



*City of Arts & Innovation*

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 10, 2022

FROM: CITY MANAGER'S OFFICE WARDS: ALL

SUBJECT: INDEPENDENT PERFORMANCE ASSESSMENT AND FINANCIAL  
EXPENDITURES REVIEW: SCOPES OF WORK FOR OFFICE OF THE CITY  
ATTORNEY, CITY CLERK'S OFFICE, AND PUBLIC LIBRARY

## **ISSUE:**

Approve the scopes of work for independent performance assessment and financial expenditures review of the Office of the City Attorney, the City Clerk's Office, and Public Library.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve scopes of work for independent performance assessment and financial expenditures review of the Office of the City Attorney, the City Clerk's Office, and Public Library; and
2. Authorize staff to immediately proceed with solicitation of consultants through a Request for Proposals process.

## **BACKGROUND:**

On July 28, 2015, the City Council endorsed the Annual Performance Assessment and Financial Expenditures Review Program providing for comprehensive and independent audits of all departments by qualified experts on a rotating basis.

On September 17, 2019, the City Council unanimously reaffirmed its support for the continuation of the Performance Assessment and Financial Expenditures Review Program.

The following table shows prior City Council approval of agreements for department assessments and the associated costs.

<b>City Council Approval of Agreement</b>	<b>Audited Department</b>	<b>External Auditor</b>	<b>Cost</b>
12/1/2015	Human Resources Department	Matrix Consulting Group	\$ 105,000
12/1/2015	Riverside Public Utilities	Baker Tilly Virchow Krause	154,874
12/1/2015	Finance Department	Matrix Consulting Group	135,000
12/13/2016	Museum & Cultural Affairs	Museum Management Consultants	50,000
2/7/2017	City Manager's Office	Matrix Consulting Group	85,000
2/7/2017	Office of the Mayor		
2/7/2017	Police Department	Hillard Heintze LLC	324,198
3/13/2018	General Services	Management Partners	185,000
3/13/2018	Parks, Recreation & Community Services		
3/13/2018	Public Works		
9/17/2019	Community and Economic Development	Matrix Consulting Group	84,500
9/17/2019	Fire Department	Fitch & Associates LLC	65,999
9/17/2019	Innovation and Technology	Matrix Consulting Group	83,500
<b>Total</b>			<b>\$ 1,273,071</b>

## **DISCUSSION:**

Through the Internal Audit process, the City Manager's Office manages the Performance Assessment and Financial Expenditures Review Program. Scopes of work were developed collaboratively with the City Attorney, City Clerk, and Library Director for their respective departments.

Following approval of the scopes of work by the City Council, a Request for Proposals (RFP) for the selection of independent consulting firms will be posted for public bidding. Following an evaluation and selection process, Professional Consultant Services Agreements will be brought before the full City Council for consideration and award. It is estimated that audits of these three departments will begin in September. As directed by the City Council on May 21, 2019, audit reports/findings will be simultaneously received by the Mayor, Mayor Pro Tempore, Chair of the Inclusiveness, Community Engagement & Governmental Processes Committee (ICGC), and City Manager, and will be made available to the public on the City's internet site after review by these officials.

### **Office of the City Attorney Scope of Work**

#### ***Performance Assessment:***

1. Organizational structure and potential for consolidation of administrative functions.

2. Effectiveness of staffing levels for the Office of the City Attorney generally and for each division.
3. Succession and Strategic Planning.
4. Project management, business continuity/disaster recovery controls.
5. Assessment and benchmarking against the Office of the City Attorney in other cities and comparison to national or other professional standards in the following:
  - a. Number of departments supported per attorney
  - b. Timeliness of responses to requests received from other departments and number of transactions per attorney
  - c. Number of litigated cases per attorney
  - d. Number of criminal and/or administrative prosecutions per attorney
  - e. Number of claims and claims performance
  - f. Settlement performance / average settlement
6. Compliance with applicable federal, State, and/or City regulations.
7. Management systems.
8. Interdepartmental communication and collaboration.
9. Best practices and other performance indicators of program and service effectiveness.

*Financial Expenditures Review:*

1. Review specific non-personnel expenditure transactions over the three-year period of Fiscal Years ending June 30, 2022, 2021, 2020. Assess compliance with relevant City policies for
  - a. Credit card transactions (P-Card)
  - b. Litigation Disbursement Account
  - c. Professional Services Agreements and Purchase Orders (outside counsel, experts, outside vendors)
  - d. Settlement Agreements

*City Clerk's Office Scope of Work*

*Performance Assessment:*

1. Benchmarks, best practices, and other performance indicators of program and service effectiveness relative to other jurisdictions of similar size (may include, but is not necessarily limited to, legislative support such as agenda services, recording minutes, and related tasks for City Council and City boards/commissions/committees; elections/Filing Official; records management; and processing passports).
2. Review current operations, policies, procedures, and practices for consistency with governing laws and policies.
3. Review current operations, policies, procedures, and practices for efficiency and effectiveness.
4. Review current use of management systems and technology, and make recommendations for improvements and enhanced efficiency.
5. Review the organizational structure and make recommendations for enhanced efficiency. Include potential for consolidation of functions, effectiveness of staffing levels, and succession planning.

*Financial Expenditures Review:*

Review specific non-personnel expenditure transactions over the three-year period of Fiscal Years ending June 30, 2022, 2021, 2020. Assess compliance with relevant City policies for

purchasing and contracting.

### Public Library Scope of Work

#### *Performance Assessment:*

1. Based on library nationwide best practices, review organizational structure and effectiveness of staffing levels; succession planning; project management; and business continuity/disaster recovery controls.
2. Review all programs offered on-site and off-site and assess the number of attendees.
3. Assess Library services across all seven neighborhood branch locations and centrally at the Main Library.
4. Evaluate library materials and circulation data.
5. Assess results of recent Library community engagement survey to evaluate Library's understanding of community needs in Riverside. Library staff will provide survey data.
6. Analyze fine and fee revenue collected by the Library and make recommendations for best practices.
7. Benchmark against similar library systems as well as best practice libraries nationwide.
8. Interdepartmental communication and collaboration.

#### *Financial Expenditures Review:*

1. Review specific non-personnel expenditure transactions over the four-year period of Fiscal Years ending June 30, 2019 through June 30, 2022.
2. Assess compliance with relevant City policies related to procurements and contracting.

Completion of the performance assessment and financial expenditure review of the Office of the City Attorney, City Clerk's Office, and Public Library will mark the completion of the first Audit Program cycle.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration among community members to improve transparency, build public trust, and encourage shared decision-making.**

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Financial and Performance Auditing provides transparency and accountability through review of City departments and processes by a neutral auditing firm.
2. **Equity** – Financial and Performance Auditing benefit the entire community through transparency and accountability for the City.
3. **Fiscal Responsibility** – Services for Financial and Performance Auditing are retained through a competitive procurement process to secure highly qualified and quality services.
4. **Innovation** – Regular department reviews facilitate a culture of continuous improvement

and innovation in the workplace through process improvement and rewarding innovative practices.

5. **Sustainability & Resiliency** – Financial and Performance Auditing enhances the City's preparedness for the future by identifying strengths and areas for improvement within City departments and processes.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this report. Professional Consultant Services Agreements will be brought before the City Council following an evaluation and selection process. Funding for auditing services has been included in the Propose FY2022/23 budget that will be brought to Council for adoption.

Prepared by:	Lee Withers, Principal Management Analyst
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment:	Presentation
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