ORDINANCE NO. 20260226-050

AN ORDINANCE AMENDING CHAPTER 2-3 (CITY AUDITOR) OF THE CITY CODE RELATING TO THE CITY AUDITOR AND ESTABLISHING A CITYWIDE COMPREHENSIVE EFFICIENCY ASSESSMENT PROGRAM TO BE OVERSEEN BY THE AUSTIN CITY AUDITOR'S OFFICE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. City council makes the following findings:

(A) Council seeks to safeguard public confidence, assure operational efficiency, and deliver the best value in City services.

(B) Independent, systemic, and continuous evaluation of City operations, service delivery, and resource utilization can enhance efficiency, effectiveness, and innovation, and lead to citywide and departmental improvements that are implementable and sustainable.

(C) The most effective assessment requires external independence, accountability, and transparency.

(D) Successful implementation of evaluation results and recommendations requires time for review, planning, and execution of new processes.

(E) Employees currently supporting City operations are important partners in identifying efficiencies and working to implement recommendations.

(F) Public employees are fundamental to providing quality services and systemic efficiency assessments and recommendations can be made with a preference for opportunities that minimize or do not involve reductions in force or outsourcing of government services.

PART 2. City Code Chapter 2-3 (*City Auditor*) is amended to add a new Section 2-3-9, to renumber existing Section 2-3-9 as Section 2-3-10, and to renumber the remaining sections accordingly, to read:

§ 2-3-9 – COMPREHENSIVE EFFICIENCY ASSESSMENT PROGRAM

(A) The city auditor shall initiate and oversee a program of recurring comprehensive efficiency assessments designed to address cost effective performance improvements of all other City departments on a repeating schedule with at least three years between assessment cycles.

(B) The city auditor shall establish an ongoing means for employees to submit suggestions for review or operational improvement.

(C) The city auditor shall contract with an external consultant with expertise in municipal audits and collaborate with the consultant to perform each comprehensive efficiency assessment.

(D) Each comprehensive efficiency assessment shall include:

(1) analysis of the efficiency of City operations, management structure, functions, programs, services, and policies, including a cost-benefit analysis where appropriate;

(2) analysis of City contracting practices and opportunities for increased efficiency;

(3) determination of whether City contractors are meeting uniform standards for performance metrics, documentation of required deliverables, and accounting of expenditures;

(4) identification of and recommendations for cost savings and performance enhancements within City departments;

(5) analysis of efforts toward continuous improvement and managing organizational change; and

(6) efficiency and financial benchmarking with peer cities, where applicable.

(E) The city manager, city clerk or municipal court clerk overseeing the department that has been assessed shall provide a response detailing any objections to recommendations that the council should consider, or a concurrence and timeline for execution of the recommendations.

(F) The city manager and all employees shall cooperate with the city auditor and external consultant on all requirements of this section.

(G) The city auditor shall report on the status, including progress and any results, of each comprehensive efficiency assessment to the audit and finance committee semi-annually or as requested, and to the council annually or as requested and shall conduct follow-up review of any portion of the comprehensive efficiency assessment as requested by the audit and finance committee.

(H) The city auditor shall notify the council if recommendations include significant departmental reorganizations, reductions in force, or outsourcing of City services.

(I) The city auditor shall report on any new efficiencies within the Austin City Auditor's Office during any report made under Subsection (G).

(J) The city auditor shall post the plan and proposed schedule for a comprehensive efficiency assessment as well as related information, results, recommendations, and implementation progress on the City website.

(K) No portion of this section is intended to interfere with the consistent and timely delivery of City services or to limit the authority of the city manager to initiate and implement practices that increase efficiency within City departments.

(L) Amendments to, or repeal of, this section may only be adopted by the favorable vote of at least nine council members.

PART 3. The city auditor shall initiate the comprehensive efficiency assessment program within 12 months of the adoption of this ordinance.

PART 4. Subsection (C) of City Code Section 2-3-5 (*Powers and Duties*) is amended to read:

(C) The City Auditor shall communicate directly with the council audit <u>and finance</u> committee and the council, attend council audit <u>and finance</u> committee meetings, and regularly meet with council <u>members</u>.

PART 5. This ordinance takes effect on March 9, 2026.

PASSED AND APPROVED

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February 26, 2026 §

Kirk Watson
Mayor

APPROVED: ______________________
Deborah Thomas
City Attorney

ATTEST: ______________________
Erika Brady
City Clerk