

**Office of the Performance Auditor
2008 Annual Report**

June 15, 2009



Status Update

In 2008 the Office of Performance Auditor continued as a separate Office under the Snohomish County Council as specified in the Snohomish County Charter. The office structure and function operate independently and promotes effective, efficient and accountable county government services through performance audits.

Both the employee serving as the performance auditor and the employee serving as the management auditor resigned in the spring of 2008. The results of a salary survey indicated that the salary levels for both positions are significantly below the market and may need to be adjusted prior to launching recruitment to fill the positions. Both positions were left vacant while the salary reclassification was considered.

In August 2008 the County implemented Ordinance 08-105 responding to projected revenue shortfalls in the General Fund in 2008. The Ordinance froze hiring of any vacant positions in the general fund. The Ordinance continued in place for the remainder of the year. In late December of 2008, Chair and Vice Chair of the council requested that senior legislative staff undertake the task of re-establishing the performance audit function. Their specific instructions were to:

- Complete the 2008 Annual Report for the Office of Performance Audit Services.
- Work with council members to fill vacancies on the performance audit committee.
- Conduct a meeting of the Performance Audit Committee providing orientation to new members and providing the committee the opportunity to review and amend 2009 Draft Audit Program.
- Revise the Draft Audit Program reflecting Performance Audit Committee recommendations.
- Finalize the 2009 Draft Audit Program and present it to Council for their review and amendment.
- Develop a work program identifying the resources to accomplish the audits included in the work plan.



2008 Audits

In 2008 the Office of the County Performance Auditor completed two audits and followed up on the audits completed in previous years. Performance audits enhance county operations as recommendations are implemented. The Electronic Payment Processes Audit identified agencies accepting electronic payments and reviewed the control processes in place to protect the County and consumers who use the service. Pre-audit of the Assessor’s Office Controls reviewed the system controls to determine that they were sufficient to insure the office objectives, laws and regulations were being met. At the conclusion of the pre-audit work it was determined that further work was unnecessary and a management summary was provided to the Assessor. No formal recommendations were needed.

Office of the County Performance Auditor, 2008

- 1 Performance Auditor: Kymber Waltmunson (through May 2008)
- .5 Management Auditor: Connie Barndt (through March 2008)
- 2 part-time temporary interns
- \$185,140 budget Actual Expenditure \$86,206
- 1,585 total hours of work
 - 1256 staff work hours
 - 329 intern work hours

Performance Audit Committee (PAC)

The PAC met twice in 2007 to establish the 2007/2008 audit workplan. Suggestions for audit topics are received from citizens, county employees, elected officials, and other sources. In addition, the PAC reviews each audit report prior to release to ensure appropriate audit processes were followed.

Members of the 2008 Performance Audit Committee

Council District 1 Appointee:	Paul Blowers (2 nd term expires 12/31/2008)
Council District 2 Appointee:	Deborah Wright (2 nd term expires 12/31/2008)
Council District 3 Appointee:	Open
Council District 4 Appointee:	Open
Council District 5 Appointee:	Nancy Truitt Pierce
Executive Appointee:	Reginald Gillins
Executive Appointee:	Open



As a result of completions of second terms and ongoing vacancies, during 2009 six of the seven members of the committee will be appointed. Candidates have been identified for all Council positions and the Executive is considering his second appointment.

Performance Indicators

2 Reports Issued

	Audits	Audit Follow Ups	Total
Completed	2	2	4

Audits	Audit Follow Ups
Electronic Payments	Parks Maintenance
Assessor's Office Controls	Hiring Practices

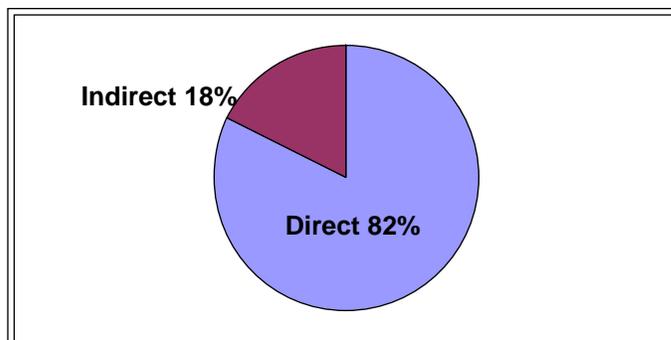
100% of Recommendations Pursued (none contested)

Both Audit Follow-ups of 2007 Audits indicated that the departments were pursuing solutions to address all recommendations. See Open Recommendation Reporting Section.

Audit	# Recs	# Addressed "Closed"	#In Progress "Open"	Withdrawn (W) or Contested (C)	% Pursued
Parks Maintenance	4	0	4	0	100%
Hiring Practices	6	0	6	0	100%
Total	10	0	10	3	100%



82% Direct Time (2007)



Full Compliance (2006) Peer Review

The Office received a “Full Compliance” rating from the Association of Local Government Auditors (ALGA) peer reviewers in 2006. The next peer review will be conducted in 2010.

90% Audit Customer Approval Rating (2007)

Post-audit surveys of audited departments resulted in a high overall approval ratings.

2008 Report Summaries

Audits:

Electronic Payment Practices

- Ensure that the County payment card and e-payment practices are effective.
- Significant progress was made over the course of the audit improving policy guidance, becoming familiar with the costs of accepting payment cards, understanding and implementing Payment Card Industry Data Security Standards (PCI-DSS), and assessing and advancing information security.
- Recommendations:
 - ✓ Snohomish County Finance/Treasurer/DIS should continue to implement new management processes related to e-payment and payment cards including time and dollar resources spent on warrants;

The County Performance Auditor objectively and independently promotes effective, efficient, and accountable county government by supporting positive practices and making recommendations to enhance the performance of county operations.



- ✓ Departments should submit the PCI-DSS Self-Assessment Questionnaire validating compliance with the standard by September as planned; and
- ✓ Departments should continue development and implementation of a countywide information security awareness program that includes payment card security information backlog of outstanding warrants.

Assessor's Office Controls

- Initial evaluation shows that there is reasonable assurance that Assessor's Office controls are adequate and do not warrant the resources required to complete a full audit.
- Initial Review included:
 - ✓ 27 interviews of Assessor management and staff, Washington State Department of Revenue, and the Office of Program Research for the Washington State House of Representatives;
 - ✓ Review of 37 internal Assessor's Office documents; and
 - ✓ Review of 12 external evaluation and/or comparison documents.

A summary memo was developed for the Assessor and placed in Performance Auditor's Office Files.

Remaining 2007-2008 Workplan

Project detail is subject to change following initial analysis during pre-audit surveys. Workplan will be reviewed and updated by the Performance Audit Committee and Council in June/July.

- Duplicated County Services- **Deferred Will be considered as part of 2009 Audit Program**

Are there services and activities in Snohomish County that are duplicated?
Could any of these services and/or activities be consolidated?

- Human Services Contracting/Grants - **Deferred Will be considered as part of 2009 Audit Program**

Is the Human Services Contracting Process efficient, effective, and equitable?
Is the county meeting its responsibilities as a grantee/grantor?

- Follow Up Reports-**PENDING**

During 2009, a formal follow-up report will be completed for the Parks Maintenance and Hiring Practices.



Open Recommendation Reporting

Each January the Performance Auditor will revisit past audits to determine the progress that has been made addressing open recommendations. Reports that have been fully addressed will be closed during this report.

➤ Hiring Practices Audit

The Office of Performance Audit staff met with HR management in the first quarter of 2008. At that time they were waiting on additional staff to begin addressing the recommendations. The new management staff member was hired in May 2008 and was tasked with addressing Recommendations 1, 2, 3, 5, and 6. We will conduct a follow up on these Recommendations during 2009 to determine compliance.

Recommendation 1 - Controls

Snohomish County Code 3A should be revised to make HR responsible for countywide planning, coordination, and general tracking of the recruitment and selection processes. HR should determine and request any resources needed to fulfill an expanded role in the recruitment and selection process.

Recommendation 2 – Controls

HR should plan, institute, and monitor a comprehensive set of controls.

Recommendation 3 - Recruiting

With the assistance of HR, departments and offices should develop short- and long-term recruiting plans for particularly difficult-to-fill positions.

Recommendation 4- Selection

HR should develop an exit interview program to determine the reasons for increasing first year turnover rates and identify strategies to decrease early separations.

The Human Resources Department took the following actions in 2008 to address this suggestion.

Turnover:

An On-Boarding Team has been organized including members from the Sheriff's Office, Facilities, DIS and HR. The goal of the team is to make the transition into work as smooth as possible. They have met one time and brainstormed ideas for



helping new employees integrate smoothly into Snohomish County with the hope of decreasing turnover.

Exit Interview:

Department is undecided about implementing an exit interview. After discussing it with other jurisdictions that use them, some concerns developed about the burden of public disclosure. They feel it would be necessary to train interviewers appropriately before implementing. They agree that an exit interview could provide valuable information, but need to consider format more.

Recommendation 5 - Efficiency

HR, in consultation with departments and offices, should determine if the county's time to fill positions is acceptable and make policy changes accordingly.

Recommendation 6 - Selection Efforts

HR should explore developing and maintaining eligibility registers for the use of all departments and assist departments in identifying job classifications for which department/office-managed eligibility registers could improve efficiency.

➤ **Parks Maintenance Audit**

The Office of Performance Audit Staff met with Parks staff to discuss progress and action on the Park Maintenance audit recommendations. The Department had made excellent progress addressing the recommendations. The information below was provided by the department and will be reviewed during our annual follow-up in 2009.

Recommendation 1 - Plan and Organize

Set strategic direction and objectives

- The department has reorganized to include a new manager position and supervisor position.
- A new grading system has been implemented for the park facilities. Parks Managers go out twice a month to inspect parks and give graded evaluation reports.
- All the facilities are visited annually, high traffic ones more often.
- They have weekly manager meetings.



Collect reliable and accurate data

- The work order system has been improved.
- Procedures are being developed that limit who can touch the data to ensure accuracy.
- Addressing standardization of facilities across parks (over 100), but lack good data for valuation of assets.

Take inventory and assess condition

- Department is initially focusing on documenting all physical assets and have compiled asset inventory in Excel.
- Department Objective is to try and finish evaluating and documenting assets in 2008 and begin to develop individual park management plans.

Address the backlog

- Department has made addressing the work order backlog and cleaning up the database a priority.
- As of April 8, 2008, there are 35 work orders in backlog, down from over 450.
- The backlog changes daily and department is trying to develop a process for prioritizing the items.
- Preventative maintenance – Department has begun using Outlook for reminders to tell leads what, when and where.

Resources needed

- The department continues to experience annual increases in the number of acres they maintain and active park amenities.
- They plan on using technology and automated systems to increase efficiency (time sheets and work orders).
- The park management plans will assist with evaluating equipment needs when they are developed.

Develop work programs and budgets

- Department is developing a resource management plan for each park.
- Objective is to be able to report comparison of staff, resources and workload.



Recommendation 2 - Lead

Retain competent, trained, high performing staff

- They have monthly, all-staff safety meetings.

Effectively communicate

- The new supervisor position between managers and leads has brought senior management closer to staff and increased two way communications.
- Senior management meets monthly and leads meet weekly.
- Line staff completed survey where 85% responded positively about communication improving.

Maintain a culture of quality

- They have been emphasizing that all the workers are one group and everyone shares responsibility.
- Department has standardized start times and uniforms.

Prioritize/Assign Work

- Department is holding regular meeting for lead staff where the work schedule for the following week is prioritized and work is assigned.

Deploy workers

- Department has not been able to address this item.

Supervise and give feedback

- Department Management Staff evaluated parks and gave graded reports with explanations about grades and general feedback.
- Annual performance evaluations for staff with one year probation period.
- New hires have six month and one year performance evaluation.

Protect Assets

- Department has implemented a new policy for controlling assets including: all inventory worth over \$300 and tagging equipment including “small and attractive” equipment such as digital cameras.



Recommendation 3 - Assess and Enhance

Measure Performance

- Department is developing draft performance measures to including work hours and projects.
- Department has developed Performance Measures for SnoStat on Parks website.

Inspect

- Department is conducting annual inspections on contracts.
- Rangers inspect playgrounds monthly as mandated.

Reporting Accomplishments

- Report accomplishments on SnoStat.
- Department continues to evaluate other tools for reporting.

Recommendation 4 - Contracting for Maintenance

- Setting up a contract database.
- Currently reviewing and rewriting contracts.
- Meet with Risk, PA and Auditors offices to review contracts.
- Recruiting new partners to take care of parks coming to the end of their contracts.

➤ ER&R Usage Audit (Equipment Rental and Revolving fund)

Three recommendations were open at the ER&R Usage Audit's last review in August 2007.

In response to the recommendation that the ER&R insure that they are paying the lowest prices attainable for inventory purchases, ER&R shopkeepers have developed processes ensuring that they get the lowest price for purchases.

Two recommendations remained open pending implementation of the Executive's Equipment Use Policy last year. The department provided the following input about the recommendations:

Recommendation 2 - Economic Analysis



ER&R should develop an objective process including an economic analysis to determine whether it is more cost efficient for departments and offices to own a vehicle outright or to rent through ER&R. Department and office input should be sought in the development of this process. Documentation of this analysis should be available for all department and office owned vehicles.

The executive's Equipment Use Policy approved February 4, 2008 addresses this recommendation. We will conduct one final follow up to assess level of implementation and then close this recommendation.

Recommendation 9 - Department Policies and Procedures

The Executive should ensure that planned revisions of Executive Order 04-02B eliminate references to the creation of policies and procedures by individual departments. The Executive and the Sheriff's Office agreed that Executive Order does not apply to separately elected officials who have their own policy. References directing "offices" should be removed.

The executive's Equipment Use Policy approved February 4, 2008 addresses this recommendation. We will conduct one final follow up to assess level of implementation and then close this recommendation.



➤ **Code Enforcement Audit**

After the January 2008 review of the 27 remaining items it was determined that 16 had been addressed and 11 remained open. In November 2008 the department submitted a memo to the Council detailing how the final 11 items had been addressed. Below is a summary of the actions taken as a result of this review:

- A procedure manual has been developed;
- Performance evaluations have been implemented;
- Judgments are now recorded with the Auditor's Office;
- Technical expertise has been formalized;
- A process is in place to ensure timely transfer to collections;
- Certificates of noncompliance have been discontinued per current code;
- A citation process and penalty schedules have been developed;
- The effectiveness of the VCA has been evaluated;
- Appeal fees have been determined;
- Leadership has improved communications;
- Data entered into AMANDA has improved;
- Receivables have been identified clearly for tracking purposes;
- Judgments and penalties are effectively tracked and promptly billed;
- Performance measures have been developed conforming to Ord. #08-062;
- Tracking performance measures will be tracked beginning in 2009;
- All cases in excess of six months are being reviewed by a senior officer or supervisor;
- Billing processes are up to date and a contract with a new collection agency is in place allowing timely referral;
- Improved working relationship with Sheriff's Office to assure officer safety;
- Enforcement officers now have individual folders to be carried in their vehicles, which contains PDS educational bulletins and permitting and zoning information;
- Revised our response postcard which is mailed to the complainant upon receipt of the complaint;
- Customer survey forms for both the complainant and violator have been developed and we will start distributing these forms to the public early in 2009;
- A brochure containing an overview of Code Enforcement has been developed and is circulating, and
- Finalizing a brochure which we intend to provide to all violators, informing them of the appeal processes for citations and notice of violations and how fines and monetary penalties are calculated.



➤ **OPEN PENDING UDC UPDATE (30.85)**

During 2008 the revision to the UDC update was completed addressing several of the recommendations including elimination of the VCA that was replaced with a warning notice; development of a citation process; reestablished the use of non compliance certificates; and the assessment of a \$150 fee for appeals that is returned if the appellant is successful.

With his report, it appears that all 62 recommendations have either been addressed or are being addressed. We will initiate the process to close the audit during 2009.

➤ **Department of Emergency Management Audit**

Six recommendations were open at the Department of Emergency Management Audit's last review in November 2007. DEM has taken a leadership role in helping to develop a countywide Continuity of Operations Plan (COOP). Five recommendations remain open and will be reviewed again in 2009. In January 2009 the Performance Audit Staff contacted the DEM manager to request an update on the recommendations. Work progressed during 2008 but DEM requested a delay in providing a formal response regarding 2008 achievements because they were still working on the issues related to the late 2008 snow and flooding emergencies. DEM has agreed to provide further documentation in March 2009.

OPEN Recommendations:

Recommendation 8 - Full implementation of NIMS requirements

DEM should make every effort to be in full compliance with NIMS by September 2006. This will include full implementation and documentation of NIMS requirements in relation to:

1. ICS
2. Public Information System
3. SOGs
4. Mutual Aid Agreements including updating current agreements and new agreements with:
 - a. Independent EOCs in Snohomish County
 - b. Stakeholders
5. After-Action Issue Implementation
6. Inventory Community Response Assets (personnel, teams, facilities, equipment, and supplies) including:
 - a. Snohomish County assets
 - b. Regional assets
 - c. Nonprofit assets
 - d. Public sector assets

Public Information System – 2008 business plan and interlocal agreements set full implementation by January 2009.



Mutual Aid Agreements – Informal agreements have been made, and a number of formal agreements have been drafted.

After-Action Issue Implementation – Of the three recent emergencies, an after-action meeting has been held for one. Reports and other processes are planned to ensure consistency.

Inventory Community Response Assets – 2008 business plan sets completion by January 2009. Software has been identified and there is a plan for entry of available assets.

Recommendation 10 - Comprehensive Emergency Management Plan

DEM should undertake a thorough update of the CEMP, including the ESFs. This should include attention to:

- 1. RCW, NIMS, and EMAP compliance*
- 2. Consistent CEMP format and clarity*
- 3. Disseminate to and educate all designated partners*
- 4. Include hazard-specific and public awareness and education annexes*

The updated CEMP is in draft form and has been disseminated for comment. The terrorism annex has been written and the catastrophic and flood annexes are currently being written. DEM reports that the CEMP has been informally accepted by the state, but they plan to submit the document for formal approval as a package that includes the terrorism, catastrophic, and flood annexes.

Recommendation 11 - Drills, exercises and training documentation

DEM should ensure that appropriate documentation is in place for training that they provide. This should include:

- 1. Specific goals and objectives*
- 2. Assessment of constituency training needs*
- 3. Participant lists*
- 4. Course evaluations*

Specific goals and objectives and assessment of constituency training needs have not yet been completed. A new training manager will be hired soon to address these issues.

Recommendation 12 - Training plans and logs

DEM should develop and document training plans and training logs for each DEM staff person.

Staff training plans and logs are not yet complete but are on the 2008 workplan.



Recommendation 17 - Grant Reporting

DEM should implement continuous monitoring processes including methods for ensuring that:

- Grants are closed out timely*
- Grant objectives are being met*
- Grant reporting requirements are submitted as required*

Continuous monitoring processes are in progress and will continue to be implemented.