

Highlights

Why We Did This Audit

City boards and commissions have major authority and responsibilities within Kansas City government. Many city services and functions are carried out and influenced by appointed boards and commissions.

Annual disclosure of board member conflict of interests is an important tool to increase the transparency of board decisions and the expenditure of public funds. Disclosure forms are used to report financial interests and personal and professional relationships.

Objective

Are members of boards and commissions submitting conflict of interest disclosures as required by city code?

Our audit of boards and commissions focuses on reviewing the city's current process related to collecting conflict of interest disclosures forms as required by city code and whether the current disclosure captures applicable conflicts of interest.

Background

City Code Section 2-2024 identifies over 50 boards and commissions that include 492 board member seats. Board and commission members must submit the Kansas City Conflict of Interest B Annual Report to the city clerk when they are first appointed and then annually. The city clerk retains these as public records.

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

To view other audit reports, please visit our website <http://kcmo.gov/cityauditor> and click on Search Our Work.

PERFORMANCE AUDIT

Boards & Commissions Financial Disclosures Need Timely Filing

What We Found

In calendar year 2021, at least 122 board members, some serving on multiple boards, did not file conflict of interest disclosure forms as required by city code.

The City Clerk's Office has a process to send notifications to board members each year as required. In 2021, not all the correct board members were contacted. This included both city and non-city appointees who are required by city code to file disclosures. Nearly 25% of the names on the initial contact list were later removed.

Letters sent by the city clerk refer to outdated and inaccurate city code. The conflict of interest form is also missing information such as the fax number where members can send the form.

An improved process is needed to communicate board members' filing status after the conflict of interest filing deadline passes. After June 1st, the city clerk sends a notification to the Mayor's Office. The 2021 notification to the Mayor's Office did not include all the information the Mayor's Office needed to understand the next steps. No notice is sent to the board contact or the board members. Without adequate information, the involved parties cannot take action on the board member's status.

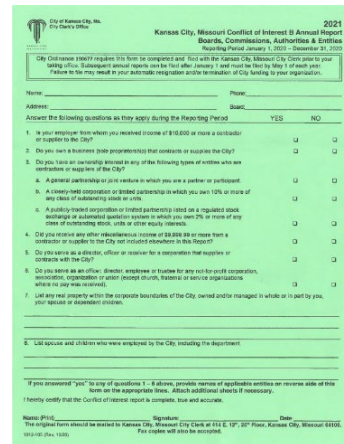
Not all new board members complete the conflict of interest form before starting to serve on their board as required. The recent update of City Code Section 2-2024 did not result in an accurate board list. Additionally, existing city code does not require board members to disclose financial relationships they have with the board in which they have a governance role. For transparency of public funds, the public has an interest in knowing these conflicts.

Improvements to the existing processes can help increase the number of board members who file timely.

What We Recommend (full list on back)

We make recommendations to the city clerk to build on the annual conflict of interest disclosure collection process to help improve the number of board members submitting disclosure forms. We also make recommendations to improve city code processes when board members do not file disclosures and to review and potentially change the City Code of Ethics to increase transparency.

The city clerk agreed or partially agreed with five recommendations and disagreed with four recommendations addressed to her. The city attorney agreed with the one recommendation addressed to him.



Recommendations

1. The city clerk should implement written procedures to confirm the accuracy of the board and commission members contact list, including non-city appointed members, prior to sending the first request for board members to complete and submit the city's conflict of interest disclosure form.
2. The city clerk should implement written procedures to verify all boards required by code to file conflict of interest disclosures are included on the board member contact list the city clerk uses to request the conflict of interest disclosure form.
3. The city clerk should update the conflict of interest form to reflect information from the current city code.
4. The city clerk should update the contact information on the conflict of interest disclosure form to include information necessary to submit the form by fax and other acceptable electronic methods
5. The city clerk should update letters requesting board members to file disclosures to reflect current city code references and information.
6. The city clerk should update office procedures to require the city clerk's office to check appointees' disclosure status and only perform the oath of office if the disclosure is on file.
7. The city clerk should prepare for City Council consideration an ordinance to:
 - remove dissolved boards and commissions from City Code Section 2-2024(d), and
 - list each board required to file individually, including each Impact Fee Advisory Committee, in City Code Section 2-2024(d).
8. The city clerk should implement a written procedure to notify the Mayor's Office each year which board members did not file a conflict of interest form by June 1st, the boards they serve on, and sections of city code that provide guidance on how to handle non-filing after June 1st.
9. The city clerk should implement written procedures to provide board contacts a list of board members who did not file their conflict of interest form as required by June 1st and also notify the board members individually.
10. The city attorney should propose for City Council consideration language to amend Sec. 2-2024 of the Code of Ethics to require board members to disclose conflict of interest they have with the board on which they serve, similar to how their conflicts with the city currently must be disclosed.