

Highlights

Why We Did This Audit

The accessibility of contracts is important because the city must be able to access its executed contracts in order to manage, litigate, and respond to public requests.

Because contract management is decentralized, tracking and accessibility of contracts present a challenge as personnel changes occur or city departments restructure and files are moved.

Our audit focused on the city's ability to access all of its executed contracts.

Background

The city executes contracts to obtain a broad range of goods and services. The city also executes other types of contracts including construction contracts, leases of city property, cooperative agreements, memorandums of understanding, license agreements, concession agreements, and non-municipal agency contracts.

The Missouri Sunshine law requires the city to provide copies of city contracts to the public. Due to state retention regulations, city contracts must be retained for a specific period even after the terms have been met or the contract has expired.

For more information, contact the City Auditor's Office at 816-513-3300 or cityauditor@kcmo.org.

To view the complete report, go to kcmo.gov/cityauditor and click on Search Audit Reports.

PERFORMANCE AUDIT

Contract Accessibility Could Be Improved

What We Found

In our test of contract accessibility, we found that contracts identified through the city's financial system and the city's legislative tracking system were accessible. However, there are contracts that are not included in either of those systems that we were unable to test for accessibility.

City contracts are not centralized, although city regulations require centralization. Law Department staff reported difficulty accessing some city contracts that had become subjects of dispute including contracts that did not involve immediate financial obligations on part of the city.



Lost or difficult to access contracts can result in failure to protect the city's interests. A contract management recommended practice is a centralized repository of contracts. To effectively manage and defend contracts, the city must know their location and be able to access them easily.

An electronic, centralized repository would further improve ease of contract access as well as provide staff with the ability to organize and search contracts. An electronic repository could also provide easy online public access to contracts.

The city's open data policy as well as public procurement recommended practices support online public accessibility of contracts.

What We Recommend

In order to enhance the city's contract accessibility and transparency, we recommend the city manager:

- Draft for City Council consideration a revision to Sec. 3-65 of the Code of Ordinances to require copies of all executed contracts to be centralized in a location to be determined by the city manager.
- Require executed contracts be in an electronic centralized repository.

We believe implementation of our recommendations can improve the city's contract accessibility and transparency.

Management agreed with the recommendations.