



Austin City Council

Mayor
Lee Leffingwell

Mayor Pro Tem
Mike Martinez

Council Members
Chris Riley
Randi Shade
Laura Morrison
Bill Spelman
Sheryl Cole

City Auditor
Kenneth J. Mory
CPA, CIA, CISA

Deputy City Auditor
Corrie E. Stokes
CIA, CGAP

Audit Report

**Boards and Commissions
Risk Assessment FY 11**

June 22, 2011

Office of the City Auditor
Austin, Texas

Audit Team

Naomi Marmell, Auditor-In-Charge, CGAP, CICA
Marina Isupov

Assistant City Auditor

Rachel Snell, CIA, CFE, CICA

A full copy of this report is available for download at our website:
<http://www.ci.austin.tx.us/auditor/reports>. You may also contact our office by email at
oca_auditor@ci.austin.tx.us.
Please request Audit No. AS11101.

Alternative formats are available upon request.
Please call (512) 974-2805 or Relay Texas #711.



Printed on recycled paper



City of Austin



Office of the City Auditor

301 W. 2nd Street, Suite 2130

Austin, Texas 78767-8808

(512) 974-2805, Fax: (512) 974-2078

email: oca_auditor@ci.austin.tx.us

website: <http://www.ci.austin.tx.us/auditor>

Date: June 22, 2011

To: Mayor and Council

From: Kenneth J. Mory, City Auditor

Subject: Boards and Commissions Risk Assessment FY 11

I am pleased to present this Boards and Commissions Risk Assessment. The City Code states that every year, the City Auditor shall assess board-related risks and recommend boards for performance audits.

We ranked 43 boards and commissions based on factors such as staff and board agreement on mission, monitoring of conflict of interest, processes to ensure compliance with City requirements, and Council and public interest. Based on the results of our risk assessment, we plan to include audits of the two highest-ranking boards in the FY 12 Strategic Audit Plan. Other boards, including those previously audited, may also be recommended for audit depending on risk level and available resources.

We appreciate the cooperation and assistance we received from board liaisons, board chairs, and staff in the Office of the City Clerk during this audit.

cc: City Manager
Assistant City Managers
City Clerk
Public Information Officer

TABLE OF CONTENTS

BACKGROUND	1
OBJECTIVES, SCOPE, AND METHODOLOGY	1
AUDIT RESULTS	2
 Exhibits	
Exhibit 1: Highest-Risk Boards and Commissions.....	2

BACKGROUND

City Code § 2-1-8 states that 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.”

OBJECTIVES, SCOPE, AND METHODOLOGY

The Boards and Commissions Risk Assessment was conducted as part of the Office of City Auditor’s (OCA) FY 11 Strategic Audit Plan, as presented to the Council’s Audit and Finance Committee (AFC).

Objectives

Our objective was to identify boards for future audits.

Scope

The project focused on operations from April 2010 through March 2011 for 43 boards and commissions.

Methodology

To accomplish our 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, and board chairs

OCA conducted this work as a non-audit project. The work is assistance to the legislative body (AFC and City Council) to which OCA reports.

RISK ASSESSMENT RESULTS

Based on the results of our risk assessment, we recommend consideration of high risk boards as part of the FY 12 planning process for the Strategic Audit Plan.

The highest-ranked boards are shown in Exhibit 1 (below). Issues that contributed to higher rankings include:

- Disagreement between liaisons and boards over the board's mission;
- Limited monitoring of potential conflicts of interest;
- Insufficient processes to ensure compliance with City requirements;
- Inadequate meeting documentation.

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

EXHIBIT 1
Highest-Risk Boards and Commissions

Rank	Board
1	Solid Waste Advisory Commission
2	Community Development Commission
3	Planning Commission
4	Waterfront Planning Advisory Board
5	Parks and Recreation Board
6	Zoning and Platting Commission
7	Building and Fire Code Board of Appeals
8	Board of Adjustment
9	Building and Standards Commission
10	MBEWBE/Small Business Enterprise Procurement Program Advisory Committee

SOURCE: OCA analysis of boards and commissions information.

Based on the results of our risk assessment, we plan to include audits of the two highest-ranking boards in the FY 12 Strategic Audit Plan. Other boards, including those previously audited, may also be recommended for audit depending on risk level and available resources.