

Highlights

Why We Did This Audit

This audit is required under Section 2-722 of the Code of Ordinances. In 2001, the City Auditor's Office developed a governance checklist that could be used by the mayor and City Council to evaluate the performance of city boards and commissions. Current code requires the city auditor distribute the governance checklist at least once every four years and report the results to the City Council by November 1.

Objective

What governance practices are boards and commissions following?

What is Governance?

Governance is the exercise of authority, direction, and control by a governing board. Governance deals with *what* an organization is to do and is focused on planning, setting goals and objectives, and developing policies to guide the organization and monitor its progress toward implementation of its plans. Good governance policies also manage risks that may prevent the organization from achieving its purpose.

This is the first of two governance assessment reports. This report surveyed component unit boards and commissions and the Board of Parks and Recreation.

The second report surveyed select boards and commissions whose members file financial disclosures with the city and will be released in October 2023.

[Click here to view the full report.](#)

PERFORMANCE AUDIT – September 2023

2023 Governance Assessment: Component Unit Boards and Commissions

City Boards and Commissions Oversee Important Activities

Boards and commissions are responsible for overseeing important public functions and activities in Kansas City, including policing, maintenance of parks, and development incentives. Boards and commissions are responsible for allocating public resources and overseeing the provision of services. In Fiscal Year 2022, the 15 boards and commissions we surveyed in this report spent about \$442 million.

Conclusions Based on Board and Commission Responses

City board and commission responses to the self-assessment checklist identified some strengths and some potentially unmanaged risks in the six core governance functions:

- Leading the organization.
- Setting policies delineating management responsibilities.
- Ensuring management compliance with board directives.
- Ensuring accountability for achieving organizational goals.
- Ensuring a high level of board performance and effectiveness.
- Representing the public.

Most of the boards and commissions report incorporating good governance practices to lead their organization, adopt policies outlining management responsibilities, ensure management compliance with Board Directives, and establish accountability for achieving organizational goals. Some responses, however, identified opportunities to mitigate risks that can have a negative impact on board performance and representing the public interest.

City Council Can Take Steps to Improve City Boards' Governance Practices

This audit is intended to help City Council understand and evaluate whether unmanaged risks are acceptable given the specific purpose of each board. City Council can consider taking the following steps if they determine a particular board's governance practices have unmanaged risks:

- Issue a resolution directing the board or commission to incorporate good governance practices.
- Direct the city auditor to follow up with boards to reassess implementation of good governance practices.
- Strengthen the Code of Ordinances to require that boards adopt/incorporate good governance practices such as an attendance policy, board profile, or new board member orientation, and submit a follow-up report on their governance practices.



**KANSAS CITY
MISSOURI**

Office of the City Auditor

Douglas Jones, CGAP, CIA, CRMA – City Auditor
21st Floor, City Hall, 414 E. 12th St.
Kansas City, Missouri 64106

816-513-3300

cityauditor@kcmo.org

[@KCMOCityAuditor](https://twitter.com/KCMOCityAuditor)

[KCMO.GOV/CITYAUDITOR](https://www.kcmo.gov/cityauditor)