TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: CITY MANAGER’S OFFICE
DATE: JUNE 9, 2008 CMR: 277:08

SUBJECT: REFERRAL OF THE CRIMINAL INVESTIGATION OF THE CHILDREN’S THEATRE TO EITHER THE CITY AUDITOR OR THE POLICE AUDITOR

BACKGROUND/DISCUSSION
On May 19, 2008, the City Council voted 8-0 to bring back for discussion a potential referral of the criminal investigation of the Children’s Theatre to either the City Auditor or the Police Auditor (See Attachment A).

In preparation for discussion of this item, staff contacted the City’s Police Auditor to discuss the potential referral. The Police Auditor indicated that a review of this criminal investigation would focus on two key questions: 1) was there probable cause for the investigation? and 2) was the Police Department’s response to the information they received appropriate at the outset and as the investigation developed? The Auditor would primarily focus on a review of documents related to the investigation and would interview the District Attorney as well as Police personnel.

If the Council votes to refer the criminal investigation of the Theatre to the Police Auditor, staff would bring a separate contract for this audit back to the Council for approval.

While it is very unusual to have a criminal investigation reviewed by a party other than the District Attorney’s office or a Department of Justice representative, staff would support this review by the Police Auditor because of the community concern.

On a separate but related note, the City Manager, under his authority, has initiated a review of cash handling, expense reimbursement and travel expense procedures citywide. The City Manager will contract with an independent accounting firm to perform this review. The review will focus primarily on the current internal policies and procedures related to these matters, especially at satellite City facilities. The end product would be a report of recommendations detailing if and how these policies and procedures should be improved. Staff has developed a scope of services and will be circulating it to several firms specializing in governmental accounting. Staff anticipates having a firm on contract within a few weeks.
RESOURCE IMPACT
The review of the Children’s Theatre investigation by the Police Auditor would have a resource impact to the City. If the Council supports the referral, staff would bring back a contract and funding request for Council approval. The current contract with the Police Auditor does not have sufficient funding to accommodate this type of review.

Attachment A: Excerpt of minutes from May 19, 2008 Council meeting

CITY MANAGER: FRANK BENEST
City Manager