

Highlights

Why We Did This Audit

PIAC is part of the city's overall capital improvement plan for city infrastructure and facilities. The Office of Management and Budget manages and coordinates PIAC activities. Departments (i.e., Public Works, Parks and Recreation, Water Services) are responsible for planning, constructing, and monitoring projects.

The number of parties involved in the program makes it a complex process and may be more prone to coordination and communication problems. Assessing the use of PIAC funds helps ensure public funds are spent effectively to meet citywide capital improvement needs. This audit is partly based on public suggestions.

Objective

Is the city effectively using the PIAC process and funds to complete in-district infrastructure improvements?

Background

In 2018, Kansas City, Missouri voters approved continuation of the 1% sales tax to fund a capital improvements program for public needs. City Code requires the city fund an amount equal to at least 35% of the total 1% sales tax receipts towards neighborhood conservation, maintenance and improvements divided equally among council districts. The City Council has final approval on projects funded.

Between fiscal year 2019 and 2023, the PIAC in-district budget process funded 713 projects totaling about \$119.5 million. Unused council district allocated funds are credited put into the district's contingency fund account. These contingency funds may be spent on future projects determined by their city council members.

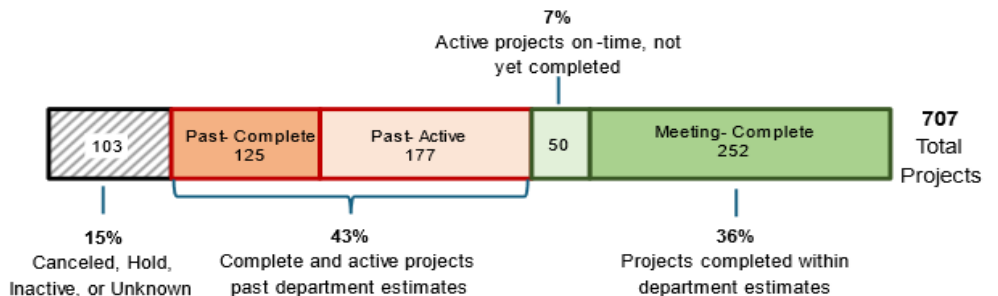
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PERFORMANCE AUDIT – April 2024

In-District PIAC Projects Took Longer Than Expected, Need Goals and Improved Reporting

What We Found

Most PIAC projects did not meet department timeliness estimates; 58% were either late, cancelled, on hold, inactive, or of unknown status. An effective program delivers the intended projects while an efficient project is one completed in a manner that minimizes the waste of resources. Not delivering approved PIAC projects is an ineffective use of PIAC funds.



City departments did not establish timeliness goals for completing PIAC projects at the start of the audit. We asked departments for estimates of how long it should take to complete PIAC projects and project phases. Adopting project timeliness goals will help hold departments accountable and give councilmembers information on the types of projects that most effectively use PIAC funds.

Information in eBuilder, the project management system used by departments, is not always accurate or in a format capable of producing quality information for quarterly reports given to councilmembers. Accurate project information is needed to make informed decisions about how city resources are used.

Transparency and process improvements can help demonstrate the effective use of PIAC funds. Project accounts totaling \$2.6 million for 14 projects with a 'cancelled' status should be closed. City code authorizes councilmembers to transfer funds from their districts' PIAC contingency to PIAC projects; 35 of 250 transfers did not follow all code requirements. PIAC is a publicly driven process, and the public cannot easily access information about the status of funded PIAC projects.

What We Recommend (full list on back)

We make recommendations to establish goals to measure and report PIAC project timeliness to the City Council; improve eBuilder project data accuracy; and strengthen PIAC project transparency and processes to help demonstrate the effectiveness of use of PIAC funds.

Management agreed with all the recommendations.



**KANSAS CITY
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Recommendations	Management Agreement
1. The director of finance should coordinate with departments to establish and report on PIAC project timeliness goals.	Agree
2. The director of Finance should coordinate with the Information Technology Division to develop procedures and training for consistent use of eBuilder by departments for PIAC quarterly reporting.	Agree
3. The director of finance should close PIAC projects with a status of cancelled and move any remaining funds to council districts' contingency fund.	Agree
4. The director of finance should implement written procedures on the periodic review of PIAC projects and the closing of project funds that are cancelled or complete.	Agree
5. The director of finance should not approve projects for the use of PIAC contingency funds that do not follow the process developed to comply with requirements in City Code Sec. 68-450(d)(1).	Agree
6. The director of finance should develop an external reporting system and its written procedures to periodically communicate or make available to the public the status of all projects receiving PIAC funding – through both the budget process and City Council contingency.	Agree

