

# 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.

This is the second of two governance assessment reports issued this year. For this audit we surveyed 27 select governing and policy boards and commissions whose members file financial disclosures with the city. Four boards did not return a completed checklist.

## 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.

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

## PERFORMANCE AUDIT – October 2023

### 2023 Governance Assessment: Other Governing and Policy Boards

#### City Boards and Commissions Oversee Important Activities

Boards and commissions are responsible for overseeing important public functions and activities in Kansas City, including approving property tax abatements, advertising and booking conventions in the city, and determining city employee retirement benefits. Boards and commissions are responsible for allocating public resources and overseeing the provision of services.

#### Some Boards Appear Unaware of Financial Disclosure Submission Requirement

Most of the boards and commissions responding to the governance assessment checklist 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 boards surveyed may have significant financial oversight, while others may have more of an advisory or policy role. As such, not all governance practices may apply to every board.

Ten boards reported that the financial disclosure requirement was not applicable to their board, or they did not know if all members had submitted required disclosures. All boards and commissions surveyed for this audit have at least some members required by city code to annually submit a financial disclosure. Financial disclosures are important for identifying conflicts of interest. City Code automatic resigns board members who do not file these disclosures as required.

#### What we recommend (full list on back)

We recommended the Mayor remind city board members of their requirement to annually submit financial disclosure forms and ask the city clerk for a list of board members who did not submit.

Overall, 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.



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## Recommendations

1. The Mayor should send a letter to all boards and commissions identified in City Code Sec. 2-2024(d) reminding them of their obligation to submit annual financial disclosure statements to the city clerk and informing them of the consequences for failing to file.
2. The Mayor should ask the city clerk to provide a list of all board and commission members who did not submit their required annual financial disclosure on or before June 1, 2023, and take appropriate actions.



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