



2006 Annual Performance Audit Report

Date: January 2007
To: Performance Audit Committee, Snohomish County Council, John Chelminiak, Bob Terwilliger, and Aaron Reardon
CC: Mark Soine, Peter Camp, Ed Moats
From: Kymber Waltmunson, Performance Auditor

2006 was a successful year for performance audits in Snohomish County that began with the most complex project completed to date, Department of Emergency Management, and finished with meeting or exceeding all of our office performance indicators. We continue to take on new challenges and are looking toward the office's transition to the legislative branch. We appreciate the opportunity to serve Snohomish County and to facilitate positive change.

Resources for Performance Audit in 2006:

- 1.5 Performance Auditors
- \$113,783 budget
- 5,450 total hours of work
 - 626 volunteer work hours
 - 924 temporary auditor work hours¹

Performance Indicators

Performance Indicator	Performance
1. Reports Issued	Exceeded
2. Percent of Recommendations Pursued	Exceeded
3. Direct vs. Indirect Time	Exceeded
4. Peer Review	Met

1. Reports Issued- **EXCEEDED**

Our goal is to produce a minimum of four reports.

	Audits	Audit Follow Ups	Other Projects	Total
Completed	2	3	2	7

Audits	Hours	Audit Follow Ups	Hours	Other Projects	Hours
ER&R	539	OPD	24	Peer Review	Unk
DEM	2845	Facilities Closeout	27	2007 Workplan	Unk
Warrants*	833	Public Disclosure	49		
		Code Enforcement*	66		

*Criminal Warrants Audit and Code Enforcement Follow Up will be finalized in early 2007.

¹ Temporary auditors were hired to complete the Department of Emergency Management (DEM) Audit. These auditors were paid by DEM and the Executive.



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

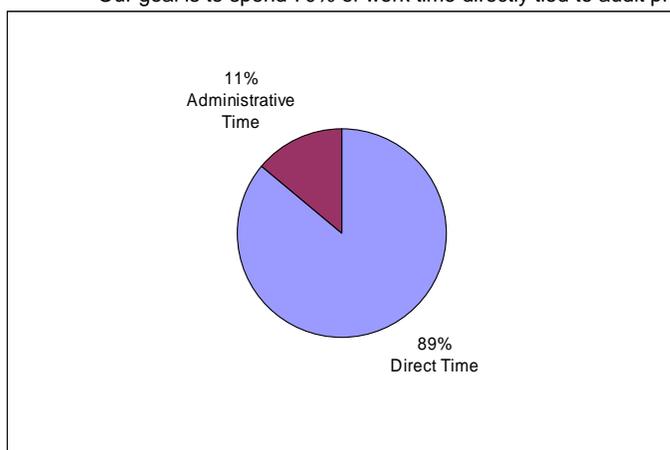
Our goal is to see 75% of PAD recommendations pursued by decision makers.

Recommendations Pursued in 2006

Audit	# Recs	# Addressed	# Still In Progress / Partially Addressed	# Not Pursued	% Pursued
OPD	22	17	2	3	86%
Facilities Closeout	6	1	5	0	100%
Public Disclosure	6	4	2	0	100%
Total	34	22	9	3	91%

3. Percent of Direct vs. Indirect Time - **EXCEEDED**

Our goal is to spend 70% of work time directly tied to audit projects.



4. Peer Review – **MET**

Our goal is to receive a “Full Compliance” rating every three years from an ALGA Peer Review.

The Office received a “Full Compliance” rating and positive feedback from the Association of Local Government Auditors (ALGA) peer reviewers. They noted that, “the performance audit staff is exceptionally professional and focused on meeting the needs of departments while achieving compliance with the *Government Auditing Standards*.”

2006 Report Summaries

Audits:

Equipment Repair and Replacement

The audit team made fourteen recommendations for improvement in the areas of vehicle ownership, information access, maintenance, and rules. We determined that:

- Responsibility for ownership and management of rolling stock is largely allocated in the most cost efficient and safe manner.
- ER&R, Departments, and Offices should have access to accurate and complete vehicle data.



- An effective maintenance program ensures maximum equipment efficiency and economical rental rates.
- Rules generally govern fleet decisions effectively.

DEM

The audit team identified 90 criteria for high performing emergency management entities and made 17 recommendations for the Department of Emergency Management. We determined that:

- DEM is focusing on making organizational, management, and staffing improvements.
- DEM is in compliance with most applicable laws and regulations.
- DEM implementation of the National Incident Management System (NIMS) is partially complete.
- DEM should improve disaster preparedness planning.
- DEM largely manages grant processes effectively, but needs improvement in some areas.
- Snohomish County is working toward sufficient planning for continuity of government operations.

Audit Follow Up:

Public Disclosure

The Department of Information Services and Public Disclosure Committee Members addressed the primary issues raised by the performance audit. Four of the six recommendations were fully addressed. Of the two recommendations that were partially addressed, one is a long term goal for which groundwork is currently being laid.

Public Defense

The Office of Public Defense addressed or partially addressed all 19 audit recommendations. Three recommendations were withdrawn. Of the two recommendations that are “partially addressed,” full completion is anticipated by the end of 2006.

Capital Construction Contract Close Out

Although closeout is not yet complete, the Facilities Management Department is addressing the primary issues raised by the performance audit. All six recommendations were either fully addressed or are in the process of being addressed. Of the five recommendations that were partially addressed, four of them will be fully addressed after the closeout process is completed and the remaining recommendation will be addressed once a new capital project is underway.

Other Projects:

Peer Review

Below are some excerpts from our peer review letter describing both positive observations and guidance from the peer reviewers:



- The performance auditor has accomplished a significant amount of work during her two-year tenure.
- Despite the limited number of audit staff, the Office of Performance Audit Services has completed three audits under the revised policies and procedures, including one very complex audit, in a timely manner.
- The Office of Performance Audit Services staffs' commitment to excellence is visible in the quality of their work.
- The reports are well written and focus on the relevant issues summarized in the audit documentation.
- Amend the policies and procedures to formalize the following audit procedures:
- Include in the audit plans the specific steps and tests that will be used to gather and analyze data to achieve the audit objectives.
- Cross reference audit plans to the audit documentation that supports the work performed to achieve the audit objectives.

2007 Workplan (topics subject to change following transition to legislative branch)

Project detail is subject to change following initial analysis during pre-audit survey

1. Personnel Function Decentralization

Are personnel functions being effectively implemented by department HR designees? Are risks sufficiently mitigated to avoid inappropriate action and/or litigation?

2. Park Maintenance

Are Snohomish County parks effectively and efficiently maintained? Are staffing levels and maintenance activities appropriate to mitigate risks and capitalize on opportunities?

3. Parcel Segregation

Are parcel segregation processes efficient and effective as they relate to the Assessor and Treasurer? Are backlogs being reduced to allow for accurate and timely recording?

Active Projects

Audit:

Criminal Warrants

This audit is in the writing and validation stage and expected to be completed in the first quarter of 2007.

Audit Follow Up:

Code Enforcement

This follow up is in progress and expected to be completed in the first quarter of 2007.