



FISCAL YEAR 2018/19 INDEPENDENT PERFORMANCE ASSESSMENT & FINANCIAL EXPENDITURES REVIEW – SCOPES OF WORK

**Office of the City Manager
Internal Audit Division**

City Council
April 23, 2019

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BACKGROUND

One of the Strategic Goals for the City Manager's Office is to continue facilitating a culture of continuous improvement and innovation in the workplace through regular process improvement activities, rewarding innovative practices, and regular review of department operations on a triennial basis.

On July 25, 2015, the City Council endorsed the Annual Performance Assessment and Financial Expenditures Review Program, providing for comprehensive and independent reviews of all departments by qualified experts on a five-year rotating basis.



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BACKGROUND

To date, the following Performance Assessment and Financial Expenditures reviews have been provided to City Council:

City Council Date	Department	External Auditor	Cost
July 26, 2016	Finance	Matrix Consulting Group, LTD	\$135,000
July 26, 2016	Human Resources	Matrix Consulting Group, LTD	\$105,000
July 26, 2016	Public Utilities	Baker Tilly Virchow Krause, LLP	\$135,000
July 11, 2017	City Manager's Office	Matrix Consulting Group, LTD	\$85,000
July 11, 2017	Mayor's Office		
July 25, 2017	Police Department	Hillard Heintze, LLC	\$342,000
January 8, 2019	General Services	Management Partners	\$185,000
January 8, 2019	Parks, Recreation & Community Services		
January 8, 2019	Public Works		



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BACKGROUND

The following departments were approved for review by the City Council for FY2018/19:

1. Community and Economic Development Department
2. Riverside Fire Department
3. Innovation and Technology Department



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DISCUSSION

The Internal Audit Division is responsible for managing the City Manager's Annual Performance Assessment and Financial Expenditures Review Program. A comprehensive Scope of Work was developed for each department after receiving input from various stakeholders.

Divisions within each department have undergone prior audits and/or peer-assessment reviews. To avoid duplicative audit efforts, those items are identified in the Scopes of Work to provide assurance that those items are not being overlooked.



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SCOPE OF WORK COMMUNITY AND ECONOMIC DEVELOPMENT

Performance Assessment**

1. Strategic planning
2. Organizational structure
3. Economic impact
4. Fee calculation, assessment, and collection practices;
5. Asset management
6. Programs and services
7. Management systems



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SCOPE OF WORK COMMUNITY AND ECONOMIC DEVELOPMENT

Performance Assessment**

- 8. Interdepartmental communication and collaboration;
- 9. Benchmarks, best practices, and other performance indicators
- 10. Compliance with applicable local, State and/or Federal regulations

** - excludes CDBG, Code Enforcement, Housing Authority & Office of Homeless Solutions and Successor Agency



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SCOPE OF WORK COMMUNITY AND ECONOMIC DEVELOPMENT

Financial Expenditures

Review of overtime, Professional Services Agreements (PSAs), maintenance and service contracts, and specific non-personnel expenditures over the three-year period for fiscal years ending June 30, 2016, 2017, and 2018.



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SCOPE OF WORK RIVERSIDE FIRE DEPARTMENT

Performance Assessment

The Fire Department completed an accreditation peer review/audit conducted by the Commission of Fire Accreditation International (CFAI) in October 2018.

Items marked with a “***” will be excluded from the Scope of Work. However, Internal Audit will work with RFD to ensure action plans are developed for all recommendations provided by CFAI.



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SCOPE OF WORK RIVERSIDE FIRE DEPARTMENT

Performance Assessment

1. Organizational structure
2. Compliance with applicable State/Federal Fire regulations**
3. Management systems
4. Asset management**
5. Emergency response times**
6. Interdepartmental communication and collaboration
7. Benchmarks, best practices, and other performance indicators



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SCOPE OF WORK RIVERSIDE FIRE DEPARTMENT

Financial Expenditures

Review of overtime, Professional Services Agreements (PSAs), maintenance and service contracts, and specific non-personnel expenditures over the three-year period for fiscal years ending June 30, 2016, 2017, and 2018.



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SCOPE OF WORK INNOVATION AND TECHNOLOGY

Performance Assessment

1. Organizational structure and project management
2. Network – security internal controls
3. Client Services – customer service support; efficiency
4. Innovation division resource allocation/usage
5. Compliance with applicable State/Federal IT regulations
6. Management systems
7. Interdepartmental communication and collaboration
8. Benchmarks, best practices, and other performance indicators



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SCOPE OF WORK INNOVATION AND TECHNOLOGY

Financial Expenditures

Review of overtime, Professional Services Agreements (PSAs), IT service level agreements (SLAs), and specific non-personnel expenditures over the three-year period for fiscal years ending June 30, 2016, 2017, and 2018.



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AUDIT TIMELINE

Description	Estimated Completion Date
Develop Audit Scopes of Work	3/29/2019
CC Reviews & Approves Scopes of Work	4/23/2019
Issue RFPs	5/2/2019
RFPs Due	5/31/2019
Selection Process Completed	6/28/2019
CC Approves Selection of Consultants and PSA Contracts	8/13/2019
Reviews Begin	8/20/2019
Draft Reports Due	11/1/2019
Final Reports Completed	12/2/2019
Reports Presented to CC	1/7/2020



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RECOMMENDATIONS

That the City Council:

1. Approve the Scopes of Work for the Independent Performance Assessment and Financial Expenditures Review of the Community and Economic Development Department; Riverside Fire Department; and Innovation and Technology Department; and
2. Authorize staff to immediately proceed with solicitation of consultants through a Request for Proposals process.



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