



**Office of the Performance Auditor
2011 Annual Report**

April 13, 2012



Status Update

In 2011 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.

The Office continued to be managed during 2011 by senior council staff members. This move was necessary to address county-wide budget reduction requirements brought about by declining economy beginning in 2008. The Performance Audit Advisory Committee remained at full strength in 2011

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 was reauthorized in 2009 and again in January of 2010. It remained in force through the end of 2010. At the present time the Council is investigating staffing concepts that will provide dedicated performance audit services. The 2012 work program is dedicated to creating a staffing model that will maximize audit coverage in the future.

In spite of the economic conditions, the County is committed to meeting both the specifications and the spirit of the Performance Auditor requirements specified in the Charter.

Their specific objectives for the Office of Performance Audit in 2011 were to:

- Complete the 2010 Annual Report for the Office of Performance Audit Services.
- Work with council members to fill vacancies on the performance audit committee.
- Conduct meetings of the Performance Audit Committee providing orientation to new members and providing the committee the opportunity to review and amend 2011 Draft Audit Program.
- Assess the need for follow up of previous audit work and coordinate completion of work..

The Office of Performance Audit accomplished all of these objectives and in 2011



Office of the County Performance Auditor, 2010

- 1 Office of Performance Auditor Management: John Amos
- Admin Support: Carri Schlade

Performance Audit Committee (PAC)

The PAC met once and received written reports in 2011.. 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 2011 Performance Audit Committee

- Council District 1 Appointee: Dee Burnett (1st term expires 12/31/2014)
- Council District 2 Appointee: Otto Chase (1st term expires 12/31/2014)
- Council District 3 Appointee: John S. Briney (1st term expires 12/31/2011)*
- Council District 4 Appointee: Lillian Kaufer (1st term expires 12/31/2013)
- Council District 5 Appointee: Brent Lambert (1st Term expires 12/31/2013)
- Executive Appointee: Reginald Gillins (1st term expires 12/31/2012)*
- Executive Appointee: Eric Earling (1st term expires 12/31/2012)

*Mr. Briney was appointed to a different County Board. According to County Code Board members may serve on only one board at a time so Mr. Briney was not eligible for to be re-nominated for second term in 2012. Council member Wright is conducting district outreach to identify a new board member from District 3.

Performance Indicators

0 Reports Issued

	Audits	Audits Closed	Total
Completed	0	3	0

Audits	Audit Follow Ups
ER&R Usage Audit	Closed
Parks Maintenance Audit	Closed
Electronic Payments	Closed



Full Compliance (2006) Peer Review

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

Audit Topics Considered as Part of 2010-2011 Audit Work plan

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.

- Department of Information Services Audit of Rate Model, Governance and Communications – Core Audit was completed in April 2010 and department developed an Action Plan to address the recommendations. Follow up engagement was completed in 2010. The initial report and the follow up report were used in development of the ITAC governance legislation. The Department had a change in leadership during 2011 and further review has been deferred until confirmation of the new director (this occurred in the first quarter of 2012).



Open Recommendation Reporting

The regular practice of revisiting past audits to determine the progress that has been made addressing open recommendations was delayed due to scheduling conflicts. The expectation is to complete the work in mid 2012. Below is the status of open reports as of the last review.

➤ Department of Emergency Management Audit

One recommendations were open at the Department of Emergency Management Audit's last review in December 2010. This follow up evaluation focused only on these open recommendations and was completed in November and December of 2010. At the conclusion of the review one recommendation remained open.

OPEN Recommendation:

Recommendation 12 - Training plans and logs

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

DEM has created several tools to support training needs assessment and documentation including training plans, training request forms, training records forms, and core competency assessments. These documents provide a good foundation for implementing Recommendation 12. Prior to closing this recommendation, DEM should apply the training framework they have developed.

This recommendation cannot be fully closed at this time, however, the work remaining on this recommendation is not significant and further follow up may not be warranted. This will be reviewed one more time to determine that the training framework has been applied to processes.

➤ Hiring Practices Audit

The Office of Performance Audit staff met with HR management during 2010 and began the follow up of the recommendations. Follow-up had been delayed until staff was hired in 2009 to address the Audit recommendations.

Because of a challenging budget environment, Snohomish County has been reducing its workforce since the publication of this audit in 2007. During 2008-2010 the county had very little need or opportunity to recruit and select applicants for county employment. Rather, Human Resources has been managing a deep layoff register to fill open positions. The result of this focus is that the recommendations



made in 2007 have not been fully implemented. Human Resources has, however, made significant progress strengthening the controls over recruitment and selection. This will leverage implementation of the six recommendations as county recruitment and selection increase in the coming years.

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.

Implementation of this recommendation has not been a priority for Human Resources during 2008-2010.

Next Steps

In order to fully meet the intent of this recommendation, Human Resources should re-evaluate their roles and resources when the county workforce is focused less on reductions and more on recruitment and retention.

Recommendation 2 – Controls

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

Human Resources has made significant progress in implementing processes to help ensure that hiring is completed efficiently, effectively, and consistently but full implementation of this recommendation has been impacted by a shifting environment and priorities.

Risk Mitigation

Risk is reduced through implementation of each recommendation made in this audit; however the original audit suggested several best practices to reduce recruitment and selection risk. The most important of these was that Human Resources should ensure a consistent, fair, defensible, and documented recruitment and hiring process. Designing and implementing a SharePoint site as a central location for hiring resources helps to facilitate a consistent, fair, defensible, and documented process. This site is utilized by recruitment and selection staff across the county and both provides up-to-date information and standardizes processes.

Human Resources are also currently investigating the purchase of an automated recruitment system. They plan to link this system with current county data systems to leverage its impact. If implemented, an automated recruitment system will reduce risk by standardizing processes and enhancing documentation.



Although the SharePoint and plans for an automated recruitment system are a strong start, more can be done to reduce recruitment and selection risk.

Procedures

The data available on the SharePoint site has provided systematic and well-communicated guidance to individuals across the county who recruit and select employees. The information contained in the SharePoint site meets the objective of this element of Recommendation 2.

Affirmative Action

The Affirmative Action Plan has been developed by Human Resources and adopted for the years 2010 - 2011. This meets the goals for this element of Recommendation 2.

Recruitment Plan

Human Resources has not yet developed a recruitment plan and program with the components required in Snohomish County Code Chapter 3A should be put in place and communicated to employees. Human Resources reports that they intend to begin work on this plan/program in 2011.

Job Requisition

The job requisition form has been updated and instructions are available for department/office recruitment and selection staff on the SharePoint site. These actions meet the intention of this element of Recommendation 2.

Process Checklist

The SharePoint site provides full guidance for the recruitment and selection process. This meets the objective of this element of Recommendation 2.

Training

Human Resources has provided several training opportunities for recruitment and selection staff across the county. Additional training is planned and Human Resources plans to initiate a process for ensuring sufficient training and maintaining training records in 2011.

File Audits



Since the audit, Human Resources has audited files only in response to issues raised by applicants and/or labor unions. They report that they do not currently have the resources to audit each file. If an automated recruitment system is put in place, this will facilitate future file audits. Problems could be identified and documentation improved using a file audit process.

Data Plan

Human Resources has not yet developed a data collection, analysis, and response plan. Best practices state that data collected and monitored should include at a minimum:

- Length of time each recruitment and selection takes
- Recruitment sourcing and effectiveness
- Impact of diversity initiatives
- Unintended impacts on protected classes in testing
- Quality of new hires

Data should be collected in order to better understand, communicate, and inform the county's hiring practices. Human Resources states that they will take action on this element of Recommendation 2 in 2011.

Hiring Forum

Human Resources has facilitated several meetings of a forum to facilitate information sharing for recruitment and selection staff across the county. They plan to continue assisting this group. Human Resources has met the intent of this element of Recommendation 2.

Next Steps

In order to fully meet the intent of this recommendation, Human Resources should:

1. Formally assess risk and take actions that grow out of the risk assessment process.
2. Develop a Recruitment Plan.
3. Implement and monitor a training plan for recruitment and selection staff in departments and offices.
4. Increase auditing of recruitment and selection files completed by staff in departments and offices.
5. Develop a formal data collection, analysis, and response plan.

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.

In the original audit, most departments and offices noted difficulty finding qualified candidates for specific technical positions, skilled and experienced managers, diverse candidates, and project/temporary positions. Human Resources has provided some informal assistance to departments and offices with difficult-to-fill positions during the follow up period. Human Resources plans to further assist departments and offices as recruitment needs increase.

Next Steps

In order to fully meet the intent of this recommendation, Human Resources should work with departments and offices with difficult-to-fill positions to develop short- and long-term recruiting plans.

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 2007 audit showed that the number of candidates who left Snohomish County within the first year of employment had doubled between 2001-2005 to almost 25%. It is unclear if this turnover is still a concern in 2010. Exit interviews are often used by organizations to better understand their turnover rates as they can assist an organization in identifying areas where improvements could be made in the working environment, culture, management/leadership and training.

Human Resources has recommended that exit interviews not be documented. Exit interviews are subject to public disclosure. Human Resources reports that there has been an increase in the number of informal exit interviews that are occurring at the department and office level.

Next Steps

In order to fully meet the intent of this recommendation, Human Resources should formally support an exit interview process.

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.

The audit showed that the Snohomish County recruitment and selection process took longer than comparable organizations and was growing. There were several internal



process points where efficiencies could improve the time to fill open positions. When positions are open for longer periods of time quality candidates can be lost and organizational productivity can suffer. Because of the focus on reduction of force, there have been too few full recruitment processes to calculate this measure. Utilizing the layoff register has reduced time to fill, but this does not reflect the full recruitment process.

Next Steps

In order to fully meet the intent of this recommendation, Human Resources should begin to assess time-to-fill when there are a sufficient number of full recruitment processes occurring in the county to warrant this calculation.

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.

Human Resources has reviewed and approved the methodology for creating an eligibility register for firefighters at Paine Field. They have not yet developed an eligibility register for other roles. This is likely not needed until the layoff register stops being the primary source for filling open positions.

Next Steps

In order to fully meet the intent of this recommendation, Human Resources should formally explore development of eligibility registers when there are a sufficient number of full recruitment processes occurring in the county to warrant this calculation.

➤ **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 they 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 they 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.

With this report it appears that all recommendations have been addressed. However, with the unprecedented decline in construction activity the department has undergone significant reductions. This item was deferred from the follow up agenda in 2010 due to other priorities and limited audit resources. We will return for one more follow up to determine if any of the business practices have changed as a result of the staffing reductions and budget shortfalls.