

Audit Services Division

Authority

The elected City Auditor of Portland is required by City Charter §2-505 to conduct financial and performance audits of City government. In addition, the Auditor coordinates the annual audit of the City's financial records.

The Auditor has full access to all information needed to conduct audits. City management must respond in writing to all audit recommendations.

To assist the City Auditor with these duties, City Council created the Audit Services Division. The Division is required to follow auditing standards issued by the Comptroller General of the United States. Consistent with these standards, the Division must be independent and objective in all phases of its work.

Mission

The mission of the Audit Services Division is to promote honest, efficient, effective, and fully accountable City government. To fulfill this mission the Division audits and evaluates City operations to provide useful and objective information to citizens, City Council, and management.

Audits help improve City government performance and accountability by:

- evaluating program efficiency and effectiveness
- assessing the accuracy of financial reports and management information
- testing adequacy of controls for preventing waste and safeguarding assets
- checking compliance with laws and regulations

Audit Process

Each year, the City Auditor prepares a work schedule for the Division. Ideas for audit topics are obtained from the Mayor and City Council, Bureau managers, citizen advisory committees and other interested parties.

The City Auditor selects topics based on potential for cost savings and service improvements; level of public and Council interest; evidence of problems or wrongdoing; risk of loss or abuse; and availability of audit staff. Audits are performed in three phases:

- *Survey* - Clarifying objectives and developing a work plan
- *Fieldwork* - Collecting and analyzing information to identify audit findings, and reviewing findings with auditees
- *Reporting & Follow-up* - Communicating conclusions and recommendations to managers, City Council, and the public, and monitoring corrective action

Audit standards require the Division to undergo a quality control review every three years by an independent external group. The Division successfully passed its first quality review in May 1993.

Key Performance Results

An important measure of the success of the Audit Services Division is the extent to which audits result in positive change in City government. City departments have taken action to address 90% of all audit report recommendations. Audits have also identified over \$21.5 million in measurable financial benefits since 1984. In 1994, the Division will survey users of audit reports to determine how they rate the effectiveness of audits in improving the City government performance and accountability.

Statistics

Fiscal Year	Division Budget*	Average Cost Per Audit Hour
1988-89	\$848,145	\$68
1989-90	\$772,167	\$65
1990-91	\$726,489	\$70
1991-92	\$812,328	\$66
1992-93	\$775,047	\$74
(Goal)		\$70

*constant FY 1992-93 dollars

Fiscal Year	Reports Released	Recommendations Addressed
1988-89	9	92%
1989-90	9	93%
1990-91	11	81%
1991-92	8	93%
1992-93	8	80%

Staff Qualifications

The Audit Services Division of the City Auditor's Office has 10 full-time staff with considerable experience working in state and local government, universities and private business. Staff members have diverse educational backgrounds including accounting, public and business administration, law, social sciences, statistics, computer science, and journalism. All audit staff have advanced academic degrees and/or professional certifications.

The Division also employs graduate student interns to work on audit projects on a temporary basis.

Major Work Products

The Division issues an average of nine audit reports each year. Three reports are prepared on an on-going basis:

- *Comprehensive Annual Financial Report* (CAFR) - State-mandated audit of the City's financial statements conducted under contract with a public accounting firm
- *Service Efforts and Accomplishments Report* (SEA) - Annual report on the performance of the City's major services. Includes annual citizen satisfaction survey
- *Financial Trends Report* - Biannual evaluation of the City's financial condition, using financial data from the past 10 years

Over the past several years the Division has focused audits on improving public safety, controlling employee costs, strengthening management controls, and protecting the City's infrastructure. A list of reports issued by the Division since 1985 is on the back page of this brochure.

For More Information

For more information about the Audit Services Division or to obtain copies of reports or the status of audit recommendations call or write:

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Audit Services Division
1220 S.W. Fifth Ave., Room 120
Portland, OR 97204
(503) 823-4005

Audit Reports Since 1985

1985

Employee Evaluation Process in the Office of the City Auditor
Activities and Accomplishments, Internal Audit Div. Treasury Division
Pacific Northwest Bell License Fees
Bureau of Licenses
Public Utility License Fees
Bureau of Parks Special Investigation
Collection of Special Assessments
Bureau of Risk Management
Bureau of Water Capital Improvement Program

1986

Activities and Accomplishments, Internal Audit Div.
First Farwest Group, Inc. Contract Compliance
Self-Insured Health Program Reserves
Review of Interstate Firehouse Cultural Center
Accounts Receivable and Collection Process
Containing the Cost of City Health Programs
Financial and Service Impact of Annexations: Urban Services Program
Fire and Police Disability and Retirement Plan

1987

Review of City Bureau Timekeeping Practices
Review of Bureau of Police: Patrol Staffing and Deployment Practices
Opportunities to Improve City Fleet Management
Annual Financial Report: 1986-87

1988

Division of Printing and Distribution, Bureau of General Services
Street Maintenance: Opportunities to Improve Quality and Lower Costs
Pacific Power and Light Utility License Fees
Bureau of Risk Management Special Investigation
Transient Lodging Tax, Bureau of Licenses

Bureau of Fire, Rescue and Emergency Services:
Evaluation of Emergency Dispatch Operation
Internal Audit Division Activities and Accomplishments
An Evaluation of the City's Financial Condition: 1978-87
Portland International Raceway Concessions
Annual Financial Report: 1987-88

1989

Review of PGE Utility License Fees
Review of Northwest Natural Gas Utility License Fees
A Review of Police Bureau Information Systems
A Review of the Bureau of Buildings
Improving the Management of City Parking Garages
A Review of the Bureau of Transportation Engineering
A Review of the Records Management Division
Limited Review of PIR Concessions
Police Bureau Fleet Management
Annual Financial Report: 1988-89

1990

Fire, Rescue and Emergency Services: Workload and Performance Analysis
Bureau of Environmental Services Special Investigation
City Financial Trends: 1978-89
U.S. West Communications Utility License Fees
Petty Cash Practices Need Improvement
Review Paragon Cable Utility License Fees
Audit Survey Results: Bureau of Environmental Services
City of Portland's Participation in PERS: A Review of Costs and Benefits
Audit Services Division Activities and Accomplishments
Responding to Property Tax Limitation
Annual Financial Report: 1989-90

1991

Employee Suggestions to Improve Services
St. John's Land Fill End Use Project
Evaluating Government Performance
Gainsharing Pilot Project: Printing & Distribution Services
Bureau of Parks and Recreation: Opportunities to Improve Services Through Improved Management
TCI Cable Utility License Fees
Annual Financial Report: 1990-91

1992

Police Evidence Funds
Service Efforts and Accomplishments: 1990-91
City Financial Trends: 1980-91
Fire and Police Disability and Retirement Fund: Status of 1989 City Charter Amendments
Annual Report of the Audit Services Division
Opportunities to Improve Contracting and Purchasing Practices
Annual Financial Report: 1991-92

1993

Services Efforts and Accomplishments (1991-92)
Portland's System for Handling Citizen Complaints About Police Misconduct Can Be Improved
Opportunities Exist to Enhance Methods for Reviewing and Approving Water and Sewer Rates
Review of Surplus and Unclaimed City Property
Bureau of Fire, Rescue and Emergency Services: Logistical Support Program
Bureau of Personnel Services: Enhancing Performance Through Better Management
Services Efforts and Accomplishments (1992-93)
Integrated Business Information System Audit
Annual Financial Report: 1992-93

Promoting Accountability

Audit Services Division



Office of the City Auditor City of Portland

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Portland City Auditor

April 1994