



Finance Committee Summary

Wednesday, August 15, 2007

1:30 p.m.

3rd Floor Council Conference Room

Committee Members Present: Faatz, Chair; Boigon, Vice-Chair; Lehmann, Robb

Committee Members Absent: Brown

Other Council Present: Hancock

Agenda:

- 1) *Auditor's Office reorganization update*
 - 2) *MidTech Partners, Inc. contract*
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1) Auditor's Office reorganization update:

Committee Discussion

Kip Memmott, Director of Internal Audits, was introduced to Councilmembers. Mr. Memmott is new to Denver and noted that his experience would help transition the Auditor's Office into its new structure and focus. He will concentrate his work externally by creating consistency among agencies for audit standards and provide enhanced advisory services. Internally, he will assist in creating measurements to assure implementability of performance services.

Denis Berckefeldt, Auditor's Office, indicated the office maintained its authority to conduct performance audits (real-time), review and countersign all contracts, enforce prevailing wage, and other related auditing functions. As a result of voters approving the November 2006 Charter changes related to the new Finance Department, the Auditor's Office has transferred accounting and payroll functions to the Manager of Revenue and Controller effective June 25, 2007. RD Sewald, Auditor's Office, noted the Auditor has started the process to hire a new Information Technology (IT) position to act as liaison to the City's IT Division and to provide in-house assistance for software and program enhancements related to real-time auditing of financial transactions. Councilmember Lehmann questioned if the proposed new software could be integrated into the current software system and if a supplemental is planned to pay for the migration. Mr. Memmott said he thought the two systems could be integrated and is not anticipating a supplemental for the software. Mr. Berckefeldt reported that the Auditor's Office is planning on requesting supplemental funds to pay for the new IT position.

Mr. Sewald explained that it is the intent of the Auditor to create more comprehensive services. The planning for January 1, 2008 transition includes:

- Audit Services will add two 4-person Audit Teams and one new staff auditor at DIA;
- One new staff member would be added to create Management Reports to identify trends and other pertinent information to assist policy-makers;
- An ombudsman would be added to staff to address whistleblower and other types of complaints and allegations; and
- The Auditor will chair the new Audit Committee.

The Auditor's Office is working with Budget and Management to balance the need for robust services and staffing in compliance with the Charter at the same time meeting budgetary constraints. It is estimated that the new audit teams would cost approximately \$1.25 million.

2) MidTech Partners, Inc. contract:

Committee Action

The Committee approved increasing the MidTech Partners, Inc. contract in the amount of \$125,000 for professional services related to web page programming for Permit, Inspection, License, Address, and Review (PILAR) program, and to complete the final phase of application and database migration of City View processes.

Committee Discussion

David Lujan, Technology Services, explained that the proposed amendment to the contract with MidTech Partners, Inc. is for the final phase of application and database migration of City View applications for the agency of Community Planning and Development. This project will improve customer service and streamline the permitting and plan-review processes.

Councilmember Faatz asked how PILAR was associated with hand-held technology for field inspectors. Mr. Lujan explained the proposed amendment should complete the current conversion to internet browser accessibility and noted that equipment and program applications for field capability are not available. Councilmember Hancock stated that other inspection services staff and police have received mobile and network equipment and asked why Neighborhood Inspection Services (NIS) hadn't received similar equipment. Mr. Lujan said he could not answer for NIS, but noted that more analysis was required before the City would invest money into programming and equipment for field inspections.

Kent Strapko, Zoning Department, reported that the agency needed to identify needs and determine how NIS would become web-enabled. Laptops became obsolete and it was critical that IT conduct an equipment and cost analysis to determine what was required to perform field inspections and what types of data would be needed on different levels. The PILAR project needs to be completed first to open up data access. In addition, it is important that other interested agencies such as the Animal Shelter and Building

Inspections be included in the analysis to provide more comprehensive information and the opportunity to save money based on more agency participation should field equipment be available and meet the needs of the City. The PILAR project includes seven agencies now.

Councilmember Faatz asked if the inspections component could be fast tracked and removed from this project to get something up and running sooner than later. Mr. Lujan explained that PILAR is scheduled to be completed next February 2008, but it is the decision of higher level executives/appointees as to the prioritization of work implementation and purchases. He stated that a phased approach is better than creating a process that has not been completely assessed and to assure that software and hardware capability is available. The Councilwoman said she was disappointed that this has taken so long, noting that a few years ago the former appointee of IT – Michael Locatis – had assured Council that field inspections would be operating by now. She directed Mr. Lujan to inform his management that this is a priority of Council and that she would like to see software and equipment development for field inspections. Councilmember Faatz requested a breakdown of what the budget would be if IT pursued mobile implementation for field inspections only.