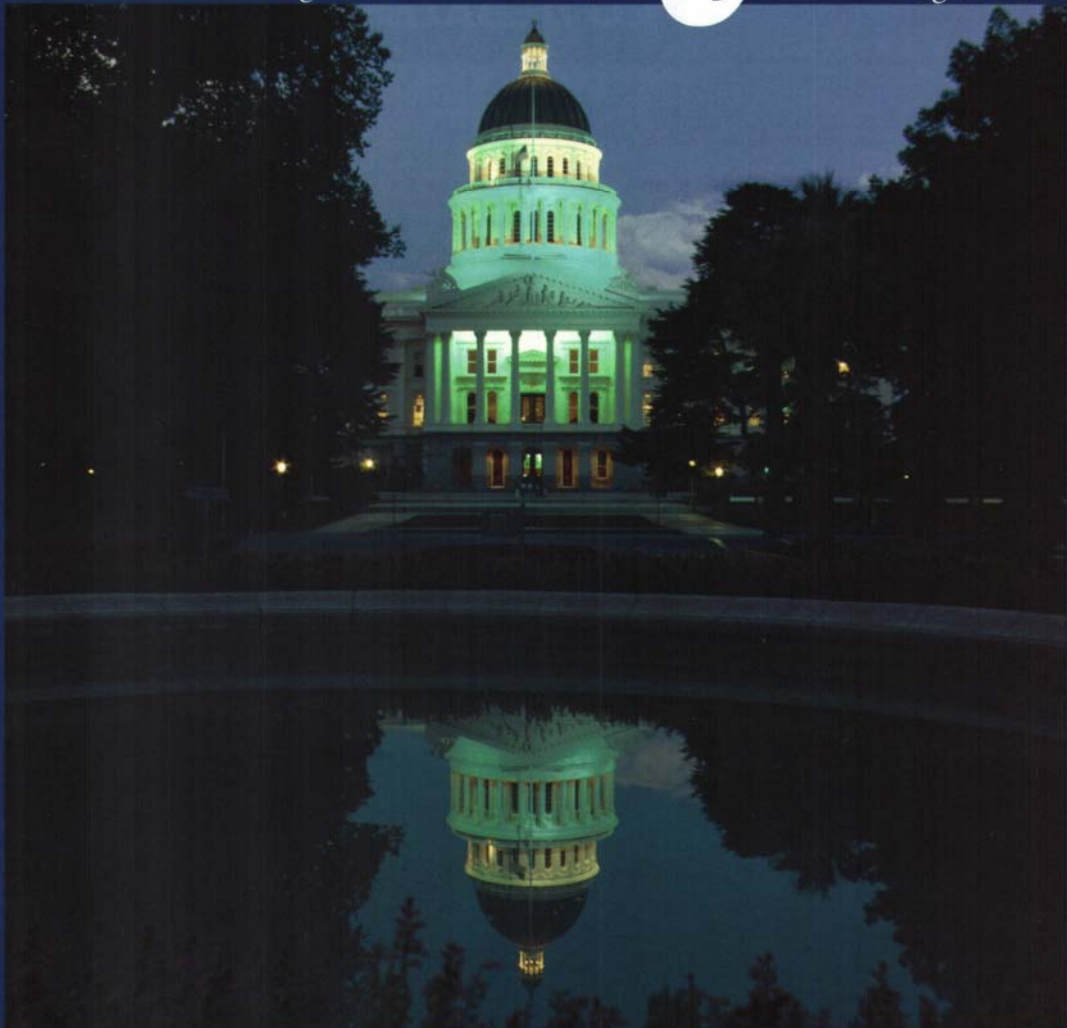


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August 2001



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WHAT MANAGEMENT AUDITS CAN DO FOR YOU

by Karen Stein

Management audits can be powerful tools for managers and city officials to improve their operations and the services they provide to their communities. This has certainly been the case with the City of Corona in Riverside County.

The City of Corona began a rotating performance audit program in 1995, when the city council wanted to assess the efficiency, effectiveness, timeliness and responsiveness of its municipal departments. The council selected an outside firm to conduct the majority of these audits during a six-year timeframe. Taking one department at a time, the independent audit firm reviewed the operations and, where opportunities for improvement were identified, formulated recommendations and presented them to the city council.

The audit team consisted of a consultant project manager, a principal staff person in the city manager's office and specialists as needed.

Recently the council had the auditor compile a status report on the approximately 250 recommendations identified during all 11 rotating management audits. The results show that nearly all

recommendations have been implemented. As an elected official, I see this as evidence of the city's executive management team's high level of commitment, dedication and diligence.

What Management Audits Buy You

We found that using an independent auditing process can help an organization achieve the following advantages:

- Management auditors can provide an objective assessment of the agency's performance. They can compare performance levels of the agency to benchmarks and the very best examples of similar organizations;
- A management audit receives its authority and sanctions from the very highest level of the organization — the legislative body, in most cases. Consequently, audit recommendations are likely to receive funding and policy priority to ensure that they are implemented;
- The audit examines the use of organizational resources. This includes the organizational structure; balancing resources, including people, when allocating workloads; lines of commu-

nication; decision-making processes; and the appropriateness of skill requirements for individual positions;

Key managers were interviewed about their concerns and operational information.

- The auditor looks at issues of compliance with statutes, professionally accepted practices, agency rules and policies, labor relations, agreements and certification requirements;
- The auditor looks at the relationships between the agency's mission and objectives, as well as its programs' outcomes. Is the agency really hitting the target? Are the intended constituents being served? Are the goals being achieved?
- A management audit will measure the agency's efficiency, effectiveness and service quality in terms that are appropriate for each of its programs; and
- A management audit should generate a recommended work program that improves the organization's capabilities, not only in terms of efficiency and effectiveness, but also in terms of quality.

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Not Just Auditing, but Also Self-Assessing

In Corona, the management audit process involved a great deal of "self-assessment." The audit team spoke freely with all key managers to find out what they perceived as strengths and what needed improvement.

In this case, the audit team consisted of a consultant who was responsible for managing the audit activities and producing the draft audit documents. A principal staff person in the city manager's office was the contact person for the consultant and was responsible for coordinating assistance from staff. The consultant provided specialists to help with technical issues as needed.

Audit recommendations are likely to receive funding and policy priority to ensure that they are implemented.

With the auditor, the city developed the following factors to evaluate optimal performance:

- Mission, goals and objectives;
- Service to the public;
- Services to other agencies;
- Policies and procedures;
- Management structures and leadership;
- Staffing, supervision and training;
- Financial performance, control and contracting;
- Performance measures: efficiency, effectiveness and quality;
- Workload distribution; and
- Tools and technology.


Is the agency really hitting the target? Are the intended constituents being served?

- 1. Project Organization:** In this beginning phase, the consultant developed the project schedule, met with the city manager's staff, and conducted interviews with key stakeholders to discover the organizational situation.
- 2. Initial Review of Operations:** Missions, goals, objectives and organizational philosophies were reviewed and identified. Key managers were interviewed about their concerns and operational information. Documents were reviewed. Staffing levels, organizational structure and the assignment of major responsibilities were identified and documented.
- 3. Collecting Background Data:** Information and benchmark data from other agencies was collected. Internal information concerning performance measures, workloads and optional customer surveys were obtained where appropriate.

The management audit does not fulfill its purpose unless its recommendations are implemented. The auditors included priorities and timelines for implementation.

- 4. Performance Audit:** This phase covered the actual analysis of the organization's core services, using the measures and comparisons developed earlier in the study.
- 5. Recommendations and Final Report:** Here, the consultant integrated both the quantitative and qualitative results of the audit and developed recommendations for organizational improvement and productivity enhancement. This was a process of viewing management as a practice rather than an art or a science. It integrated abstract institutional values with measurable goals and results.
- 6. Optional Follow Up and Implementation:** The management audit does not fulfill its purpose unless its recommendations are implemented. The auditors included not only findings and recommendations in their final report, but also priorities and timelines for implementation.

Management Audit is Essential To Increasing Effectiveness

The City of Corona discovered that management audits are an essential tool for local governments that are striving to increase their effectiveness, as well as document the outstanding projects and services they provide. 



CITYGATE ASSOCIATES, LLC

We are honored to have been the firm selected by the City of Corona in its ongoing performance review process. We are committed to improving the lives of citizens by helping their state and local governmental organizations provide the highest quality services of which they are capable.

Citygate Associates, LLC specializes in providing professional management consulting services to the public sector. Our services help elected officials and government managers in four key areas:

- ➔ **Assessment**
- ➔ **Improvement**
- ➔ **Facilitation**
- ➔ **Change**

Citygate is a leader in the field of public sector evaluation and improvement services, and its reputation and client list is growing every day.

Since its founding in 1990, Citygate has conducted management assessments and program reviews for well over 100 city and county governments throughout the West, and for nearly half as many state government agencies, departments and programs.

Citygate's core business is performance assessment, and the firm has a unique ability to work in partnership with elected boards and commissions to provide consensus solutions to long-standing problems.

Citygate provides assessment services in a number of critical disciplines for the public sector, including the following:

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- ➔ **Program analysis**
- ➔ **Capital improvement planning**
- ➔ **Strategic planning**
- ➔ **Organizational assessment**
- ➔ **Management reviews**
- ➔ **Budget analysis**
- ➔ **Trend analysis**
- ➔ **Systems reviews**
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- ➔ **Cost of service analysis**

We look forward to the opportunity to be of service.

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