



Austin City Council

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Report

**Board and Commissions Risk Assessment
Year 2**

August 6, 2010

Note: This report reflects edits on page 2 & 4 made on September 7, 2010. Changes include additional risk factors analyzed subsequent to the initial report. Specifically, we included a review of 2009 agendas and meeting minutes to ensure our results reflect the most current information available.

Office of the City Auditor
Austin, Texas

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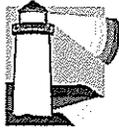
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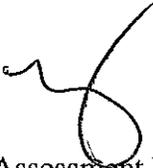


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Date: August 6, 2010

To: Mayor and Council

From: Kenneth J. Mory, City Auditor 

Subject: Boards and Commissions Risk Assessment Year 2

I am pleased to present this report on the Boards and Commissions Risk Assessment, Year 2. As part of our FY10 Service Plan, we conducted a risk assessment on selected City boards and commissions in order to identify general stakeholder concerns and issues related to the board's ordinance and identify boards that may warrant an audit. In addition to soliciting input from key stakeholders regarding board and commission operations, we also reviewed meeting agendas and minutes, as well as annual reviews and work plans.

Based on the results of our risk assessment, we recommend including up to four Boards and Commissions for consideration in the FY11 Service Plan. The four boards are:

- Austin Music Commission
- Construction Advisory Commission
- Austin Airport Advisory Commission
- Design Commission

We appreciate the cooperation and assistance received from board and commission members, City staff liaisons, and the Office of the City Clerk during this project.

cc: Shirley Gentry, City Clerk
Marc Ott, City Manager
Sue Edwards, Assistant City Manager
Rudy Garza, Assistant City Manager
Howard Lazarus, Assistant City Manager
Bert Lumbreras, Assistant City Manager
Michael McDonald, Assistant City Manager
Leslie Browder, Chief Financial Officer
Anthony Snipes, Chief of Staff

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COUNCIL SUMMARY

As part of its FY10 Service Plan, the Office of the City Auditor (OCA) conducted this risk assessment on select City Boards and Commissions (Boards). Boards act in an advisory role to the City Council and Board members are appointed by and serve at the pleasure of Council members. The City Manager designates staff support for the Boards while the Office of the City Clerk provides assistance related to City Code Chapter 2-1, which governs City Boards. The purpose of this project was to identify general stakeholder concerns and issues related to the Boards ordinance and identify Boards that may warrant an audit by the OCA. Based on the results of our risk assessment, we recommend including up to four Boards for consideration in the OCA's FY11 Service Plan. The four boards are:

- Design Commission (DC)
- Construction Advisory Commission (CAC)
- Austin Music Commission (AMC)
- Austin Airport Advisory Commission (AAAC)

A survey of Board members and City Council aides was used to solicit opinions and feedback from stakeholders.¹ Respondents identified issues with respect to these four boards, including concerns about possible board ordinance violations, "mission creep," as well as specific requirements related to attendance and quorum. Respondents also expressed concerns about the communication structure among CAC, DC, and AAAC board members, City staff, and Council. Responses from Council aides stated they were generally satisfied with all the boards' performance, but AMC is of great concern or importance to citizens, and communication among AMC stakeholders could improve.

Survey respondents also noted multiple issues as potential barriers to effective Board outcomes. All boards shared common issues to the top four above, including:

- Board members not complying with residency requirements
- Board meets less often than quarterly in violation of City Code
- Attendance issues among board members
- Challenges meeting the board quorum requirement
- Communication structure among board members, staff, and council members not always adequate and effective
- Time commitment from members hinders accomplishment of the board's mission
- The direction of the Boards has changed and may no longer be congruent with their mission.

During the course of this project, we also observed some governance issues that could potentially affect the ability of Boards to operate effectively and efficiently. For example, there are no Citywide mechanisms in place to track costs related to providing City-staff support for Boards, to track Board recommendations made to Council, or to ensure assignments from Council to Boards are completed or delivered.

¹ For a complete list of survey questions, refer to Appendix A (Boards and Commission) and Appendix B (City Council Aides).

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TABLE OF CONTENTS

BACKGROUND	1
OBJECTIVES, SCOPE, AND METHODOLOGY	2
RISK ASSESSMENT RESULTS	4
Appendix A: Boards and Commissions Questionnaire	6
Appendix B: Council Aide Questionnaire	7
Exhibits	
Exhibit 1: Selected Boards and Commissions	1
Exhibit 2: Year 2 Boards and Commissions Risk Assessment Methodology	3
Exhibit 3: Year 2 Boards and Commissions Risk Assessment Ratings	4

BACKGROUND

According to City Code §§ 2-1-8 and 2-1-46, the Audit and Finance Committee (AFC) selects Boards and Commissions (Boards) that are required to conduct an annual review. In November 2008, the AFC approved a three-year list of the Boards required to conduct this review. Accordingly, the Office of the City Auditor (OCA) conducted a risk assessment of the first one-third of the selected City Boards, and issued a report in May 2009. As part of the FY10 Service Plan, OCA conducted a risk assessment of the second one-third of the selected City Boards, in order to identify general stakeholder concerns and issues related to the Boards ordinance and identify Boards that may warrant an audit. Below are the boards selected for this year’s risk assessment:

EXHIBIT 1: Selected Boards and Commissions

Name of Board/Commission	Year of Inception
African American Resource Advisory Commission	2006
Building and Fire Code Board of Appeals	1964
Construction Advisory Commission	1976
Asian American Resource Center Advisory Board	2003
Austin Airport Advisory Commission ²	1953
Austin Community Technology and Telecommunications Commission	1981
Austin Mayor's Committee for People with Disabilities	1987
Austin Music Commission ³	1989
Building and Standards Commission ⁴	1956
Early Childhood Council ⁵	1985
Design Commission ⁶	1986
Electric Board	1971
Electric Utility Commission	1977

SOURCE: City of Austin Office of the City Clerk July 2010

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 (OCC) provides assistance related to the ordinance requirements.

² According to OCC, there have been several airport advisory boards with slightly different missions since its inception.

³ The Austin Music Commission started as a task force in 1987.

⁴ The Building and Standards Commission was created per state law (Texas Local Government, Chapter 54, Subchapter C).

⁵ According to the OCC, the Early Childhood Council was formerly known as the Child Care Commission.

⁶ According to the OCC, the Design Commission was formerly known as the Architectural Excellence Commission.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Boards and Commissions Risk Assessment Year 2 project was conducted as part of the Office of City Auditor's FY10 Service Plan, as accepted by the Council's Audit and Finance Committee.

Objectives

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

- Identify general stakeholder concerns and issues related to the Board's ordinance; and
- Identify boards that may warrant an audit by the Office of the City Auditor (OCA)

Scope

The project focused on the following information for the selected boards:

- 2007-2008 Annual Review and 2008-2009 Work Plan submissions;
- CY2008-2009 City Board agendas and minutes; and
- Stakeholder (Council, Board members, City staff) input related to the Boards' process as well as specific Board operations.

Methodology

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

- Analyzed the 2007-2008 Annual Review and 2008-2009 Work Plan documents;
- Collected and analyzed CY2008-2009 agendas and minutes;
- Consulted the City Code and summarize the requirements for each; and
- Collected information from relevant stakeholders including conducting a survey of selected board members, executive liaisons, and staff liaisons.

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.

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. A matrix of the methodology is displayed in Exhibit 2 (see below).

EXHIBIT 2
Year 2 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; City Council staff; Survey of each selected board member, executive liaison, and staff liaison.	Zero to five points possible (based on source/severity of information);	No conversion	120
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

RISK ASSESSMENT RESULTS

Ranking of Boards and Commissions Risk

Based on the results of our risk assessment, we recommend including up to four Boards for consideration in the OCA’s FY11 Service Plan.

The results of our risk assessment for the Year 2 Boards are displayed in Exhibit 3 (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. Therefore, we determined that these Boards may warrant a performance audit. The Design Commission (DC) scored highest, in part, because it was identified as an important Board to stakeholders, but also because communication among DC stakeholders could be improved. Other contributing factors to high rating scores include possible violations related to a Board’s mission, as well as violations of specific requirements related to minutes, agendas, attendance, quorum, and citizen communication.

**EXHIBIT 3
Year 2 Boards and Commissions Risk Assessment Ratings**

Rank	Board Name	Rating
1	Design Commission	68
2	Construction Advisory Commission	66
3	Austin Music Commission	62
4	Austin Airport Advisory Commission	59
5	African American Resource Advisory Commission	59
6	Building and Fire Code Board of Appeals	59
7	Electric Board	57
8	Electric Utility Commission	57
9	Early Childhood Council	56
10	Building and Standards Commission	54
11	Asian American Resource Center Advisory Board	51
12	Austin Community Technology and Telecommunications Commission	49
13	Austin Mayor's Committee for People with Disabilities	48

SOURCE: OCA analysis of Boards and Commissions documentation

General Observations by Key Stakeholders

Survey results show multiple issues as potential barriers to effective Board outcomes.

A questionnaire was submitted to each Board’s members, executive liaison, and staff liaison, in order to solicit opinions and feedback from key board stakeholders (See Appendix A). Responses were received from 95 of the 127 multiple stakeholders (75% response rate) for all 13 boards. Analysis of survey results revealed common issues related to the boards and commissions, including:

- Board members not complying with residency requirements
- Board meets less often than quarterly in violation of City Code
- Attendance issues among board members
- Challenges meeting the board quorum requirement
- Communication structure among board members, staff, and council members not always adequate and effective
- Time commitment from members hinders accomplishment of the Board's mission
- The direction of the Board has changed and may no longer align with the Board's mission

For one Board, we noted that while agendas for subcommittee or special called meetings were prepared, meeting minutes were not always documented. It is unclear whether a quorum of members of the board was present at these meetings or whether public business or public policy was discussed. As a result, this board may have violated the City Code Chapter 2-1, which states that a board shall prepare and keep minutes of each meeting of the board.

City Council staff survey results show interest in and concern for some high risk boards and commissions.

A questionnaire was submitted to City Council staff to solicit feedback regarding satisfaction and importance of each of the boards and commissions, as well as identify any issues regarding communication or need for performance audit (See Appendix B). Overall, staff was generally satisfied with all the boards' performance, but some respondents stated communication among board members, staff, and Council could be improved and that some boards are of greater concern or importance to citizens than others.

Other Observations

We also identified some overarching City governance issues that could potentially affect the ability of boards and commissions to operate effectively and efficiently. For example, there are no Citywide mechanisms in place to track certain information regarding board activities. First, there is no Citywide tracking of costs related to providing City-staff support for Boards. For example, some Boards have created multiple committees that result in numerous meetings per month and require City-staff support. In addition, there is no comprehensive tracking of Board recommendations made to Council, and there is no mechanism in place to ensure assignments from Council to Boards are completed or delivered.

APPENDIX A

BOARDS AND COMMISSIONS QUESTIONNAIRE

INFORMATION ABOUT YOUR BOARD: Based on your personal experience and observations please indicate your agreement with the following statements regarding your board:

Question	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know or N/A
1. The communication structure among board members, staff, and Council members is adequate and effective.	<input type="radio"/>				
2. Changes to the City board ordinance are adequately communicated to board members.	<input type="radio"/>				
3. Compliance with the City board ordinance has been consistently enforced.	<input type="radio"/>				
4. There are no attendance issues among board members.	<input type="radio"/>				
5. There are no challenges meeting the board quorum requirement.	<input type="radio"/>				
6. Board members reside inside the City of Austin city limits.	<input type="radio"/>				
7. Board meetings do not extend beyond 10:00 p.m., unless the board votes to continue.	<input type="radio"/>				
8. Time commitment from members is not a barrier to accomplishment of the board's mission.	<input type="radio"/>				
9. There are no issues regarding the board member selection process and possible conflicts of interest.	<input type="radio"/>				
10. Board members do not engage in topics outside the scope of the board's mission.	<input type="radio"/>				
11. Meeting agendas are prepared and posted promptly (at least 72 hours before the scheduled time of the meeting).	<input type="radio"/>				
12. Meeting minutes are prepared and approved promptly (not later than the date of the next regular meeting of the board).	<input type="radio"/>				
13. Each board meeting agenda provides for citizen communication.	<input type="radio"/>				
14. The board has not accomplished its ongoing mission and should continue operation.	<input type="radio"/>				
15. The direction of the board has not changed and its mission should not be modified.	<input type="radio"/>				
16. Board members have completed the required training on personal and ethical responsibilities, Open Meetings Act, Robert's Rules of Order, and Americans with Disabilities Act requirements.	<input type="radio"/>				
17. The board meets not less often than quarterly.	<input type="radio"/>				
18. A person does not serve as the chair of the board for more than two consecutive years.	<input type="radio"/>				
19. A meeting of a committee of the board is posted under Government Code Chapter 551 (Open Meeting Act).	<input type="radio"/>				
20. The board does not designate or appoint a non-member to serve on a committee.	<input type="radio"/>				

APPENDIX B

CITY COUNCIL AIDE SURVEY

INFORMATION ABOUT YOUR BOARD: Based on your personal experience and observations please indicate your agreement with the following statements regarding the board:

Question	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know or N/A
1. Communication among board members, staff, and my office is adequate and effective.	<input type="radio"/>				
2. The board deserves the City Auditor's attention or is worthy of a formal performance audit.	<input type="radio"/>				
3. The board is of great concern or importance to me and my constituents.	<input type="radio"/>				
4. I am generally satisfied with the board.	<input type="radio"/>				
5. The board should continue operations.	<input type="radio"/>				