

City of Austin



**A Report to the
Austin City Council**

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Lee Leffingwell

Mayor Pro Tem
Sheryl Cole

Council Members
Chris Riley
Mike Martinez
Kathie Tovo
Laura Morrison
Bill Spelman

**Office of the
City Auditor**

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CIA, CGAP

AUDIT REPORT

Neighborhood Assistance Center Audit

February 2012



REPORT SUMMARY

Based on surveys we conducted and our review of services provided, the NAC generally fulfills its mission. However, the NAC appears to be working with only a subset of neighborhood organizations. Additionally, we identified limited management controls over NAC operations including limited guidance, documentation requirements, and monitoring.

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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

Niki Raggi, Assistant City Auditor, CGAP, CICA
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February 2012



Audit Report Highlights

Why We Did This Audit

This audit was conducted as part of the Office of City Auditor's FY 2012 Strategic Audit Plan.

What We Recommend

We recommend that the Planning and Development Review Department consider additional outreach strategies and strengthen internal controls over operation of the NAC.



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

NEIGHBORHOOD ASSISTANCE CENTER AUDIT

Mayor and Council,

I am pleased to present this audit of the Neighborhood Assistance Center.

BACKGROUND

- The Neighborhood Assistance Center (NAC) was created in response to requests from Austin neighborhoods that the City provide them with the resources and support they needed in order to deal with the rapid densification and growth of Austin.
- Per the FY 2012 Approved Budget, \$104,370 and four FTEs, of which two are currently vacant, was budgeted for the NAC.

OBJECTIVE AND SCOPE

The objective of this audit was to determine whether the NAC is fulfilling its mission to promote the transparency of, and facilitate the engagement of neighborhood organizations in, the City's planning and development review process.

The scope is NAC operations from FY 2011 to February 2012.

WHAT WE FOUND

Based on surveys we conducted and our review of services provided, the NAC generally fulfills its mission. However, the NAC appears to be working with only a subset of neighborhood organizations.

Additionally, we identified limited management controls over NAC operations including limited guidance for NAC staff, perceived communication barriers, limited documentation requirements, and limited monitoring.

We appreciate the cooperation and assistance we received from Neighborhood Assistance Center staff and other city staff that responded to our survey during this audit.

Kenneth J. Mory, City Auditor

BACKGROUND

- The Neighborhood Assistance Center (NAC) was created in response to requests from Austin neighborhoods that the City provide them with the resources and support they needed in order to deal with the rapid densification and growth of Austin.
- The NAC was created in March 2009, and is now housed in the Planning and Development Review Department (PDRD) at One Texas Center.
- NAC services include educating neighborhood organizations about the city's development process, facilitating constructive communication between City staff and neighborhood organizations, and improving public's access to online City resources.
- Per the FY 2011 Approved Budget, \$172,092 and four FTEs, was budgeted for the NAC.
- One of two vacant positions was eliminated and then reinstated without additional funding, reducing the NAC budget to \$104,370 for FY 2012.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Neighborhood Assistance Center (NAC) audit 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 audit was to determine whether the Neighborhood Assistance Center is fulfilling its mission to promote transparency of, and facilitate the engagement of neighborhood organizations in, the City's planning and development review process.

Scope

The scope is NAC operations from FY 2011 to February 2012.

Methodology

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

- Interviewed NAC staff;
- Reviewed documentation such as NAC's guidance, system of record, and examples of daily operations;
- Surveyed neighborhood association representatives, including those who used NAC services; and
- Surveyed City of Austin staff outside of NAC that received NAC services.

AUDIT RESULTS

We found that, based on surveys we conducted and review of services provided, the Neighborhood Assistance Center (NAC) generally fulfills its mission but appears to be working with only a subset of neighborhood organizations. Additionally, we identified limited management controls over NAC operations.

Finding 1: The NAC provides a range of services that align with their mission and the majority of NAC customers appear to be satisfied with NAC services. However, the NAC appears to only work with a subset of neighborhood groups.

The NAC's mission is to promote transparency of, and facilitate the engagement of neighborhood organizations in, the City's planning and development review process. NAC services include:

- educating neighborhood organizations about the City's development process,
- facilitating constructive communication between City staff and neighborhood organizations, and
- improving the public's access to online City resources.

We found that NAC staff fulfill that mission by responding to email and phone inquiries, attending meetings between the City and neighborhood associations, working on various projects within the City that benefit neighborhoods (for example, local area traffic management, permanent supportive housing, e-notifications to neighborhoods, and parking benefit districts), and creating and supporting online resources for neighborhoods. We also determined that NAC staff understands the center's mission, but there are differences in their interpretation of how to carry out the mission and whether to support neighborhoods' position and interest or remain neutral. For example, one NAC staff member and one City of Austin employee who works with NAC staff perceived that the NAC and PDRD's position toward neighborhoods are conflicting. We concluded that this perception has not prevented the NAC from fulfilling its mission based on the survey results described below.

To document their work, NAC staff developed a log to fill out for each documentation request. We were not able to use the NAC's log to determine if the NAC fulfills its mission due to data consistency and completeness issues as well as lack of review. For example, not all fields were filled out, outcomes and deliverables were not consistently recorded, some entries reflected multiple contacts regarding the same issue, and there were no indications that the data recorded in the log had been reviewed or verified.

As an alternative method for reviewing the effectiveness of NAC's services, we selected a judgment sample of neighborhood representatives contained in a listing of neighborhood associations compiled by the Austin Neighborhood Council and of customers from the NAC request log, as well as City of Austin employees identified by NAC staff as working with the NAC on a regular basis and surveyed them regarding their experience with the NAC. We received responses from twenty one of sixty three (33%) neighborhood associations, seven of ten (70%) sample cases, and eleven of twenty three (48%) City of Austin employees surveyed. Refer to Exhibit 2 for the information about surveyed customers.

**Exhibit 1
Customer Satisfaction Survey Populations**

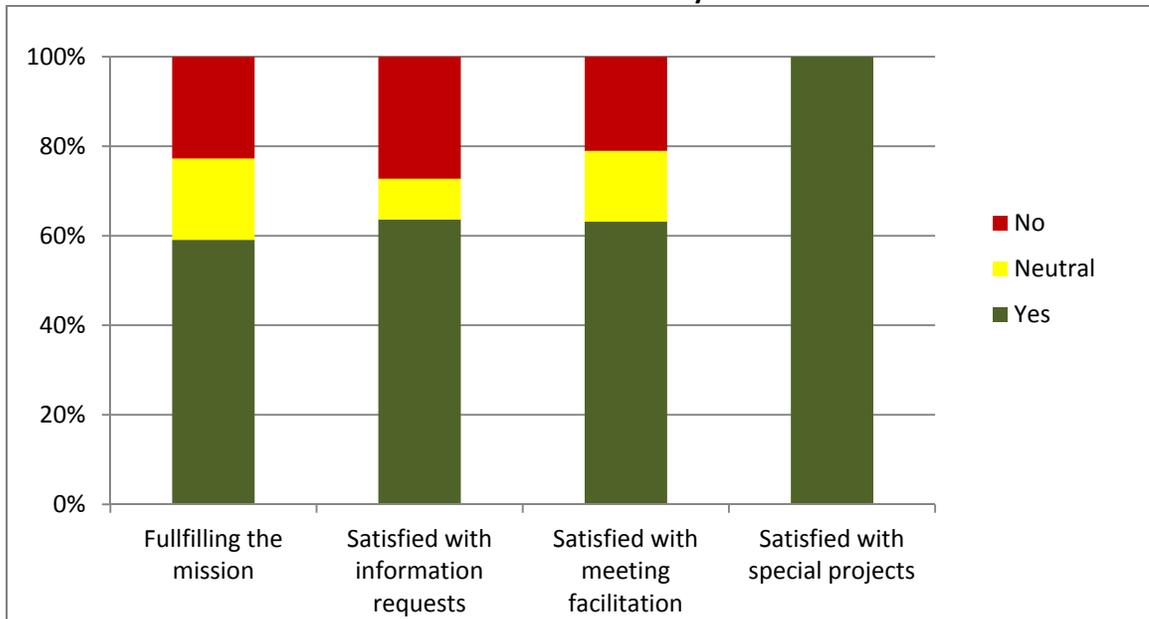
	Total estimated population	Surveyed	Responded	Had experience with the NAC
Neighborhood Association Representatives	Over 200*	63	21	4
Sample of NAC Customers for FY 2011	Undetermined	10	7	7
City of Austin Employees that worked with the NAC	23	23	11	11

SOURCE: Information provided by NAC staff and OCA survey analysis

NOTE: NAC staff stated that in addition to those captured by the Austin Neighborhood Council there are other neighborhood associations, bringing the total to over 200 neighborhood associations.

The majority of survey respondents that used NAC services indicated that they were satisfied with their experience. Also, the majority of respondents stated that they agree that the NAC fulfills its mission or are neutral about that statement. Exhibit 2 below shows the results of our surveys.

**Exhibit 2
Customer Satisfaction Survey Results**



SOURCE: OCA survey analysis

Additionally, it appears that the NAC only works with a subset of neighborhood associations. Through our survey we identified that only six of twenty one (29%) neighborhood association representatives that responded were aware of NAC’s services, and of those six, only four had direct experience with the NAC. NAC staff confirmed that they receive information requests

from a subset of neighborhood associations, and that an initial plan to conduct proactive educational programs and outreach has not occurred to date.

Finding 2: We identified limited management controls over NAC operations including limited guidance for NAC staff, perceived communication barriers, limited documentation requirements, and limited monitoring.

Management controls are required to carry out the objectives of the operations and to avoid a risk of using resources inefficiently and not being able to support the City's position. To measure the NAC's performance, management developed a performance target of 125 requests for information submitted and completed per Neighborhood Advisor.

However, we were not able to use NAC's log of requests to confirm if performance measure targets were met due to inconsistent data as well as a lack of review as previously discussed. Further, while we were generally able to match the information captured in the request log to the performance of 374 requests submitted in FY 2011 reported to the City Budget Office, we noted that the measure reported was for both advisors rather than per advisor as stated in the performance measure title and description.

Through interviews and documentation review we concluded the following limitations in NAC's internal controls:

- Limited guidance for the NAC's work including limited policies and procedures specific to the NAC, as well as vague job descriptions and performance appraisal forms;
- Limited documentation requirements and review resulting in limited documentation such as a staff-developed tracking sheet that is not completed consistently and is not reviewed;
- Communication barriers, including perceptions about tension in the work group and perceptions of limited management support; and
- Limited monitoring, including limited monitoring by management and limited customer satisfaction feedback.

RECOMMENDATIONS

The recommendations listed below are a result of our audit effort and subject to the limitation of our scope of work. We believe that these recommendations provide reasonable approaches to help resolve the issues identified. We also believe that operational management is in a unique position to best understand their operations and may be able to identify more efficient and effective approaches and we encourage them to do so when providing their response to our recommendations. As such, we strongly recommend the following:

- 1. The PDRD Director should ensure that their plan to conduct proactive educational programs and outreach is implemented in order to provide equal opportunity for NAC services to all neighborhood groups.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan.

- 1. The PDRD Director should strengthen internal controls over the operation including developing clear guidance for the NAC staff, a framework for documenting and reviewing work, and monitoring procedures.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan.

APPENDIX A

MANAGEMENT RESPONSE



MEMORANDUM

TO: Office of the City Auditor

FROM: Gregory I. Guernsey, AICP Director 
Planning & Development Review Department

DATE: February 22, 2012

SUBJECT: PDRD response to Neighborhood Assistance Center (NAC) Audit

I have reviewed the City Auditor's Neighborhood Assistance Center Audit and concur with its recommendations.

We concur with your first recommendation that PDRD undertake additional outreach to raise awareness of the availability of NAC services. We recommend that this outreach be undertaken carefully to not raise expectations beyond the availability of staff to provide services.

In response to your second recommendation, PDRD proposes to utilize the Human Resources Department's organizational development center to reassess the NAC's mission and the activities in which they are engaged to support that mission. PDRD will use this process to develop better policies and procedures, internal documentation, tracking sheets, customer satisfaction surveys, and more thorough peer/management review procedures.

We propose that both recommendations be fully implemented by October 1, 2012. Please contact me at 974-2387 if you have any questions.

cc: Marc Ott, City Manager
Sue Edwards, Assistant City Manager

ACTION PLAN

Neighborhood Assistance Center Audit

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
<p>1. The PDRD Director should ensure that their plan to conduct proactive educational programs and outreach is implemented in order to provide equal opportunity for NAC services to all neighborhood groups.</p>	<p>We concur that some neighborhoods have used the Neighborhood Assistance Center (NAC) services more than others. We also concur that additional outreach is needed. We recommend that enhanced outreach be carefully undertaken to not raise expectations beyond the availability of staff to provide services.</p>	<p>Planned</p>	<p>October 1, 2012</p>
<p>2. The PDRD Director should strengthen internal controls over the operation including developing clear guidance for the NAC staff, a framework for documenting and reviewing work, and monitoring procedures.</p>	<p>We concur. The neighborhood assistance center is a new function and we should use the experience gained since its formation to add additional controls and to better monitor and document progress. We propose to utilize the Human Resources Department's organizational development center to reassess their mission and the activities in which they are engaged to support that mission. We will also use this opportunity to develop better policies and procedures, internal documentation, tracking sheets, customer satisfaction surveys, and more thorough peer/management review procedures.</p>	<p>Planned</p>	<p>October 1, 2012</p>