



# CITY OF PORTLAND

Office of City Auditor LaVonne Griffin-Valade

Audit Services Division

Drummond Kahn, Director

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DATE: September 29, 2010

TO: Mayor Sam Adams  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Randy Leonard  
Commissioner Dan Saltzman

SUBJECT: Transmit Results of Recent City Audit Work by the Audit Services Division, Office of the City Auditor (Report)

Dear Mayor and Commissioners:

The elected City Auditor has responsibilities ranging from overseeing the Council Clerk function, the Elections Office, Archives & Records, and Assessments, Finance, & Foreclosure to the Independent Police Review, Ombudsman's Office, and Hearings Office. I'm here today to update you on the recent work of our Audit Services Division, which is the division in my office that conducts audits and reports to the public and Council on City performance.

Our Audit Services Division conducts this work in accordance with national standards for government auditing. Each member of our staff holds a professional auditing certification, a graduate degree, or both. The Division was recognized in four of the past five years for issuing one of the best audit reports in North America. In addition, we've received awards for the past six consecutive years from the Association of Government Accountants for our Service Efforts and Accomplishments reporting.

Between late May and tomorrow, we will have issued five new performance audit reports on City services. I'm here to briefly describe these audits and, in doing so, to show the range of work that our Audit Services Division performs. I'll conclude with a discussion of the planned audit work for the next several months.

I found great benefit in meeting with each of you earlier this summer to discuss our schedule of audits for this new fiscal year. As we discussed, our role is an independent function to improve public accountability and to enhance decision-making. It's my expectation that you and the public will find value in the variety of topics we study and report on.

The four reports we issued recently were:

- A report on controls and oversight of narcotics used to train Police dogs, issued May 20 – this report focused on the Police Bureau’s controls over physical security, inventory, and access to the controlled substances it uses for its drug detection dog program. The program uses drugs as training tools to ensure canine and dog handler proficiency in drug searches. We found that Portland’s policy for controlling these training aids compared favorably to other local police practices, that proposed new policies provide stronger controls, that better practices are needed to match the strength of the proposed policies, and that physical security appears adequate. *(Portland Police Bureau: Drug training aid procedures strengthened, recently improved practices should continue, May 2010)*
- A report on emergency management, issued May 24 – this report assessed the Portland Office of Emergency Management’s current program, at their request. We found that efforts to provide comprehensive emergency planning and preparation are lacking for two reasons. First, the City lacks a clear definition of roles, a structure to ensure effective oversight, and a strategic plan to focus on the highest priority risks. Second, the City has not effectively coordinated implementation of many essential functions of a well-orchestrated emergency management program. We recommended clarifying roles and responsibilities, documenting governance, and completing a strategic plan, as well as additional recommendations on planning, training, and public outreach. *(Emergency Management: Coordination limited and essential functions incomplete, May 2010)*
- A report on local stimulus efforts, released June 28 – this report studied the City efforts on the Portland Job Creation and Business Stimulus Program, including construction projects, local business and development projects, and workforce development. We found mixed results from the program – while the total value of construction contracts increased over prior years, the specific number of jobs created is unknown. We recommend that City staff continue to implement and refine a reliable method to calculate job creation. We also recommend the City explore ways to speed contract processing and construction permits. *(Portland Job Creation and Stimulus: Construction spending is up, while actual job creation remains unknown, June 2010)*
- A report on emergency response times, issued July 7 – this report studied the causes of Portland Fire & Rescue not meeting its stated response time goal. While the goal is to arrive at 90 percent of emergencies within 5 minutes and 20 seconds, Fire & Rescue only arrived at 75 percent of emergencies within this goal. We describe the factors that slow response time, ranging from geography, congestion, and traffic calming devices like speed bumps to delays caused by other incident responses or the availability of responders. We recommend actions to ensure Fire’s involvement in decisions that affect response times, including traffic calming and development affecting street width. We also recommend improving the City agreement for first responder services with Multnomah County and improvements in the way response time performance is documented. *(Portland Fire & Rescue: Emergency response time goal not met, though PF&R strives for excellence, July 2010)*

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Each of these reports is posted on the Auditor's Office web site.

Additionally, we plan to release a fifth report tomorrow:

- A report on Facilities Services' progress in updating our recommendations from our 2008 audit on construction contracting. The report concludes that the City has implemented two of the four recommendations from 2008 and is in the process of implementing the final two recommendations. Progress includes improved project planning, improved processes to complete design documents prior to bidding, and improved documentation of changes as construction work progresses. (*Facilities Services: Project management practices improved, September 2010*)

These report topics represent the range of oversight that helps the public and decision-makers evaluate City services, from very specific processes like controlling drugs used for Police Bureau dog training, to reports on broader issues like emergency management, fire response times and City's capacity to manage the local stimulus program. This range of auditing will continue. Audits currently underway and planned for release over the next several months include:

- A report on oversight of City-owned performing arts facilities
- A report on policies and use of Tasers by the Police Bureau
- A report on the costs, timeliness, and functions of the City's efforts to implement new financial software
- A report on City uses of utility ratepayer funds
- A report on our annual survey of Portland residents and their opinions of City services
- A report on City progress in implementing our recommendations from 2005 on the Percent for Art Program
- An annual report on the City's performance – our 20<sup>th</sup> Service Efforts and Accomplishments report

I plan to return to Council regularly to share with you the results of our audit reports. Please contact me with any questions or suggestions, and I look forward to working with you and your bureaus as we study and report on the performance of City government.

Sincerely,



LAVONNE GRIFFIN-VALADE  
City Auditor

Agenda No.  
**REPORT NO.**  
Title

Transmit results of recent City audit work by the Audit Services Division, Office of the City Auditor (Report)

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>LaVonne Griffin-Valade,</b> City Auditor</p>	<p>CLERK USE: DATE FILED <u>SEP 24 2010</u></p>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p>	<p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By:  Deputy</p> <p><b>ACTION TAKEN:</b>  SEP 29 2010 <b>PLACED ON FILE</b></p>
<p><b>BUREAU APPROVAL</b></p> <p>Division: Audit Services Director: Drummond Kahn</p>	
<p>Prepared by: Drummond Kahn Date Prepared: August 27, 2010</p>	
<p><b>Financial Impact Statement</b></p> <p>Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input checked="" type="checkbox"/></p>	
<p>Council Meeting Date <b>September 29, 2010</b></p>	
<p><b>City Attorney Approval</b></p>	

**AGENDA**

**TIME CERTAIN**   
Start time: 9:50 AM

**Total amount of time needed: 20 Minutes**  
(for presentation, testimony and discussion)

**CONSENT**

**REGULAR**   
Total amount of time needed: \_\_\_\_\_  
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz		
2. Fish	2. Fish		
3. Saltzman	3. Saltzman		
4. Leonard	4. Leonard		
Adams	Adams		