



City of Arts & Innovation

Governmental Affairs Committee Memorandum

TO: GOVERNMENTAL AFFAIRS COMMITTEE **DATE: APRIL 4, 2018**

FROM: OFFICE OF ORGANIZATIONAL PERFORMANCE AND ACCOUNTABILITY **WARDS: ALL**

SUBJECT: SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY FINANCIAL TRANSACTIONS REVIEW FOR FISCAL YEARS 2014, 2015 AND 2016

ISSUE:

Receive, review, provide input on and forward to the City Council the Southern California Public Power Authority (SCPPA) Financial Transactions Review for Fiscal Years 2014, 2015 and 2016.

RECOMMENDATION:

That the Governmental Affairs Committee receive, review, provide input on and forward to the City Council the Southern California Public Power Authority (SCPPA) Financial Transactions Review for fiscal years 2014, 2015 and 2016.

BACKGROUND:

On December 6, 2017, the Governmental Affairs Committee requested that the Office of Organizational Performance and Accountability (OOPA) perform an assessment of Riverside Public Utilities (RPU) financial transactions related to the Southern California Public Power Authority (SCPPA). The specific objective was to determine if SCPPA transactions were consistent with SCPPA contract guidelines, and applicable City procurement policies and practices for fiscal years 2014, 2015 and 2016.

DISCUSSION:

Our review concluded that RPU's procurement of energy efficiency programs and other SCPPA member services have been conducted in compliance with the terms of the SCPPA agreement and applicable City procurement policies and practices.

In addition, RPU implemented the following internal controls to ensure transparency and accountability:

1. A SCPPA Procurement form is submitted to the RPU Chief Financial Officer to ensure availability of funds in the budget;
2. RPU General Manager (or designee) approves a Task Order to accept SCPPA services;

3. RPU Board of Utilities and City Council approval is required for SCPPA purchases over \$50K. Purchases between \$25K and \$50K are approved by the City Manager; purchases up to \$25K are approved by the RPU General Manager; and
4. The Board of Public Utilities and the City Council receive a bi-annual report of all SCPPA financial transactions for the most recent period. The last report (for SCPPA expenditures through December 31, 2017) was submitted to the RPU Board on February 26, 2018 and the City Council March 26, 2018.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Cheryl Johannes, Manager, Office of Organizational Performance & Accountability
Approved by: Marianna Marysheva, Assistant City Manager
Certified as to availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. SCPPA Financial Transactions Assessment Report
2. Presentation