



Lexington-Fayette Urban County Government
OFFICE OF INTERNAL AUDIT

INTERNAL AUDIT REPORT

DATE: October 12, 2015

TO: Jim Gray, Mayor

CC: Jamie Emmons, Chief of Staff
Sally Hamilton, Chief Administrative Officer
Glenn Brown, Deputy Chief Administrative Officer
Aldona Valicenti, Chief Information Officer
William O'Mara, Commissioner of Finance & Administration
Derek Paulsen, Commissioner of Planning
Phyllis Cooper, Director of Accounting
Susan Straub, Communications Director
Urban County Council Members
Internal Audit Board Members

FROM: Bruce Sahli, CIA, CFE, Director of Internal Audit
Chris Ensslin, CFE, CIA, Deputy Director of Internal Audit

RE: Code for America Audit

Background

Former Council Member Julian Beard requested an audit by the Office of Internal Audit regarding Code for America to determine whether LFUCG received a good product for the money spent by the LFUCG and private donors. This requested project was approved by the Internal Audit Board.

LFUCG was selected by Code for America Labs, Inc. (CfA) for participation in the 2014 Fellowship Program. The process for being selected by CfA for their services is highly competitive. Cities submit applications to CfA to be selected as a partner for developing

software applications to solve problems. CfA partnered with the LFUCG on developing applications for Planning and Code Enforcement. Beginning in February 2014 CfA fellows were on-site at LFUCG for most of the project time period. Over the course of the program, CfA fellows conducted interviews and research to inform management of data application needs and to develop solutions. They focused on developing applications that would result in community engagement, data transparency, and data reporting efficiencies. We reviewed a significant amount of information regarding the CfA project that existed in the public domain. This public domain information added to the transparency of the project.

Scope and Objectives

The general control objectives of the audit were to determine that:

- CfA delivered quality software applications per their contractual agreement
- LFUCG paid CfA timely
- Donors paid their agreed upon contractual amount

The scope of our audit included the inception to end of the CfA project.

Statement of Auditing Standards

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform our work to afford a reasonable basis for our assessments and conclusions.

SUMMARY OF AUDIT RESULTS

Result #1: Useful Applications Were Developed by Code for America

Observation:

We reviewed the applications developed as a result of the CfA project. We found the applications to be contemporary and user-friendly, and the data provided by the applications appears to be a valuable resource for the citizens of Fayette County to examine trends that impact property values. In our opinion, the software applications developed by CfA also comply with CfA's contractual obligations to the LFUCG.

Recommendation:

CfA was an innovative approach for developing software applications that did not add staff or overhead costs to the LFUCG. The LFUCG should consider other areas within the government where opportunities may exist to leverage what was learned from the CfA project, and to use the same or similar approach and types of solutions for solving business problems that may exist elsewhere at the LFUCG.

For example, the same type of backend process that was developed by CfA to clean up the Code Enforcement address fields could be used to enter information from one computer format to another at the Materials Recycling Facility (MRF). Management should explore the possibility of taking data captured at the MRF scale and transferring it to another program in computer readable format so that the data does not have to be manually rekeyed. This would save time and eliminate the risk of human error that currently exists in the MRF's data rekeying process.

CAO Response:

This is a great recommendation that we will immediately pass on to the Director of Waste Management.

Result #2: Code for America Paid in Full**Observation:**

We were informed by the CfA Finance Manager that the LFUCG met its contractual obligation to pay CfA in full and on time for LFUCG's portion of the fees. We were also informed by the CfA Finance Manager that the LFUCG has no further financial obligation for this project, and that no additional funding from private contributors is needed.