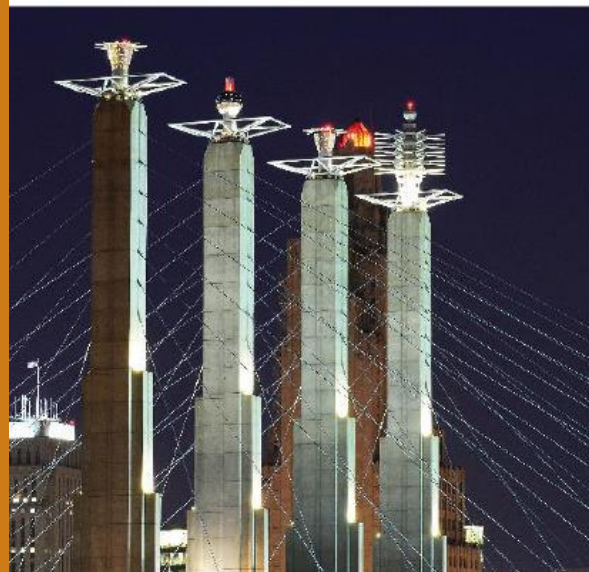
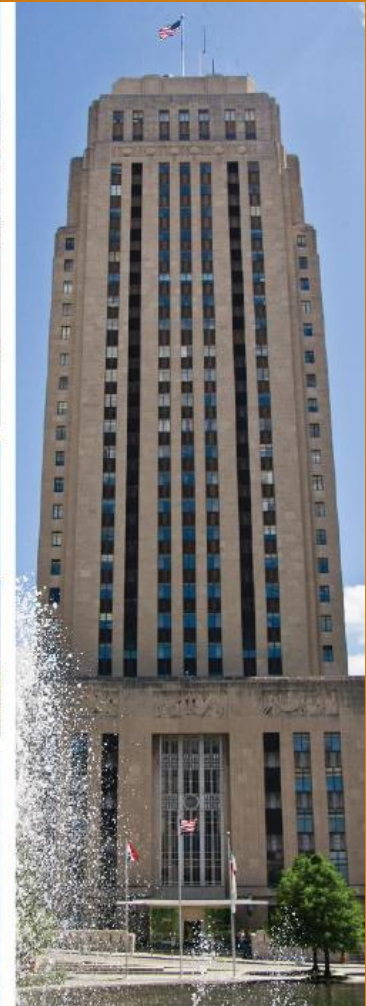


# *Local Government Audits: What's the Benefit or Value?*

Association of  
Government  
Accountants

Kansas City Chapter  
August 15, 2018

Douglas Jones, City Auditor  
Office of the City Auditor - Kansas City, Missouri



# Auditing in Kansas City Government

- ◆ City Auditor appointed by Mayor and City Council since 1925.
- ◆ Access to audit all city departments and activities.
- ◆ Our performance audits provide independent assessments to provide information and recommendations.



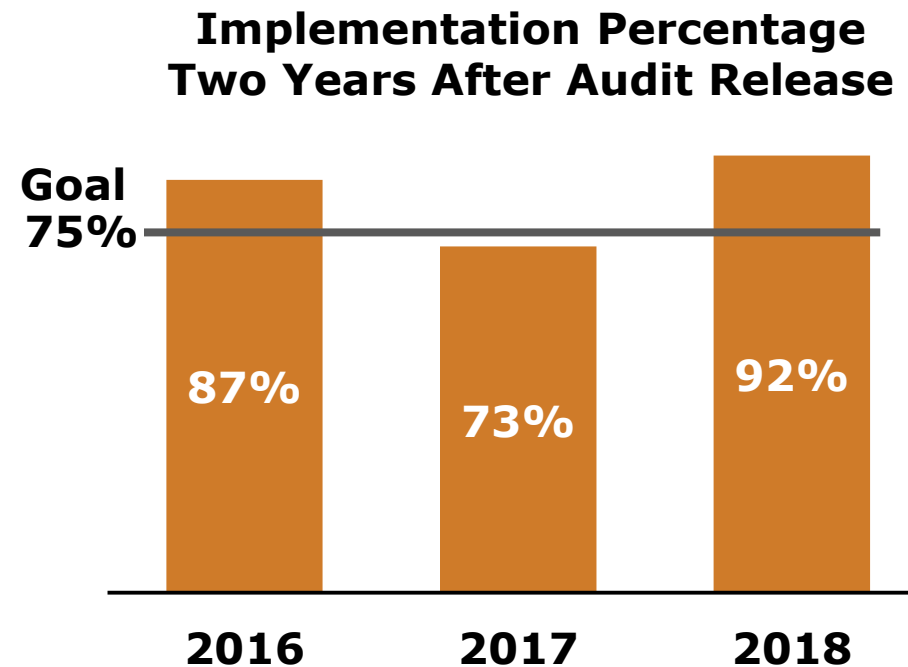
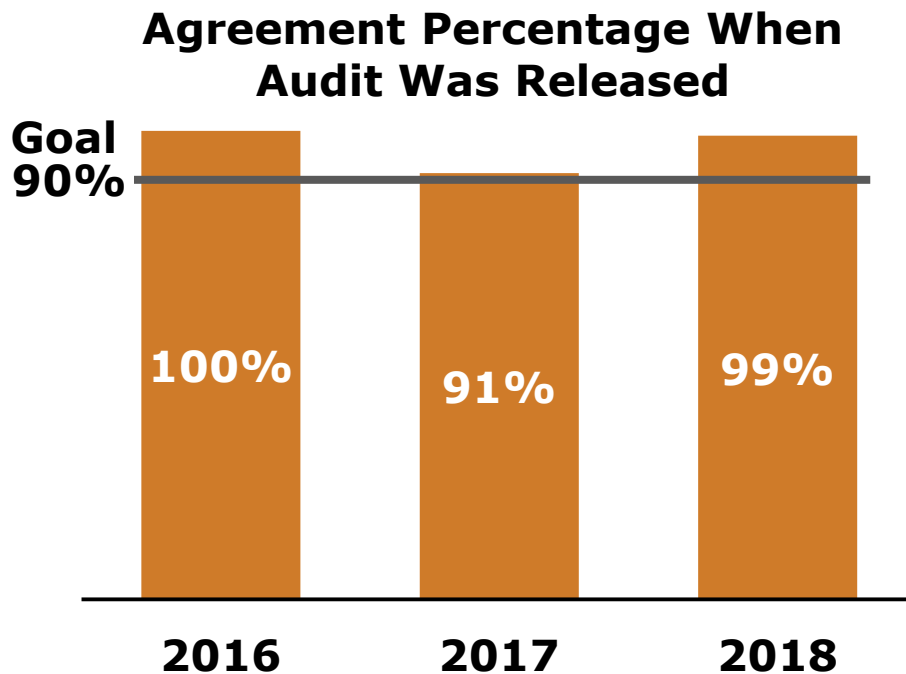
# What are the Benefits or Value of Audits?

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- ◆ Primary benefits:
  - ◇ public accountability & transparency
  - ◇ information to facilitate decision making
  - ◇ reduced costs / increased revenues
  - ◇ improved services to residents
  - ◇ improved safeguards over public monies & assets
  
- ◆ Potential value of fiscal year 2018 audits and recommendations:
  - ◇ **Direct** financial impact = **\$17 million**
  - ◇ **Indirect** financial impact = **\$184 million**

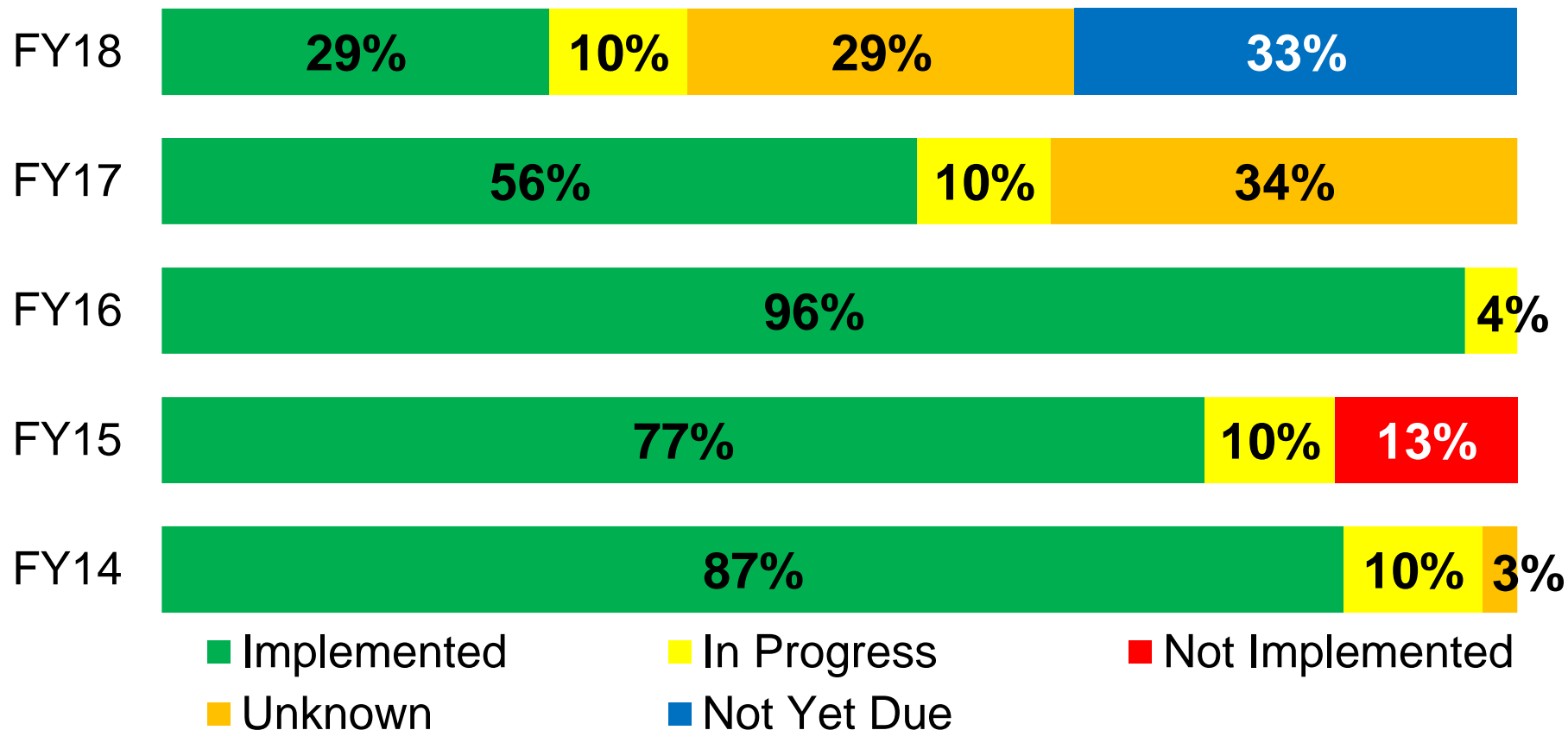
# How do we measure our performance?

- ◆ Issued 6 performance audits in fiscal year 2018.
- ◆ Implementation can take time.



# Are audit recommendations being implemented?

**Recommendation Status**  
**Audits Issued in Fiscal Years 2014-2018**  
(as of 7/23/2018)



# How are audits selected?

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- ◆ City Council may direct the city auditor to conduct a specific audit.
- ◆ The city auditor can initiate audits.
- ◆ Audit selection process considers a variety of inputs, including public suggestions.
- ◆ Audit universe is **A**irport to **Z**oo.



# What did the City Auditor's Office audit over the last year?

**Animal Health and Public Safety:**

**Community Vision and Improved Management Oversight Needed**

**Comparative Study of Fire Department Use of Resources**

**Timeliness of Land Development Plan Reviews Could Be Improved**

**General Services' Payment Process Should Better Protect Public Resources**

**Arterial Street Impact Fee Ordinance Should Be Amended to Correct Structural Imbalance**

**Preserve and Restore Park Ecology with Sustainable Maintenance Approach**

# *Animal Health & Public Safety: Community Vision and Improved Management Oversight Needed (Aug2017)*

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- ◆ *Audit Objective: Has the Animal Health and Public Safety Division implemented processes and provided training consistent with recommended practices?*
- ◆ Animal Health and Public Safety Division responds to about 16,000 calls for service annually.
- ◆ Kansas City Pet Project operates the city's animal shelter.



# Findings

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- ◆ City and Stakeholders Should Determine Collaborative Vision for Animal Care and Control
- ◆ Enforcement Efforts Not Consistently Implemented
- ◆ Ongoing Analysis of Data Can Inform Management Decisions
- ◆ Training Covers Most Recommended Topics but Consistent Annual Training Needed

# Ongoing Analysis of Data Can Inform Management Decisions

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- ◆ Only reporting “Call Dispatched to ACO Arrival” response time segment.



- ◆ Data limitations:
  - ◇ 20% of calls not categorized by type.
  - ◇ Response times calculated from incomplete dataset.
  - ◇ Response time calculation inaccurate.

# Recommendations

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- ◆ Recommendations directed towards:
  - ◇ Improving the working relationship between AHPS and KC Pet Project.
  - ◇ Establishing a process for stakeholders to develop the city's vision for animal care and control.
  - ◇ Remediating animal code violations and documenting investigations consistently.
  - ◇ Analyzing data to provide accountability and assist in managing resources.
  - ◇ Providing consistent and ongoing training.

# *General Services' Payment Process Should Better Protect Public Resources (Oct2017)*

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- ◆ *Audit Objective: Does the General Services Department's process of paying for goods and services protect city resources?*
- ◆ The department's process of paying for goods and services could be strengthened.
- ◆ Recommendations intended to better protect city resources; strengthen the payment review and approval process; and improve the timeliness of payments.

# Timeliness of Payments Declined

## Days From Invoice Date to Payment Date Fiscal Years 2014 - 2017

Number of Days	2014	2015	2016	2017
30 or Less	58.2%	72.4%	68.8%	59.1%
31 to 60	29.2%	17.0%	19.4%	21.4%
61 to 90	6.2%	5.0%	6.1%	8.3%
91 to 180	5.1%	3.6%	4.7%	8.1%
181 to 360	1.1%	1.6%	0.7%	2.6%
361 or More	0.3%	0.4%	0.3%	0.4%

# *Arterial Street Impact Fee Ordinance Should be Amended to Correct Structural Imbalance (Dec2017)*

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- ◆ *Audit Objective: Would the city benefit from increasing the arterial street impact fees?*
- ◆ Provisions in the arterial street impact fee ordinance created a structurally imbalanced program.
- ◆ Recommendations directed towards modifying Chapter 39 of the Code of Ordinances to make the arterial street impact fee program sustainable.

## Example: Effect of Discounted Fee Structure on Construction Credit Calculations

	Consultant-Developed Impact Fee	Ordinance-Adopted Impact Fee
Cost of Construction	\$150,000	\$150,000
Impact Fee	100,000	50,000
Construction Credits	\$ 50,000	\$100,000

## Example: Effect of Increased Construction Costs and Unadjusted Fees on Construction Credits

	2002 Construction Costs	2016 Construction Costs
Construction Cost	\$150,000	\$237,000
Impact Fee	50,000	50,000
Construction Credits	\$100,000	\$187,000

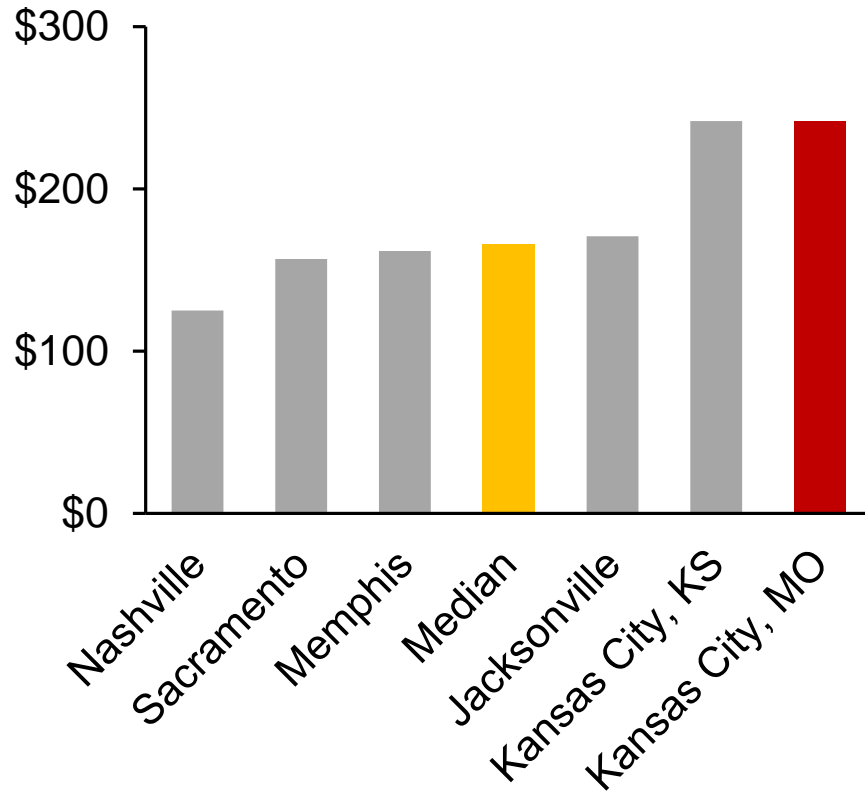
# *Comparative Study of Fire Department Use of Resources (Feb2018)*

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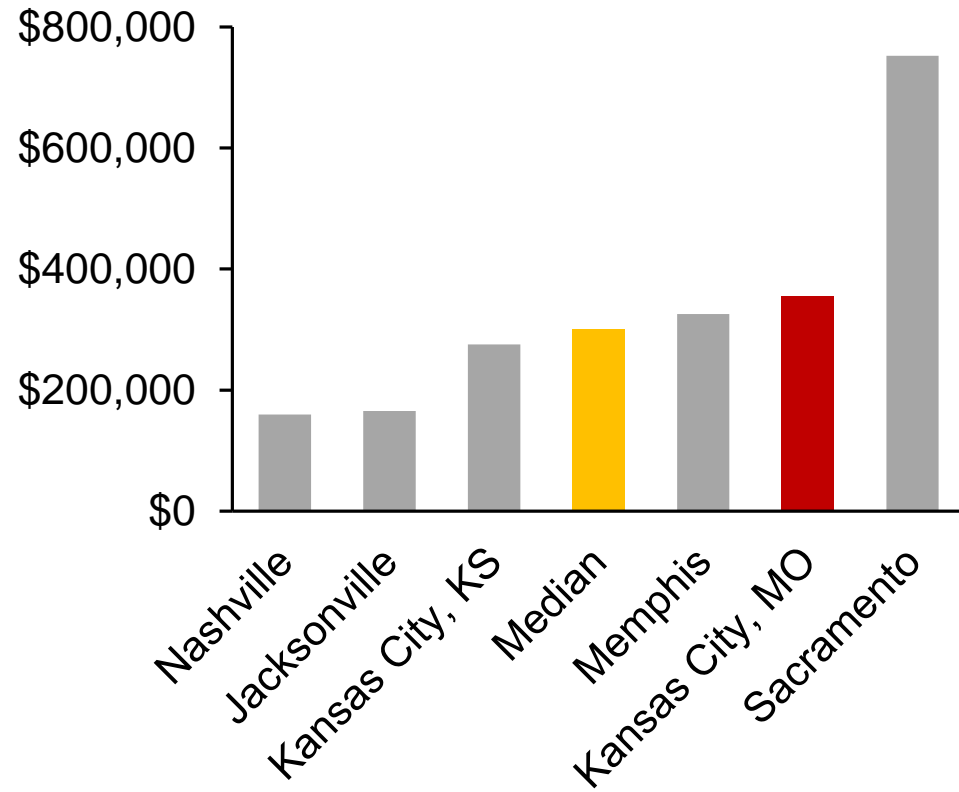
- ◆ *Audit Objective: Compile comparative data for fire suppression and EMS activities and resources for KCMO and other jurisdictions.*
- ◆ Surveyed jurisdictions and received responses from:
  - Arlington, TX
  - Memphis, TN
  - Cincinnati, OH
  - Milwaukee, WI
  - Jacksonville, FL
  - Nashville, TN
  - Kansas City, KS
  - Sacramento, CA
  - Kansas City, MO

# Firefighting/Fire Suppression Expenditure Measures

**Firefighting Expenditures per Resident**  
(Most Recently Available Year)

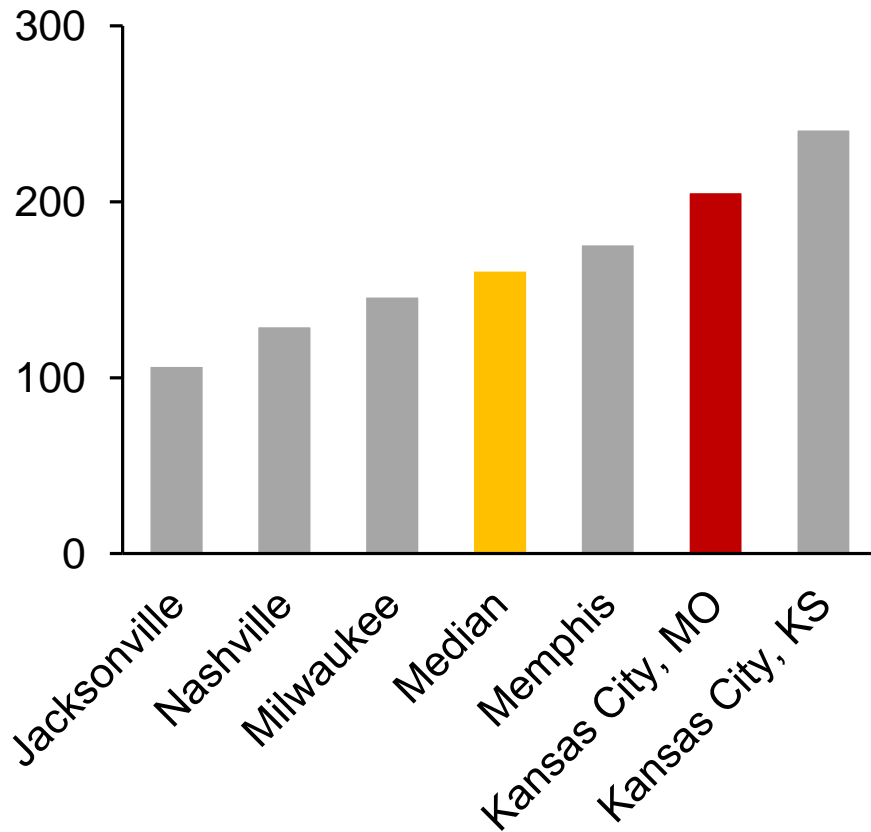


**Firefighting Expenditures per Square Mile**  
(Most Recently Available Year)

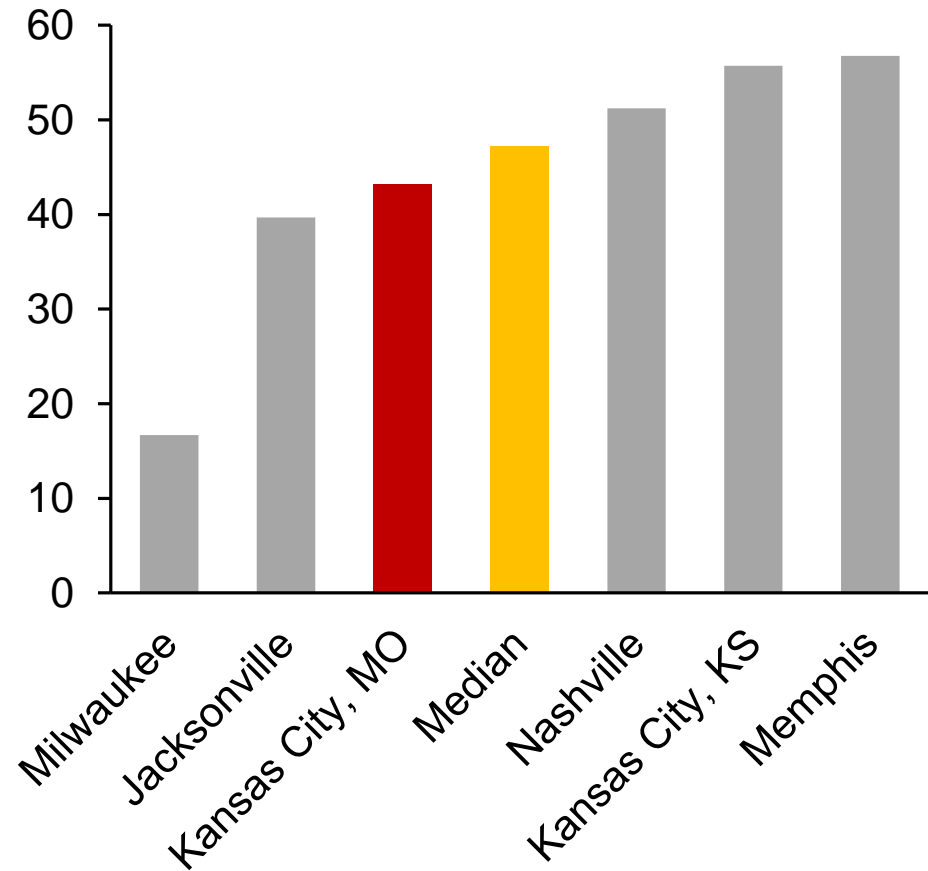


# Staffing

**Authorized Uniformed Firefighting Force FTEs per 100,000 Residents**



**Authorized EMS FTEs per 100,000 Residents**

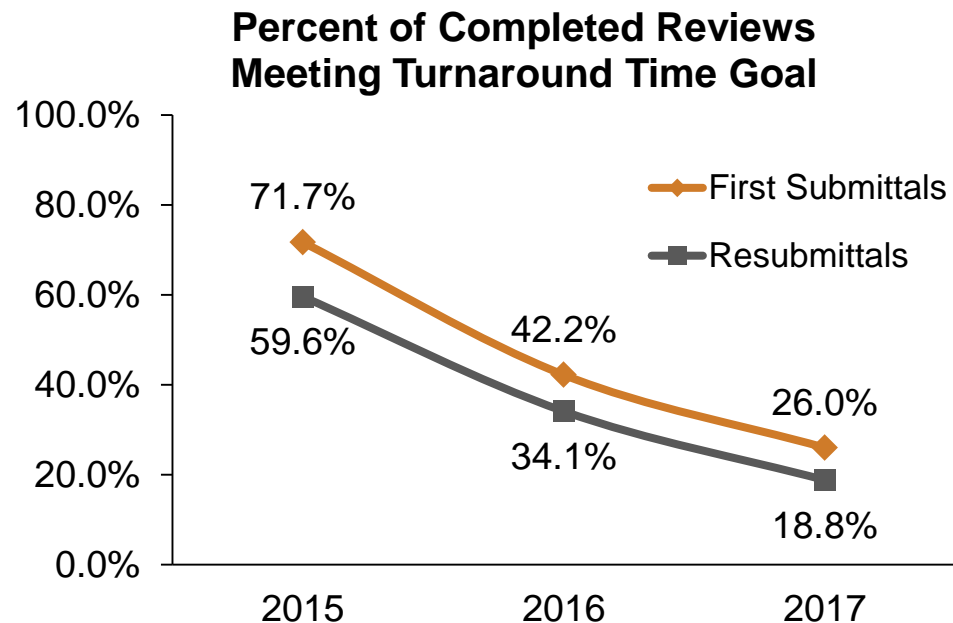


# *Timeliness of Land Development Plan Reviews Could Be Improved (Apr2018)*

◆ Audit Objective: *Can the Land Development Division improve the timeliness of plan reviews?*

◆ Plan review timeliness had declined significantly; multiple contributing factors.

◆ Recommendations intended to improve timeliness and reevaluate whether timeliness goals are realistic.



## *Preserve and Restore Park Ecology with Sustainable Maintenance Approach (Apr2018)*

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- ◆ *Audit Objective: Does the Parks and Recreation Department maximize the use of environmentally sustainable practices to manage and maintain natural resources.*
- ◆ Pockets of environmentally sustainable practices, but strategic approach to park landscape maintenance needed.
- ◆ Recommendations to strengthen department's sustainable maintenance practices of natural resources in parkland.

# Examples of...

- ◆ Pockets of Sustainability



**Native Plants – Jerry Smith Farm**

Photo Credit: Parks & Recreation Department website.



**Turfgrass – Loose Park**

Photo Credit: Parks & Recreation Department website.

- ◆ Maintenance Focuses on Aesthetics

# What work is in progress?

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- ◆ Carry over from last fiscal year:
  - ◇ Water Department Storeroom Inventory Controls
- ◆ New audits in progress:
  - ◇ Implementation of Contract Selection Process Recommendations
  - ◇ Publicly Investment in Parking Structures (*public suggestion*)
  - ◇ Addressing IT Network Vulnerabilities
  - ◇ Accuracy of Water Meters (*public suggestion*)
  - ◇ GO Bond Sidewalk/Curb/ADA Ramp Repairs (*new*)

# QUESTIONS???

For more information, to read our audit reports, or submit your audit ideas, visit [kcmo.gov/cityauditor](http://kcmo.gov/cityauditor)

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CITY OF KANSAS CITY, MO.

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2018 Annual Report

Last year our audits identified a potential direct financial impact of a combination of increased fees and suggested ways the city could improve the delivery of services to the public and ensure appropriate controls to manage or protect the expenditure of public monies. Read the [annual report](#)

[Read More](#)