

**BACKGROUND PAPER
THE PERFORMANCE AUDITOR
MAY 2006**

Prepared by
Stephen Reinig, Administrative Analyst

LIST OF ATTACHMENTS

1. Snohomish County Code Chapter 2.700
2. Pierce County Proposed Changes to Performance Auditor section of Charter
3. E-mail from Bob Terwilliger to Steve Reinig expressing opinion on location of Performance Auditor
4. Memorandum and Materials from Snohomish County Performance Auditor Kymber Waltmunson
5. Snohomish County Program Description and Budget
6. Various Materials from other County/City Performance Auditors

Background

The 1996 Charter Review Commission put the issue of creating a Performance Auditor on the ballot along with other proposed amendments to the Charter. The Performance Auditor proposition passed. The following wording was added to the Charter:

“The county auditor shall establish an independent department of performance auditing within the county auditor's office which shall commence functioning no later than July 1, 1997. The duties and responsibilities of the department of performance auditing shall be established by ordinance. The department of performance auditing shall be established by ordinance. The department head shall have appropriate professional credentials, legal authority or access to records, adequate funding, civil service or "dismiss for cause" employment protection, and shall use generally accepted accounting/auditing standards.”¹

Chapter 2.700 (Attachment 1) of the Snohomish County Code codifies the ordinance passed to implement the Charter provision.

The 1996 Charter Review Commission by deliberate choice left the County Council the option to perform its' own internal audits.

The issue has been raised by the 2006 Charter Review Commission as to the appropriateness of locating the Performance Auditor in the Auditor's office or should it be placed under the County Council. In addition questions of independence and budget have been raised as well.

This paper provides general information about Performance Audit Issues as well as comparison with other Counties and Cities. Options for the Commission to consider will be presented if the issue is moved forward for further debate.

Types of Audits

There are generally two types of audits:

- Financial
- Performance

Financial Audits:

“Financial audits include financial statements and financial related audits.

Financial statements audits provide reasonable assurance about whether the financial statements of an audited entity present fairly the financial position results of operations and cash flows in conformity with generally accepted accounting principles.

Financial related audits include determining whether (1) financial information is presented in accordance with established or stated criteria, (2) the entity has

¹ Snohomish County Charter Section 3.130

adhered to specific financial compliance requirements or (3) the entity's internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented to achieve the control objectives.

Performance Audits include economy and efficiency and program audits.

Economy and efficiency audits include determining (a) whether the entity is acquiring, protecting, and using its resources (such as personnel, property, and space) economically and efficiently, (b) the causes of inefficiencies or uneconomical practices and (c) whether the entity has complied with laws and regulations concerning matters of economy and efficiency.

Program audits include determining (a) the extent to which the desired results or benefits established by the legislature or the authorizing body are being achieved, (b) the effectiveness of organizations, programs, activities, or functions, and (c) whether the entity has complies with laws and regulations applicable to the program."²

**Performance Auditing in other
Governmental Entities³**

County/City	Located	Auditor FTE	Auditor Budget	County/City Budget
King	County Council	11	\$1,300,000	\$3,460,000,000
Pierce	County Council	2.0	\$481,000	\$836,000,000
Whatcom	County Auditor	1	\$80,080	\$119,284,000
Snohomish	County Auditor	1.5	\$115,513	\$759,000,000
Portland, Oregon	Elected	10	\$1,570,784	\$1,984,873,688
Multnomah County	Elected	7.75	\$1,000,000	\$1,045,662,362
City of Seattle	Appointed by Council Finance Chair	9	\$1,047,845	\$2,889,348,000
Kansas City, Missouri	Appointed by City Council	16	\$1,438,588	\$1,113,461,462

The above table provides comparison among the Charter counties in Washington, City of Seattle and other entities that have excellent reputations for their auditing operations.

² National Association of Local Government Auditors; Guidelines and Model Legislation for Local Government Auditors, pages 6&7.

³ Other than Snohomish County, information obtained from each entity website

Issues of Concern in 2006

1. Placement of Performance Auditor within County Government. Placement has been raised by Commission members, the Auditor and the Performance Auditor. The question arises that being should the Performance Audit function be moved under the County Council.
2. Independence of the Performance Auditor. Should they be appointed to a term of office
3. Predictable budget based on workload and audit plan.
4. Strengthened access to information

Discussion

The table shows the majority of Performance Auditors report to the Legislative branch. Two are elected and two are located under the County Auditor.

In conversations with Pierce County Auditor it was pointed out that nearly 50% of his budget is for contracting with external auditors. Pierce County is also considering revisions to their performance auditor section in their Charter this year. The proposed changes are attachment 2. One change would be a requirement for the County Council to make an annual report to the citizens regarding the activities of the Performance Auditor.

According to the National Association of Local Government Auditors "independence" can be achieved either through an appointed or elected Auditor. If appointed by the executive branch it should receive concurrence by the legislative branch. This pertains to removal as well.⁴

County Auditor Bob Terwilliger re-affirmed his opinion that the performance auditor should be placed under the County Council. His statement is attachment 3.

Current Snohomish County Performance Auditor Kymber Waltmunson presents her concerns and ideas along with department annual and quarterly reports as attachment 4. Budget and overview is attachment 5.

Finally, various reports from other performance auditors are presented as information and are attachment 6.

⁴ National Association of Local Government Auditors; Guidelines and Model Legislation for Local Government Auditors

Chapter 2.700
SNOHOMISH COUNTY AUDITOR'S OFFICE DIVISION OF
PERFORMANCE AUDITING

2.700.005 Definitions.

In this chapter, unless the context clearly requires otherwise,

- (1) "Auditor" means the Snohomish County Auditor.
- (2) "Audit plan" means a plan developed in consultation with the committee that outlines what departments and/or programs will be scheduled for a performance audit in any given calendar year.
- (3) "Audit report" means a report prepared by the division reporting the results of a performance audit conducted under this chapter.
- (4) "Committee" means the performance auditing committee established by SCC 2.700.040.
- (5) "Department" means all executive departments established pursuant to the Snohomish County Charter and all county elected officials except the judges of the district and superior courts.
- (6) "Division" means the division of performance auditing established by this chapter.
- (7) "Government auditing standards for performance auditing" means the standards for performance auditing contained in the document "Government Auditing Standards" published by the Comptroller General of the United States, Government Accountability Office, as revised.
- (8) "Peer review" means a review conducted by the National Association of Local Government Auditors (NALGA), group of auditing peers in order to insure that the division is conducting its audits according to government auditing standards for performance auditing.
- (9) "Performance audit" means an objective and systematic assessment of program efficiency, effectiveness and economy in its stewardship of public funds. It is the qualitative nature of performance auditing and the opportunities identified in the process to improve management and service delivery that distinguishes this activity from traditional financial audits.
- (10) "Program" means a distinct operational activity which is funded by the county.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; Ord. 05-093, Sept. 14, 2005; Eff date Oct. 1, 2005).

2.700.010 Division established -- Independence.

(1) The division of performance auditing is hereby established in the auditor's office answerable directly to the auditor in accordance with Section 3.130 of the Snohomish County Charter.

(2) The professional employees of the division will be subject to the management and exempt employees compensation plan provided for in chapter 3.69 SCC and will be paid in accordance with SCC 3.69.040. Staffing of the division will be determined by the auditor according to the workload of the division and the budget process of the county.

(3) The division will adhere to government auditing standards for performance auditing in conducting its work and will function independently as provided therein.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003).

2.700.020 Authority -- Scope of audits.

(1) The division of performance auditing shall conduct performance audits and/or studies as determined by the auditor to independently determine whether:

(a) Activities and programs being implemented have been authorized by county charter, county code, county policy, or applicable state or federal law or regulations;

(b) Activities and programs are being conducted in a manner calculated to accomplish the objectives intended by county charter, county code, county policy, or applicable state or federal law or regulations;

(c) Activities and programs are performing efficiently, effectively, and economically when compared against objective criteria;

(d) Management has established, implemented, and adhered to adequate internal controls.

(2) All performance audits shall be conducted in accordance with government auditing standards for performance auditing. This chapter shall not be applied to require disclosure of information that is privileged or otherwise exempt from public disclosure.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; Ord. 05-093, Sept. 14, 2005, Eff date Oct. 1, 2005).

2.700.030 Annual audit plan.

(1) The division of performance auditing shall prepare an annual audit plan in consultation with the performance auditing committee. The auditor may amend the annual audit plan during the budget year after review by the committee. Final authority for selection of audit areas shall reside with the auditor.

(2) In the selection of audit areas, the determination of audit scope, and the timing of audit work, the division shall consult with appropriate federal, state, and independent auditors so that audit efforts are properly coordinated and unnecessary duplication is avoided, and to promote collaboration where appropriate.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; Ord. 05-093, Sept. 14, 2005; Eff date Oct. 1, 2005).

2.700.035 Coordination of County Auditing Efforts

In order to best coordinate auditing efforts across the county and assure that the division annual audit plan is appropriate, thorough, and avoids redundancy, the county council, all county elected officials, except the judges of the superior and district courts, and all executive departments shall submit the following to the division:

- (1) Prior to initiating such services, notification of any proposal to retain the services of external auditors or consultants to do audit or program evaluation work;
- (2) Complete copies of resulting reports within 30 days of completion of such reports.

(Added Ord. 05-093, Sept. 14, 2005, Eff date Oct. 1, 2005)

2.700.040 Performance auditing committee.

(1) A performance auditing committee is hereby established and shall be comprised of eight members, consisting of the auditor and seven appointed members. Of the seven appointed members of the committee, two members shall be appointed by the executive and five members shall be appointed by the county council. Council appointees shall be nominated by each council member, and not by any other council member, and confirmed by the council so that each council district is represented by at least one member of the committee. All appointed members shall be residents of the county and shall have backgrounds that demonstrate knowledge and/or experience that would be beneficial in carrying out the tasks of the committee. Except as provided in SCC 2.700.045, the terms of appointed members shall be for three years, subject to a limit of two consecutive three year terms. A vacancy of an appointed member occurring during a term of office shall be filled by appointment in accordance with this section for the remainder of the unexpired term.

(2) The performance auditing committee shall, at a minimum,

- (a) Advise the division on the development of the annual audit plan;

(b) Assist in the selection of external auditors or other experts where that may be necessary to carry out the annual audit plan;

(c) Review the audit process to provide input to the division on improvements and/or changes in the process and/or procedures used by the division in carrying out the annual audit plan;

(d) Provide input on the annual budget of the division; and

(e) Review final audit reports to ensure procedures for issuance of the report have been followed.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; Ord. 05-093, Sept. 14, 2005, Eff date Oct. 1, 2005).

2.700.045 Transition - staggered terms.

(1) The terms of the at-large members of the performance auditing committee appointed prior to the effective date of this section shall terminate on the effective date of this section. The county executive and council shall thereafter appoint new members to staggered terms in accordance with this section.

(2) The county executive shall re-appoint the two at-large members of the committee to initial terms of one year. The county council shall appoint three new members of the committee to initial terms of three years and shall appoint two new members of the committee to initial terms of two years, with the appointments assigned council districts by lot.

(3) Appointments to subsequent terms shall be made in accordance with SCC 2.700.040, provided that a member who is appointed to a term of less than three years under this section shall be eligible to serve two subsequent consecutive three year terms.

(Added Ord. 02-038, September 4, 2002, Eff date January 1, 2003)

2.700.050 Access to records and property.

All county officers and employees shall furnish the division with requested information and records in their custody regarding powers, duties, activities, programs, organization, property, and methods of business relating to a performance audit unless disclosure would be contrary to federal, state, or local law. In addition, they shall provide access for the division to inspect all property, equipment, and facilities in their custody. If county officers and employees fail to furnish required information or access, the committee will review the facts and advise the division as to the process to follow to acquire the information and/or access to conduct the audit. Except to the extent that disclosure would be contrary to federal, state, or local law, all county officers and employees shall cooperate fully in interviews conducted by the division in the course of a performance audit.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003).

2.700.060 Department/program response.

A final draft of each audit report shall be furnished to the audited elected official or department and/or program manager for review and comment before a final audit report is issued. The elected official or department and/or program manager must respond in writing stating agreement with the audit findings and recommendations or stating reasons for disagreement with the findings and/or recommendations, and setting out plans to solve problems identified in the draft audit report and a timetable for their implementation. The response must be furnished to the auditor and the division within the time frame specified by the auditor. The final report must contain the full text of the response. Implementation of solutions to problems identified in the draft audit report that require additional funding shall be contingent upon approval of the additional funding by the county council.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003).

2.700.070 Audit reports.

Each audit will result in a written audit report. Audit reports can range from a memorandum to a full report depending on the scope determined for each project. Each audit report will be issued promptly so as to make information available for timely use by the county council, county executive, other elected officials, department directors, program managers, and other interested persons. The auditor or division will forward copies of the audit report to the committee and record the reports with the auditor's recording division. Each full audit report shall contain at a minimum the following information:

- (1) A statement of audit objectives and a description of the audit scope and methodology;
- (2) A statement that the audit was performed in accordance with government auditing standards or a statement describing how it does not conform to those standards;
- (3) A description of all significant instances of non-compliance with policies and program parameters found during or in connection with the audit;
- (4) A full discussion of audit findings and conclusions, including any significant control weaknesses found, the cause of problem areas and recommendations for necessary or desirable action;

(5) Pertinent views of responsible officials concerning audit findings, conclusions and recommendations as recorded in the full text of responses furnished pursuant to SCC 2.700.070;

(6) A listing of any significant issues needing further study and consideration; and

(7) A description of noteworthy accomplishments of the audited elected official, department and/or program.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; Ord. 05-093, Sept. 14, 2005; Eff date Oct. 1, 2005)

2.700.080 Peer review.

(1) The division shall be subject to peer review at least once every four years by the National Association of Local Government Auditors, NALGA. A copy of the written report of any such independent review shall be furnished to the committee. In addition, the report shall be recorded in the auditor's recording division.

(2) The peer review will evaluate compliance with government auditing standards for performance auditing and the quality of audit effort and reporting. Specific peer review areas shall include staff qualifications, adequacy of planning and supervision, sufficiency of work paper preparation and evidence, and the adequacy of systems for reviewing internal controls, fraud and abuse, program compliance, performance compliance and automated systems. The peer review will also assess the form, distribution, timelines, content, and presentation of audit reports. The cost of peer review will be paid from funds budgeted for the division.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; Ord. 05-093, Sept. 14, 2005, Eff date Oct. 1, 2005).

2.700.090 Division budget.

The budget of the division will be developed by the auditor's office.

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; Ord. 05-093, Sept. 14, 2005, Eff date Oct. 1, 2005)

(Ord. 97-061, § 1, July 9, 1997, Eff date July 20, 1997; Ord. 02-038, September 4, 2002, Eff date January 1, 2003; *Ord. 05-093, Sept. 14, 2005, Eff date Oct 1, 2005 repealed 2.700.700).

Chapter 2.800

Performance Audits in Pierce County Charter

Section 2.20 (1) (f)

The original Charter provision, in effect from 1981 to 1996, said that the County Council “shall have the power . . . “(f) to appoint or employ competent professional personnel to conduct performance audits which shall evaluate the effectiveness and efficiency of County programs and departments on a timely basis, no less often than every two years.”

As amended in November 1996, the County Charter now says that the Council “shall have the power . . . “(f) to, and shall, employ independent and outside competent professional personnel, commencing in the first quarter of 1997, to conduct performance audits which shall evaluate the effectiveness and efficiency of all County programs and departments on a timely basis, no less often than every two years.”

RECOMMENDATION: Amend the current language as follows:

~~“(f) to, and shall, employ independent and outside competent professional personnel, commencing in the first quarter of 1997, to conduct performance audits which shall evaluate the effectiveness and efficiency of all County programs and departments on a timely basis, no less often than every two years~~ **conduct an ongoing performance audit program designed to improve the economy, efficiency, and effectiveness of county government, including performance audits of any department, program, office, or other entity funded in the Pierce County budget. Performance audits shall be planned and conducted in accordance with *Government Auditing Standards* published by the Government Accountability Office and endorsed by the Comptroller General of the United States. The Council shall report annually to the public on the highlights of performance audits conducted that year. The annual report shall be made available to the news media and be accessible without charge by interested citizens.”**

Same Recommendation Formatted Differently

RECOMMENDATION: Amend the current language as follows:

~~"(f) to, and shall, employ independent and outside competent professional personnel, commencing in the first quarter of 1997, to conduct performance audits which shall evaluate the effectiveness and efficiency of all County programs and departments on a timely basis, no less often than every two years~~

1. WHAT AND WHY	conduct an ongoing performance audit program designed to improve the economy, efficiency, and effectiveness of county government,
2. SCOPE	including performance audits of any department, program, office, or other entity funded in the Pierce County budget.
3. STANDARDS	Performance audits shall be planned and conducted in accordance with <i>Government Auditing Standards</i> published by the Government Accountability Office and endorsed by the Comptroller General of the United States.
4. ANNUAL REPORTING	The Council shall report annually to the public on the highlights of performance audits conducted that year. The annual report shall be made available to the news media and be accessible without charge by interested citizens."

Reinig, Stephen

From: Terwilliger, Bob
Sent: Thursday, May 04, 2006 12:15 PM
To: Reinig, Stephen
Subject: RE: Performance Auditor

Stephen,

As stated in my testimony, and as also supported by the Performance Auditor, it is my belief that the most common model in the country for placement of a performance audit function within local government, whether it be a city or county, is with the legislative branch. I believe that it makes the most sense that the performance audit function be with the legislative branch because they have ultimate budget authority and the major purpose of performance auditing is to assess whether or not a program is being delivered appropriately with the funds allotted to it or should it be reduced, eliminated or funded at a higher level. Further, the council could then be the performance audit committee and the work plan would be developed by the council and the programs and/or departments scheduled for audit would be more responsive knowing the work plan was developed by the council.

That is my reasoning.

Bob

-----Original Message-----

From: Reinig, Stephen
Sent: Thursday, May 04, 2006 11:31 AM
To: Terwilliger, Bob
Subject: Performance Auditor

Bob:

Commissioner Kenny requested that I ask you once again your opinion related to where the Performance Auditor should be "placed" within county government. This issue is starting to gain some momentum.
Thanks

Stephen Reinig
Administrative Analyst
Snohomish County Charter Review Commission
425-388-3807

www1.co.snohomish.wa.us/County_Services/Charter_Review

ATTACHMENT 3

5/4/2006



Snohomish County

Auditor's Office

Performance Audit Division

Date: 5-1-06
To: Charter Review Commission Members
From: Kymber Waltmunson, Performance Auditor
Subject: Performance Auditor Recommendations
Regarding Placement and Structure of
Performance Audit Function

Bob Terwilliger
County Auditor

Carolyn Ableman
Chief Deputy Auditor
M/S #505
3000 Rockefeller Avenue
Everett, WA 98201-4059
(425) 388-3006
FAX (425) 259-2777

Thank you for the opportunity to comment regarding the placement and structure of the performance audit function in Snohomish County. The controls recommended below are critical to independent and effective performance auditing regardless of where Performance Auditing is located.

Placement

I recommend situating the Performance Audit function in the Legislative Branch.

Controls

In order to ensure Performance Audit independence and autonomy I recommend that the Charter Review Commission consider putting controls in place.

- The Performance Auditor should be appointed by the Council for a four year term of office. This process should not coincide with Council seat elections.
- The Performance Auditor should only be removed for cause and by a supermajority of the Council.
- A percentage of Snohomish County's operating budget should be designated specifically for carrying out Performance Audits.
- The Performance Auditor should have unrestricted access to all sources of information relevant to audits being conducted unless restricted by law.

Rationale

Implementation of the controls noted above along with placement of the Performance Audit function within the legislative branch offers the greatest opportunities for independence and effectiveness.

cc: Aaron Reardon, County Executive
Mark Soine, Deputy County Executive
Kirke Sievers, Chair, County Council
John Koster, Chair, Operations and Performance Audit Committee
Bob Terwilliger, Auditor

ATTACHMENT 4

The mission of the Performance Audit Division is to promote effective, efficient and fully accountable County government by providing objective, independent analysis to Snohomish County decision makers and to the public.

Date: January 2006

To: Performance Audit Committee, Bob Terwilliger, and Carolyn Ableman
CC: Tom Fitzpatrick, Dave Gossett, John Koster, Jim Del Ciello, Ed Moats

From: Kymber Waltmunson, Performance Auditor

Subject: 2005 Annual Report

Performance Indicators

Resources allocated to Performance Auditing in 2005:

- 1 full time Performance Auditor
- \$54,856 budget
- 2924 hours of actual work (1.4 FTE equivalent)

1. Reports Issued- **EXCEEDED**

The capacity of the PAD varies from year to year based on budget, staffing and availability of interns and extra help. Our goal is to produce four reports at a minimum and increase the number of reports produced as capacity increases.

We more than doubled our goal for number of reports issued in 2005.

Reports Issued			
	Audits	Audit Follow Ups	Total
Goal	4		
Completed	5	4	9
In Progress	1	1	2

2. Percent of Recommendations Pursued - **EXCEEDED**

Our goal is to see 75% of PAD recommendations pursued by decision makers. This criterion will not be used as a screening method for which recommendations are made in each audit.

This Performance Indicator will be responsive to the current Performance Auditor's work when it is calculated at the end of 2006. 100% (3 of 3) of the previous Performance Auditor's recommendations were followed. 6% (5 of 78) of the external auditor's recommendations were followed.

Recommendations Followed in 2005

Audit Follow Ups Completed in 2005					
	# Recs	# Followed	# Partially Followed	# Not Followed	# Unclear
Executive Staffing	0				
Healthcare	2	2			
Seizure/Forfeiture	1	1			
ILPP (external audit)	78	5	5	47	21
Totals	81	8	5	47	21

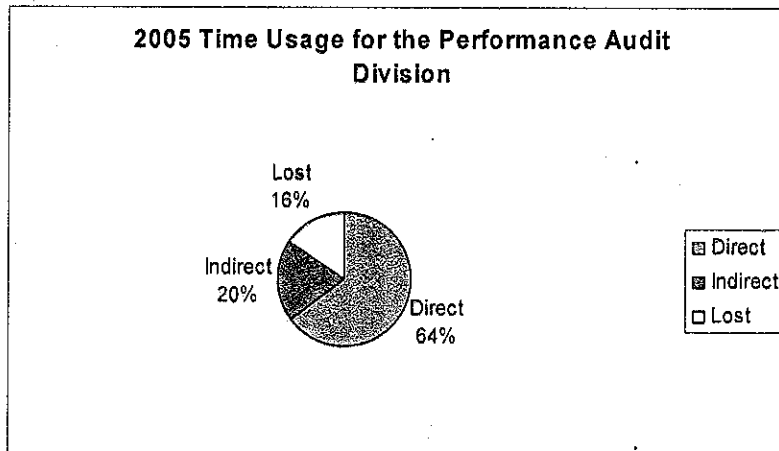
110 recommendations were made in 2005 as opposed to the previous auditor's 3 recommendations in 2004. This may be due to a combination of the types of audits done in the two years and differing approaches to performance auditing.

Recommendations Made in 2005	
Public Disclosure	20
Office of Public Defense	21
Facilities Contract Closeout	6
HRIS	1
Code Enforcement	62
Total	110

3. Percent of Direct vs. Indirect Time - **NEARLY MET**

Our goal is to spend 70% of work time directly tied to audit projects, as capacity permits.

Due to the Performance Auditor's maternity leave we did not meet this goal; however, we came very close at 64% direct time.



4. Report Target vs. Issue Dates - **NOT MET**

Our goal is to issue 80% of projects on the target date.

All of our report timelines have been extended. We are educating ourselves to ensure that we improve at estimating completion dates.

5. Peer Review - **SCHEDULED FOR 2006**

Our goal is to receive a "Full Compliance" rating every three years from the NALGA Peer Review team.

Published Reports

Electronic copies of all reports are available on the webpage:

http://www1.co.snohomish.wa.us/Departments/Auditor/Divisions/Perf_Auditor/

Audits:

Public Disclosure

We identified the costs of public disclosure to Snohomish County and made recommendations to decrease these costs and improve the process.

Public Defense

We reviewed the efficiency and effectiveness of the provision of public defense services by OPD and made recommendations for improvements.

Capital Construction Contract Close Out

We identified best practices in contract close out for Facilities' use as they closed out construction projects with Mortenson and made recommendations for implementation.

HRIS/ATS

We reviewed a sample of contract billings for HRIS and made recommendations.

Past Audit Follow Up:

ILPP, Executive Staffing, Healthcare, Seizure/Forfeiture

We reviewed past audits to determine the level of implementation of previous recommendations.

Code Enforcement

We reviewed the efficiency and effectiveness of Code Enforcement and made recommendations for improvement.

Active Projects

Audit:

Equipment Repair and Replacement

Background: This audit will review ER&R usage by Solid Waste, Road Maintenance and the Sheriff with a focus on entity vs. ER&R owned and entity vs. ER&R maintained vehicles.

This project is in progress. We project completion in the first quarter of 2006.

Audit Follow Up:

Capital Construction Project Closeout

Background: This project will assess whether Facilities followed our recommendations in regard to closeout.

This follow up is in progress and expected to be completed in the first quarter of 2006.



Non-Audit Activities

2006 Workplan

We are in the process of evaluating 12 proposals for audit projects for the 2006 workplan. Our decision making process will be complete on January 30.

Policy and Procedure

New Policy and Procedure has been written for the division based on GAS and NALGA auditing standards.

Extra Help

1594 hours of extra help were provided by temporary workers, interns and volunteers. Most of this was paid time.

Training and Certification

Audit staff has been attending regular trainings to assure that we are providing skilled and cutting edge performance audit services to the county. I have successfully completed the first portion of the audit certification (CIA).

Date: April 3, 2006

To: Performance Audit Committee, Bob Terwilliger, and Carolyn Ableman
CC: Mark Soine, John Koster, Ed Moats

From: Kymber Waltmunson, Performance Auditor

Subject: 2006 First Quarter Report

Resources allocated first quarter:

- 1 FTE Performance Auditor
- .5 FTE Management Auditor
- 2.5 Temporary Management Auditors
- 1 Volunteer
- \$28,878.25 budgeted
- \$33,672.80 has been budgeted for a special DEM Audit expansion (March-June)

Performance Indicators

1. Reports Issued

The capacity of the PAD varies from year to year based on budget, staffing and availability of interns and extra help. Our goal is to produce four reports at a minimum and increase the number of reports produced as capacity increases.

	Audits	Audit Follow Ups	Total
Goal	1.5		1.5
Completed			0
In Progress	2	4	5

- Our ER&R Usage Audit is in the Draft Report phase and has been submitted to departments for technical review.
- We have begun an audit of Department of Emergency Management.
- Our 4 audit follow up reports are in various stages of completion.

2. Percent of Recommendations Pursued

Our goal is to see 75% of PAD recommendations pursued by decision makers. This criterion will not be used as a screening method for which recommendations are made in each audit.

It takes a year following the issuance of a report to determine the number of recommendations we made that have been followed. We currently have 4 audit follow ups in progress:

1. Public Defense

2. Construction Contract Closeout
3. Public Disclosure
4. Code Enforcement

We have completed analysis on recommendations for Public Defense only. In this audit we made 22 recommendations. 7 have been followed and 7 are in process. The action of outside parties is needed for 3 recommendations and 5 are not being followed. In the Public Defense Audit 63% of our recommendations are being pursued.

3. Percent of Direct vs. Indirect Time

Our goal is to spend 70% of work time directly tied to audit projects, as capacity permits.

82% of staff time was spent directly on projects as opposed to administrative activities or lost time.

4. Peer Review

Our goal is to receive a "Full Compliance" rating every three years from the NALGA Peer Review team.

We have submitted our paperwork to NALGA for our peer review. They are working to schedule us for the third or fourth quarter of 2006.



Snohomish County 2006 Budget: Program Description

Fund: 002 General Fund

Division: 100 Auditor

Department: 11 Auditor

Program: 420 Performance Auditing

Program Description: The Division of Performance Auditing is a division within the Auditor's Office that provides independent evaluations of County operations to improve efficiency, effectiveness and accountability at all operational levels. Performance Auditing and its placement in the Auditor's office was voted on by the citizenry and established in 1998. A Performance Audit Committee, chaired by the Auditor, advises the Division and helps develop the Division's budget and assists with developing and adopting the Performance Audit Plan. Audit projects are chosen after consideration of cost and benefit, internal control and other management problems, potential for risk or loss, or citizen concerns. The makeup of the Performance Audit Committee changed beginning in 2003 to consist of (2) Executive appointed members, and (5) Council District members - all from outside County government. In addition, beginning in 2002 the Council has requested the Performance Auditor be involved with council requested consultant audits as the contract compliance manager. In 2005, a new Performance Auditor set an aggressive workplan to comprehensively audit, over time, all Snohomish County programs. We retained two part-time trained auditing interns to assist in setting and completing 2005's portion of this multi-year workplan.

Related Priority Packages:

Priority	#	Package Title	Amount
Leadership	61	Performance Auditing Services	\$110,966
Common Distribution	412	2006 COLA	\$2,573
Common Distribution	413	Attrition Management	(\$295)
Common Distribution	414	DIS Rate Adjustment 1	(\$48)
Common Distribution	415	DIS Rate Adjustment 2	(\$160)
Performance Auditing			\$113,036

Staffing Resources:

Program Name	2004 Adopted	2005 Adopted	2006 Budgeted	FTE Change	Percent Change
Performance Auditing	1.000	1.000	1.000	0.000	.00%

Financial Resources - Expenditures:

Expenditure Class Name	2004 Actuals	2005 Adopted	2006 Budgeted	Dollar Change	Percent Change
Salaries	\$43,167	\$73,681	\$78,356	\$4,675	6.34%
Personnel Benefits	\$8,625	\$14,314	\$16,535	\$2,221	15.52%
Supplies	\$8,594	\$2,304	\$3,750	\$1,446	62.76%
Services And Charges	\$1,745	\$2,000	\$7,260	\$5,260	263.00%
Interfund Payments For S	\$4,857	\$6,259	\$7,135	\$876	14.00%
Performance Auditing	\$66,988	\$98,558	\$113,036	\$14,478	14.69%

ATTACHMENT 5

KING COUNTY AUDITOR'S OFFICE HIGHLIGHTS OF 2005 ACCOMPLISHMENTS



King County

Cheryle A. Broom
King County Auditor

March 2006

AUDITING FOR RESULTS: ADVANCING A 35-YEAR TRADITION

The King County Auditor's annual report for 1970, the inaugural year of operation for the office, remarked on the importance of the office's "watchdog" role and the value of offering solutions to policy makers. Three and a half decades later, the auditor's office continues to produce audits and studies that have an impact on the performance, efficiency, and financial accountability of King County government.

In 2005, county agencies agreed to implement nearly 100 percent of our recommendations identified in 16 audits and special studies. We are particularly proud of our multi-phase projects that allow for achieving impacts on large, complex issues. These in-depth projects have yielded:

- Efficiencies that reduced the Department of Adult and Juvenile Detention's Integrated Security Project budget by \$2.4 million.

Mission Statement

The King County Auditor's Office conducts independent audits and studies that identify and recommend ways to improve the accountability, performance, and efficiency of King County government.

- For policy makers, improved accuracy in estimating costs and benefits of replacing the county's outdated financial and payroll systems.
- Identification of ways to control major drivers in county workers' compensation claims and costs.

Our work in 2005 also focused on emerging issues that were important to county residents, such as audits of the county's elections operations and the procurement process for the new \$1.6 billion wastewater treatment plant.

With the support of the Metropolitan King County Council, cooperation with stakeholders, and the commitment of a highly professional audit team, we continue to advance a tradition of independent and rigorous performance and financial audits to save money and improve the delivery of services to the citizens of King County.

OPPORTUNITIES IDENTIFIED TO RESTORE PUBLIC CONFIDENCE IN COUNTY ELECTIONS Elections Operations Management Audit

The purpose of this council-mandated management audit was to identify opportunities to improve the organization, management, and performance of county elections, consistent with the council's overarching goal of increasing voter confidence in the county's election process. We retained a nationally recognized consulting team with extensive elections expertise to conduct the audit.

Consistent with our audit recommendations, the following actions were taken or are underway to improve the integrity of county elections processes:

- Enhancing elections facilities, ballot and systems security, poll worker training, and operational procedures to reduce the risk of voting errors and process breakdowns, and to improve the accuracy of elections results.
- Endorsing an all-mail elections system for county voters to improve the cost-effectiveness of elections. The council will consider formal action on an all-mail voting policy in 2006.
- Exploring options to strengthen the county's elections organizational structure, leadership, and communications to improve elections efficiency and public accountability.

We plan to monitor the county's progress in implementing these and other recommendations in 2006 given the importance of restoring voter confidence in the elections process.

CONTINUED IMPROVEMENT IN MANAGEMENT OF SHERIFF'S OFFICE OPERATIONS **King County Sheriff's Office: Phase 2**

This was the second of two performance audits of the King County Sheriff's Office (KCSO). This audit identified the need for the KCSO to continue strengthening its management of patrol resources and federal grants, and recognized the progress made to improve its operational planning capabilities. Federal grant accounting practices have already been improved in response to this review.

Additional expected impacts of the audit include:

- Aligning daily activities such as patrol operations with broader agency performance objectives will enhance the KCSO's capacity to achieve its long-term goals.
- Linking patrol staffing levels with performance objectives and the factors that impact staffing needs will facilitate more strategic, informed resource allocation decisions.

In this review we also found that the KCSO used our 2004 audit recommendations to improve its management in the areas of strategic planning, patrol operations, and overtime tracking. We plan to continue our follow-up efforts later this year.

OPPORTUNITIES TO CONTROL HIGH WORKERS' COMPENSATION COSTS **Workers' Compensation Program**

Our office has completed two audits of the county's workers' compensation program since 2004. While our 2004 audit focused on the financial condition of the Workers' Compensation Fund, the 2005 audit focused on the factors contributing to high workers' compensation costs at the Department of Transportation Transit Division. The report also identified opportunities to control county workers' compensation costs.

Potential impacts of the audit include:

- A reduction in workers' compensation costs by eliminating disincentives to return to work.
- More effective cost controls by adhering to best practices and improving performance measurement.

We also followed up our 2004 financial audit and found that the county has developed plans to address the deteriorating condition of the Workers' Compensation Fund and to report more accurately the full liability of claims filed.

ADVANCING PERFORMANCE MEASUREMENT & ECONOMIC ANALYSIS IN CAPITAL PLANNING **Transit Capital Planning and Management**

This audit of the Transit Division of the Department of Transportation identified improvements to strengthen its capital planning and performance measurement efforts.

Potential audit impacts include:

- Improved economic analyses of potential capital investments, such as the purchase of replacement buses.
- Clarification of facility needs and priorities.
- More meaningful information about capital planning outcomes for managers and policy makers.
- Strengthened performance measurement and peer reporting.

This project was the third in a series of audits examining the county's approach to planning, prioritizing, and managing capital improvement projects. Prior audits in the series included reviews of the Wastewater Treatment Division (2003) and the Roads Division (2004). In 2006, we will conduct a follow-up review of these three audits and examine the county's capital acquisition models.

INCREASING TIMELINESS AND EFFECTIVENESS OF THE PROCUREMENT PROCESS **Procurement Practices for Brightwater Design Engineering Services**

This was the first of two audits focusing on the county's \$1.6 billion Brightwater Wastewater Treatment Facilities capital project. This audit evaluated the timeliness and cost effectiveness of the county's procurement and contracting practices for design engineering services for the pipelines and pumping stations that carry wastewater to and from the Brightwater treatment plant.

Expected audit results include:

- Greater assurance that design engineering costs are fair and schedule delays are justified.
- Improved timeliness through collaboratively developed, project-specific procurement schedules.
- More proactive resolution of key procurement concerns to increase the efficiency and effectiveness of county procurement practices.

A second Brightwater audit focuses on the management of change orders and contract amendments for the treatment facility design.

MEASURING PERFORMANCE IN KING COUNTY

Under the leadership of the County Auditor, the Performance Measurement Work Group developed the framework necessary to implement the first countywide system of strategic performance measurement and reporting in 2005. The auditor's office created the work group in 2004 in response to a council directive to advance performance measurement in King County. In 2005, the council asked the auditor's office to expand the work group to include participants from the courts and other agencies headed by separately elected officials. As a result, all three branches of county government are now represented on the work group.

The work group's 2005 accomplishments include:

- Securing support from all county elected officials for the increased accountability a performance reporting system will provide.
- Analyzing and providing feedback on five agency business plans.
- Drafting a plan for implementation of a countywide system of strategic performance measurement that is directly linked to resource allocation and is publicly reported.

The work group will transmit its plan to the council in 2006.

KEY MILESTONES FOR INTEGRATED SECURITY PROJECT SCHEDULED FOR 2006

Integrated Security Project and Operational Master Plan

In 2005, our office continued to provide oversight for the county jails' Operational Master Plan (OMP) and Integrated Security Project (ISP). The OMP outlines options for improving operations at the county's two jails over the next several years. The ISP is a capital project for replacing the electronic security system in the downtown jail while it continues to operate.

In 2004, audit staff analyzed the costs, benefits, and operational issues associated with these two projects. Most notably, we identified efficiencies that reduced the ISP budget by \$2.4 million. Over the past year, we shifted our focus to monitor the implementation of the ISP and OMP and participated in advisory work groups for the projects.

We found that the ISP project is on schedule for completion in 2007. Following our recommendations, the Department of Adult and Juvenile Detention (DAJD) will likely achieve additional cost savings through its successful efforts to coordinate construction crews and limit the need for escorts in the construction areas of the jail. The ISP project will reach key milestones in April 2006, and we will continue to evaluate project status at that time.

DAJD has formed implementation teams to review the feasibility of the OMP recommendations. Successful implementation will be gradual. Many new ideas with potential for improvements will have to be tested on a small scale before they are used more generally.

OVERSIGHT OF BUSINESS CASE FOR COUNTYWIDE FINANCIAL & HUMAN RESOURCES SYSTEM

Accountable Business Transformation (ABT)

As requested by the council, the auditor's office provides ongoing oversight of the ABT program, which focuses on replacement of the county's aging financial and payroll systems. In 2005, we reviewed an outside consultant's recommendation for a new integrated countywide financial, human resource, payroll, and budget system. Although the overall costs were not clearly expressed, we found the cost estimates were reasonable. The project's anticipated benefits are likely to be significantly lower than estimated. However, the project has the potential to pay for itself.

With the implementation of our recommendations, the county's decision makers would receive the financial and performance information necessary to effectively track project costs and evaluate whether ABT is meeting the county's goals.

STUDY PROPOSED TO ADDRESS COURT WORKLOAD CONCERNS

Review of Feasibility Analysis for Consolidating Court Administrative Functions

In 2005, Superior Court, Department of Judicial Administration, District Court, and the Office of Management and Budget issued a feasibility analysis that evaluated options to improve court operations by consolidating administrative functions and sharing resources. Our review concurred with District Court's plan to conduct a comprehensive staffing study and offered recommendations to increase the likelihood that new staffing plans would effectively address workload concerns and changes.

FOLLOW-UP REVIEWS DEMONSTRATE THE VALUE OF AUDIT WORK

In accordance with government auditing standards, we conduct follow-up reviews each year to assess county agencies' progress in implementing prior years' audit recommendations. These reviews demonstrate the impact of our audits on improving government accountability, performance, and efficiency.

During 2005, we followed up on county agencies' progress in implementing recommendations from five prior audits. We determined that 26 of 28 recommendations were fully or partially implemented.

Implementation of our recommendations led to improvements in the following areas:

- Sheriff's Office strategic planning efforts and management of patrol operations and other staffing issues.
- Department of Development and Environmental Services' performance monitoring.
- Records storage efficiency and use of cost-effective private storage options.
- Roads Services Division's capital planning processes.
- Workers' compensation program reporting practices and the Workers' Compensation Fund's financial condition.

**MONITORING EXTERNAL FINANCIAL AUDITS
Audit Findings of the Washington State Auditor and Deloitte and Touche**

The auditor's office reviews external audit reports and provides the council with comments regarding the findings and adequacy of the county's response.

In 2005, we reviewed external audits conducted by the State Auditor's Office and the accounting firm, Deloitte and Touche. These audits focused respectively on the county's financial accounting practices and the financial statements for the county's Public Transportation and Water Quality enterprises. We made no additional recommendations but are monitoring the county's corrective action.

PUBLIC CONFIDENCE IN COUNTY GOVERNMENT

In response to increased councilmember requests and public interest, our traditional focus on efficiency and effectiveness efforts continues to expand to include audit recommendations that:

- Promote transparency in county operations and consistency with public expectations for quality service delivery.
- Emphasize meaningful, long-term outcomes commensurate with county taxpayers' investment in and desire for accountable government.
- Maintain or restore public confidence by providing reasonable assurance on the integrity of highly critical and visible public functions through independent, fact-based reports.

Reappointment of County Auditor

In 2005, Cheryle Broom was unanimously reappointed as the county auditor for another four-year term. The council recognized that the auditor's office has increased productivity, credibility, and professionalism, and has improved its usefulness to the council's decision making under Cheryle's leadership.

IDEAS WELCOMED

Please contact our office if you have any questions or suggestions. Find us on the Web for more information on the audit process, completed projects, or new studies scheduled for 2006.

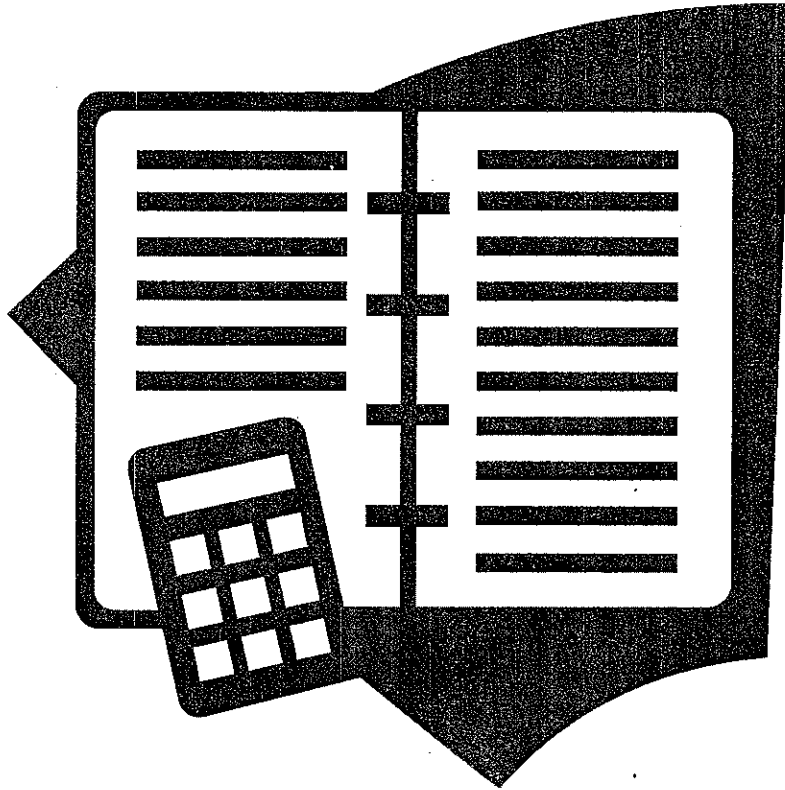
King County Auditor's Office ❖ 516 Third Avenue ❖ Room W-1033 ❖ Seattle, WA 98104-3272
 206-296-1655 ❖ TTY 206-296-1024 ❖ www.metrokc.gov/auditor/

Cheryle A. Broom, CGFM, CIG, County Auditor
Ron Perry, Ph.D., Deputy County Auditor

Susan Baugh, Principal Management Auditor	Rob McGowan, Principal Management Auditor
Larry Brubaker, Senior Principal Management Auditor	Yaeko Rojnuckarin, Office Manager
Cindy Drake, Senior Management Auditor	Wendy Soo Hoo, Senior Management Auditor
Elizabeth DuBois, Principal Management Auditor	Bob Thomas, Senior Principal Management Auditor
Michaela French, Legislative Secretary	Allan Thompson, CPA, Senior Financial Auditor
Jan Lee, Audit Assistant	

Alternative Formats Available Upon Request

City Auditor



City Auditor

Department Purpose Statement

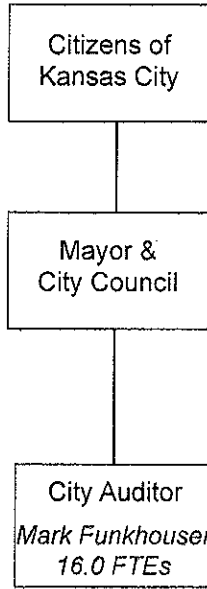
The City Auditor's Office provides the City Council with independent, objective, and timely information, analyses, conclusions, and recommendations regarding the work of city government.

Desired Community Outcome

Governance - Kansas City is a community where there is effective leadership in local government with efficient operating and support systems.

City Auditor

Organization Chart



City Auditor

SUMMARY BY ALLOCATION

	Actual 2004-05	Adopted 2005-06	Adopted 2006-07
Allocation by Outcome			
Governance	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588
Total	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588
Revenue			
Dedicated Tax	\$ --	\$ --	\$ --
Grants	--	--	--
Permits and Fees	--	--	--
Other Revenue	--	--	--
Total	\$ --	\$ --	\$ --
Allocation by Expense Category			
Salaries and Benefits	\$ 1,197,842	\$ 1,303,255	\$ 1,338,237
Contracts	95,508	79,023	93,251
Supplies	5,493	8,000	5,100
Equipment	2,318	3,000	2,000
Pass Through Payments to Other Agencies	--	--	--
Debt Service	--	--	--
Total	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588
Allocation by Fund			
General	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588
Total	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588
Personnel			
No. of Full Time Equivalent Positions	16.0	16.0	16.0
Charges to/from Other Programs	--	--	--
Less: Charges to Capital Projects	--	--	--
Total	16.0	16.0	16.0

City Auditor

City Auditor

City Auditor

SUMMARY BY OUTCOME

<u>Outcome</u>	<u>Programs and Activities</u>	<u>Actual 2004-05</u>	<u>Adopted 2005-06</u>	<u>Adopted 2006-07</u>
Governance		\$ 1,301,161	\$ 1,393,278	\$ 1,438,588
	City Auditor	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588

City Auditor

Responsible Department: City Auditor

Outcome: Governance

The City Auditor serves as a catalyst for improving government and increasing public accountability by assisting elected officials and professional staff in reducing costs, increasing revenues, and improving the delivery of City services.

Key Measures	<u>Actual 2004-05</u>	<u>Adopted 2005-06</u>	<u>Adopted 2006-07</u>
Number of audits, follow-ups, and reports issued	15	16	17
Recommendations agreed to by management as a percent of recommendations made	90%	90%	89%

Revenue			
Dedicated Tax	\$ --	\$ --	\$ --
Grants	--	--	--
Permits and Fees	--	--	--
Other Revenue	--	--	--
Total	\$ --	\$ --	\$ --

Allocation by Expense Category			
Salaries and Benefits	\$ 1,197,842	\$ 1,303,255	\$ 1,338,237
Contracts	95,508	79,023	93,251
Supplies	5,493	8,000	5,100
Equipment	2,318	3,000	2,000
Pass Through Payments to Other Agencies	--	--	--
Debt Service	--	--	--
Total	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588

Allocation by Fund			
General	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588
Total	\$ 1,301,161	\$ 1,393,278	\$ 1,438,588

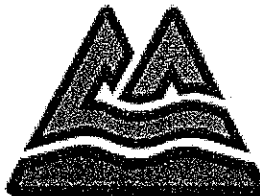
Personnel			
No. of Full Time Equivalent Positions	16.0	16.0	16.0
Charges to/from Other Programs	--	--	--
Less: Charges to Capital Projects	--	--	--
Total	16.0	16.0	16.0

Changes to the Budget

The FY 2006-07 allocation includes an increase in the funding for the Citizens Survey, the survey is funded at \$35,000 up from \$25,000 in FY 2005-06. The increase in contracts also includes an additional allocation for staff training.

Multnomah County Auditor

Annual
Report
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Dear Citizens of Multnomah County,

The County Charter requires the Auditor to conduct performance audits or other studies that measure or improve County operations. During performance audits, auditors examine the organization's goals and objectives and determine if they are being met. The Office follows government auditing standards as recommended by the U.S. Government Accountability Office. Since FY02, the Office has also followed up each audit with a detailed review of the progress made towards implementing recommendations.

Beginning in FY04, the Auditor's Office entered new territory. In partnership with the Portland City Auditor, we began to audit the eight school districts in Multnomah County. This was the result of the personal income tax that was approved by county voters in May 2003. The temporary tax was designed to fund school districts along with public safety, health care, and senior programs. Part of the funding was specified for audits of the school systems.

To date, four audits of the school districts have been completed. These are available on the special web site www.multnomahschools.org. We have also continued to work hard on auditing County programs.

I think the work we do is important to citizens. I also believe that the Office should be a leader in accountability. This annual report to citizens is part of how we are accountable for the services we provide. I would like to thank Multnomah County's leaders and employees for working with us to improve the efficiency and effectiveness of services.

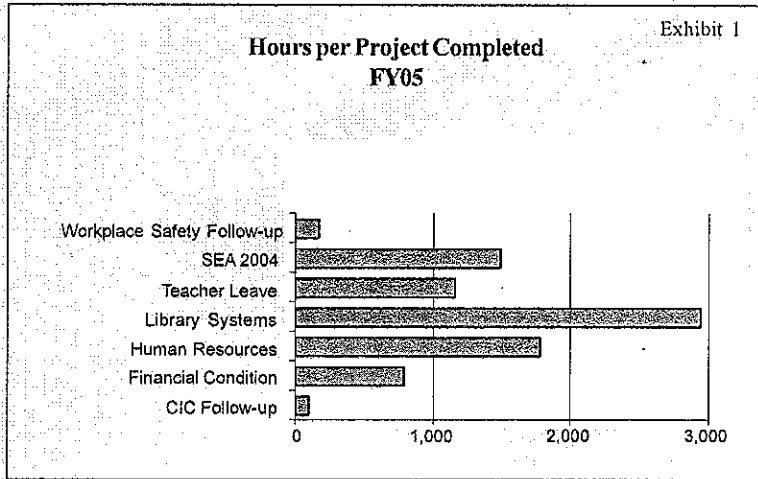
Sincerely,



Suzanne Flynn
Multnomah County Auditor

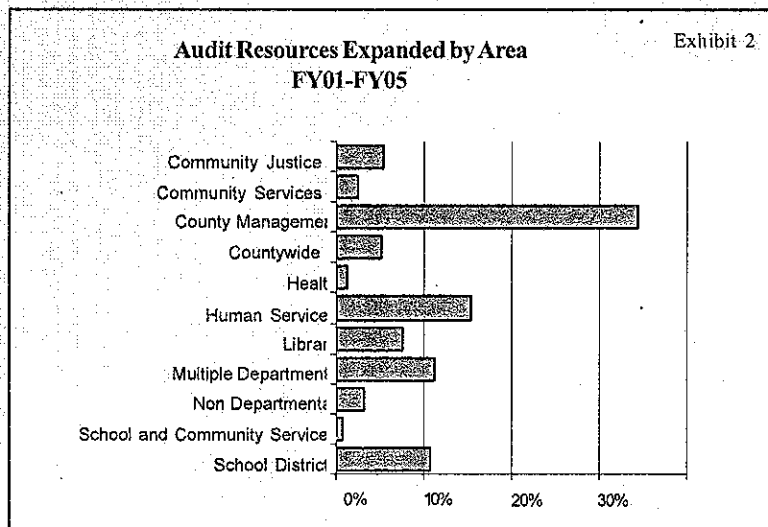


In FY05, the Office completed seven projects: six were on County programs, and one was on the school districts. The largest audit this past year was on the County's Library System



Each fiscal year, the Office develops an audit schedule. Audit areas are selected based upon the potential for savings or improvement, evidence of problems, the potential for loss or risk, the time since the last audit, and audit staff resources. Some audits involve several departments in the County.

The following chart shows the distribution of audit hours by department in the last five years. In the past year we focused extensively on County Management looking for efficiencies.



In FY05 actual expenditure for the Office was \$1,030,579. Most of the spending was for personnel (78%). The cost per hour was \$54. In the Office, there were eight auditors who collectively had 95 years of auditing experience, seven advanced degrees, and six professional auditor certifications. Once adjusted for inflation, total spending has increased 46% since FY01 (Exhibit 3). The addition of two auditor positions to audit school districts and increases in internal business and insurance costs explains most of the increase.

**Expenditures FY01-05
(adjusted for inflation)**

Exhibit 3

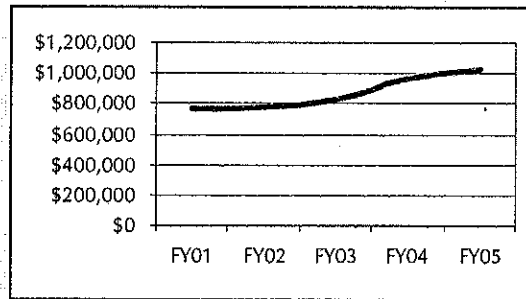
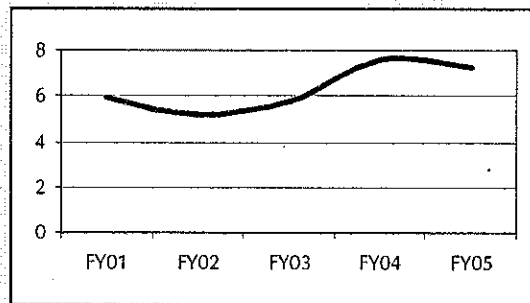


Exhibit 4 shows staffing levels in the past five years. The decrease in audit staff full-time equivalent (FTE) in FY02 and FY03 reflects a reduction in staff hours rather than positions. The increase in FY04 was the result of adding two auditors funded to audit school districts.

**Audit Staff
FY01-FY05**

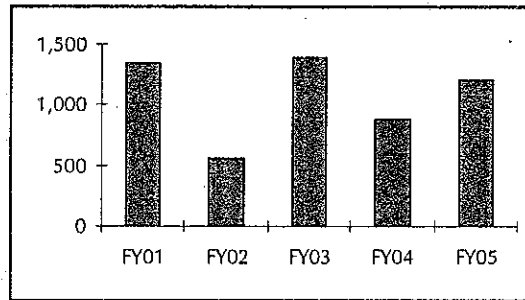
Exhibit 4



Audit projects vary considerably by topic and complexity. As a result, the time that it takes to complete an audit also varies. In FY03, the Office completed an audit of the County's capital construction process, one of the largest audits ever undertaken. To complete the audit it took three auditors almost 3,900 hours over the course of three fiscal years. The drop in average hours per audit completed in FY02 and sharp increase in FY03 is the result of the shorter projects completed in FY02 and the large audit completed in FY03. In FY05 the Office completed 2 large audits, which increased the average.

**Average Hours per Audit Completed
FY01-FY05**

Exhibit 5



Audit recommendations are to improve the efficiency or the effectiveness of County operations. How quickly a recommendation is implemented depends upon its complexity. Exhibit 6 shows that by the fourth and fifth years after an audit is completed most of the recommendations have been implemented.

**Implementation Rate
FY01-FY05**

Exhibit 6

