liaisons, and 71 percent of staff liaisons surveyed responded. The overall response rate was 56 percent.

Stakeholders noted an inadequate communication structure among Board members, staff, and Council members as the most consistent problem and barrier to effective outcomes. While several stakeholders noted difficulty communicating with Council, other stakeholders noted poor relations and tension between Board members and staff. Better communication among all stakeholders could enhance the Boards process. We noted a possible area of improvement for communicating Board actions through meeting minutes. Currently, Board minutes are kept by the staff liaisons. Therefore, Board minutes are not available on-line or from a single source. By contrast, Board agendas are available on-line through the Office of the City Clerk (OCC). By making Board minutes available on-line, the communication structure could be enhanced.

Poor communication seemed to contribute to stakeholders' difficulty understanding the process and following procedures. This feedback was supported by a nearly even split in answers to specific process-related survey questions that had a "correct" response. For example, when we asked who is responsible for setting a Board's agenda, only 5 of 35 responders correctly noted that staff sets the agenda and two or more Board members may place an item on the agenda. Thirteen of 35 responders noted that only Board members set the agenda while 14 of 35 noted that only staff sets the agenda. The "incorrect" responders included Board chairs, executive liaisons, and staff liaisons.

Also contributing to their difficulty navigating ordinance processes and procedures, stakeholders reported the perception that compliance with portions of the Board ordinance have been inconsistently enforced. The individual Board members and staff liaisons are responsible for satisfying all requirements to maintain ordinance compliance, and the City Code gives Council members the authority to enforce the ordinance. However, stakeholders reported some inconsistency in carrying out these roles. For example, stakeholders noted that the ordinance attendance requirements were strictly enforced in some cases, but enforcement action was not evident in other cases. In addition, while the OCC has a Boards and Commissions Coordinator responsible for monitoring and reporting ordinance compliance, the Coordinator does not have the authority to mandate compliance. However, we learned that the Coordinator has had to take an active role in the process and dedicates a great deal of time to ensure that applicable requirements are met because Board members and staff liaisons do not always fully carry out these responsibilities.

Stakeholders also reported several related membership issues as a challenge to effective service, including:

- Consistent Board member vacancies and attendance issues;
- Consistent challenges meeting the quorum requirement;
- The time commitment for members;
- The Board member selection process and possible conflicts of interest; and
- Boards or Board members engaging in mission "creep."

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