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Transportation Bureau improved Fixing our Streets; program's second iteration is more realistic

News Article



This is a one-year follow-up to our 2019 report, "Fixing Our Streets: Some accountability commitments not fulfilled."

Published: September 29, 2020 9:00 am

Many commitments the City made to voters for the local gas-tax funded Fixing our Streets program had not been fulfilled at the time of our 2019 audit. One-year later, the Bureau has implemented most of our audit recommendations. The Bureau has struggled to track the street repair and safety projects spending split they promised to voters, but it changed the way it plans to allocate funding to projects in the second iteration of the program, which was approved by voters in May 2020.

Contact

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Related

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Recommendation Status: Implemented

2019 Recommendation

Provide the Fixing our Streets oversight committee with information needed to understand and carry out its responsibilities. This may include reviewing with members the role of the committee and how to perform it, updating codes in new project management software and reviewing information provided to the committee to ensure it is accurate and complete, and querying the City's financial system for program expenditures within a week of committee meetings.

2020 Auditor's Status Update: Recommendation implemented

The Bureau reported that staff trained oversight committee members on their roles as public officials pursuant to emerging rules from the Office of Community and Civic Life. The Bureau also provided members with committee bylaws, charter, and protocols that outline the purpose of the committee and responsibilities of members.

The Bureau reelected the committee in 2019 and now members have staggered four-year terms. The Bureau said the staggered terms will support continuity of oversight as experienced members can share knowledge with new members.

The Bureau said it provides committee members with monthly project reports and detailed briefing documents on projects ahead of quarterly meetings where there may be changes in scope, schedule, or budget. The Bureau said sharing information ahead of time results in informed discussions in committee meetings where members vote on project change recommendations. The Bureau said project reports are more accurate because it fully adopted project management software that was only partially in-use at the time of our audit.

Recommendation Status: In Process

2019 Recommendation

Track and publicly report on Fixing our Streets projects as they relate to commitments made to the public.

2020 Auditor's Status Update: Recommendation in process

The Bureau and oversight committee produced annual reports, including projects completed and high-level financial information, in 2018 and added progress towards social equity contracting goals in 2019.

The Bureau has yet to share information with the public in annual reports or on its website about the street repair and safety project funding split its promised voters. The Bureau said it plans to report final reconciliation of expenses between street repair and safety projects in the 2021 annual report, when they expect all projects from the first iteration of the Fixing

our Streets program to be complete.

Recommendation Status: Implemented

2019 Recommendation

Explore options to ensure that heavy vehicle owners pay their fair share for maintenance, operations and improvements of City streets.

2020 Auditor's Status Update: Recommendation implemented

City Council approved an increase to the Heavy Vehicle Use Tax that will take effect in 2021. The Bureau estimates that the 3 percent tax will generate \$11 million over four years, which is commensurate with what experts calculated was heavy vehicle owners' share of City street maintenance, operations, and improvement costs.

Recommendation Status: Implemented

2019 Recommendation

Specify the type of audit desired and ensure that audit commitments are fulfilled. If the Bureau wishes to rely on the work that outside auditors perform for the financial audit, it should work with the outside auditor to determine what additional work is needed to satisfy audit requirements. The Bureau should budget for any costs associated with extra work required of the audit firm.

2020 Auditor's Status Update: Recommendation implemented

The financial auditing firm under contract to the City performed additional procedures in 2019 to review Fixing our Streets program revenues and expenditures and examine a sample of project-level transactions. The report from the auditors is publicly available [here](#). The Bureau paid for the work with Fixing our Streets funds.

Recommendation Status: Implemented

2019 Recommendation

When preparing items referred to the ballot, make commitments that are clear, realistic, measurable, achievable and time-bound.

2020 Auditor's Status Update: Recommendation implemented

The City asked voters to renew the local gas tax to fund a second iteration of the Fixing our Streets program in May 2020. In the ballot summary, the Bureau committed to spend certain dollar amounts on different project categories over the four year life of the tax, as opposed to the percentage

split they promised voters in 2016 that proved unrealistic and difficult to measure.

The Bureau assigned a senior project manager to oversee the program and individual project managers are assigned to all projects scheduled for the first two years. The Bureau said it plans to publish detailed project schedules after development is complete and anticipates this will make project schedules more reliable.

Recommendation Status: In Process

2019 Recommendation

Clarify language regarding the split of funding for street repair and safety projects in program and oversight committee materials. The clarification should include how safety elements included in projects advertised as paving will be treated in their budgets, and how paving work included in safety projects will be treated in their budgets.

2020 Auditor's Status Update: Recommendation in process

The Bureau acknowledged the commitment to split revenue between street repair (56 percent) and safety projects (44 percent) was not realistic because many projects include both elements. They said the commitment was additionally difficult to track because projects are funded from multiple sources, and it was hard to determine which funds were used for different elements.

The Bureau has not publicly disclosed information about its difficulty tracking and accounting for the promised spending split. The Bureau said it plans to report the final reconciliation of expenses between street repair and safety projects in its 2021 annual report.

Recommendation Status: In Process

2019 Recommendation

Informed by the clarification, the Bureau should track and account for spending to ensure that the split of funding for street repair and safety projects is maintained.

2020 Auditor's Status Update: Recommendation in process

As noted above, the Bureau said the commitment is difficult to track and account for because projects may include street repair and safety elements and are funded from multiple sources. The Bureau said that once the actual project costs from the first iteration of Fixing our Streets are known, it will look at the mix of funding on projects and consider shifts to help achieve the split they promised voters. The Bureau said there was no

margin of error included in the first Fixing our Streets ballot measure approved by voters, so they are not clear if there are consequences of missing the target.

The Bureau made changes to the way it plans to allocate funding to projects in the second iteration of the Fixing our Streets program, which was approved by voters in May 2020.

Visit our website to view the [original 2019 audit report](#).

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