



METRO

Office of the Auditor

NATURAL AREAS AUDIT FOLLOW-UP

Natural Areas Program: Good progress made

Kristin Lieber

Senior Management Auditor

January 27, 2010

SUMMARY

The Metro Auditor's Office assessed Metro's implementation of recommendations from the **2007 audit "Natural Areas Program: Improved transparency recommended."** We found Metro has done a good job in establishing systems to make operations transparent and accountable. Recommendations from the audit have been implemented or are in process.

We performed this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

SUZANNE FLYNN

Metro Auditor

600 NE Grand Avenue

Portland, OR 97232

tel: 503-797-1892

fax: 503-797-1831

www.oregonmetro.gov/auditor

BACKGROUND

Three years have passed since voters approved the 2006 Natural Areas bond measure, providing \$227.4 million to acquire natural area land. In October 2007, the Auditor's Office assessed whether Metro was prepared to effectively manage land purchases. The Auditor issued a report "Natural Areas Program: Improved transparency recommended." The audit found that new performance measures would assist oversight and management of the Program, communication could be improved and lessons learned should be preserved to help improve operations.

SCOPE AND METHODOLOGY

We followed up on the audit's eight recommendations to gauge progress made since the report was issued. In addition, we looked at three underlying issues in the 2007 report that could be better assessed now that the Program had been operating for several years. These underlying issues were: 1) whether decision-making was transparent, 2) if the program was monitoring results, and 3) whether the Natural Areas Program Performance Oversight Committee was structured to be effective.

To accomplish this, we conducted interviews with management and surveyed oversight committee members. Program staff provided extensive documentation of their work to address the recommendations. We examined computerized data and conducted tests of data reliability. We reviewed management reports, closing memos, planning documents and the annual report of the Natural Areas Program Performance Oversight Committee published in 2008.

RESULTS

We found that the Natural Areas Program had implemented or was in the process of implementing the 2007 audit recommendations. We determined the Program was making appropriate progress toward establishing systems to ensure accountability and transparency. Steps taken by management to address recommendations are summarized below. We commend the efforts of the Natural Areas Program in responding to the audit.

PERFORMANCE MEASURES

The audit recommended creating a more complete system of performance measures. The Program made extensive improvements in this area. We found the performance measurement system was complete, balanced and useful. Specific improvements included:

- The Program added further credibility to its purchase decisions by evaluating new acquisitions against a set of pre-determined quantitative measures. This will help disarm potential criticism that measures or indicators were selectively chosen to justify decisions after the fact.
- The performance measurement system was complete and addressed the Program's major goals and objectives. It provided a balance of input, output, outcome and accountability measures. Data was collected consistently and could be summarized and analyzed.
- Data systems were expanded to capture additional performance information. The Program linked performance data to a geographic information system (GIS) to allow it to capture, store, analyze and present data linked to location.
- Progress was underway in estimating the projected future cost of ongoing operations to provide greater visibility of future expenditure needs.

In the 2007 report, we noted that the Program's goals can conflict with each other. For example, increasing public access to an area reduces its value for wildlife habitat. We found there was a sense that making acquisitions in some areas was more pressing than others, however, the relative importance between target areas was not documented. We recommended explicitly prioritizing between goals. Management elected not to implement this recommendation. External factors affected whether there was more or less activity in one area because purchases were made only from willing sellers. We accepted this reasoning. We believe the Program's new tools provided transparency regarding priorities and whether money was spent as intended.

COMMUNICATION

The audit recommended improved communication planning in order to provide more clarity and openness about activities. We found the Program was approaching communication more strategically and had implemented this recommendation by:

- creating communication plans with annual calendars, messages, and target audiences.
- allocating money in the budget for regular communication campaigns.
- evaluating the effectiveness of communication with the oversight committee.

We also recommended the Program evaluate public involvement with input from the Metro Committee of Citizen Involvement (MCCI). While the Program had not formally sought feedback from the MCCI since the 2007 audit, we found it had substantively met this recommendation. It presented the results of public involvement activities to the MCCI and sought feedback on communication and outreach strategies from the Natural Areas Program Performance Oversight Committee.

LESSONS LEARNED

The 2007 audit recommended developing a strategy to capture important information from employees and store lessons learned. The Program implemented this recommendation. Improvements included:

- Staff developed several documents summarizing lessons learned from the capital grant program, land acquisition process, communication, and administration.
- Negotiators maintained ongoing records of observations about the purchasing and negotiation process.
- Staff evaluated and documented what worked well and what did not work during the early stages of the Program.

OVERSIGHT COMMITTEE

While we made no recommendations in the 2007 audit regarding the oversight committee, we assessed the committee's structure during this follow-up audit because of its important role in accountability and transparency. We conducted a survey of committee members. According to the responses, committee members agreed or strongly agreed the committee had the following:

- a clear delineation of responsibilities,
- access to relevant information,
- sufficient resources,
- adequate size,
- and appropriate member expertise.

AREAS NEEDING FURTHER ATTENTION

With the acquisition of thousands of acres of additional land, the cost of maintaining and restoring this property will increase. The Program had begun to gather data necessary to estimate this cost. It should continue work to provide greater clarity of likely projected costs.

Isolating and estimating the long term impact of the Program remains a challenging endeavor. We encourage the Program to develop performance measures to determine if acquisition and restoration activities are having the anticipated results.

While the Program was being more strategic about communication, we found it continued to report primarily about single purchases

rather than provide a region-wide picture. Management stated it intends to communicate about the impact of the larger program in the coming year, and we encourage moving in this direction.

Staff entered performance data manually into several different computer-based systems. We conducted limited testing of data reliability and found improvements could be made to ensure the data is accurate and consistent. The Program was in the process of hiring a contractor to improve data storage, management and reporting. We encourage continuing to move forward on efforts to integrate data management to eliminate unnecessary duplication of data entry and improve data reliability.

STATUS OF METRO AUDITOR RECOMMENDATIONS

2007 Recommendations	Status
Develop performance measures in each Program goal area (conservation, water quality and public access) and accountability measures, and collect data on these measures on a regular basis.	IMPLEMENTED
Include as accountability measures the future cost of operations and maintenance, monitor easements and staffing subsidized by the general fund.	<p>IN PROCESS</p> <p>The Program was developing a system to estimate future operating costs, but this system was not complete. It tracked staffing. It had developed capacity to monitor easements and had recently purchased its first one.</p>
Expand the property acquisition database to include consistent measures of the quality of acquired properties.	IMPLEMENTED
Develop a process to capture consistent information in closing memos and the Acquisition Summary Form.	IMPLEMENTED
Prioritize Program goals and link reports to these goals.	<p>IMPLEMENTED</p> <p>Reports were linked to goals, but the Program elected not to prioritize between goals. We accept the reasoning behind the decision.</p>
Evaluate public involvement in the Program with input from the Metro Committee for Citizen Involvement.	<p>IMPLEMENTED</p> <p>The Program evaluated involvement with the oversight committee rather than MCCI. We find the Program has met the intent of the recommendation.</p>
<p>The Program should develop a communication strategy that considers:</p> <ul style="list-style-type: none"> • periodic, such as annual, accountability and progress reporting; • opportunities to use partner communication vehicles for efficiencies; • ways to improve the Program website to make it a better resource for partners; • alignment between key messages and Program goals; • standards and instructions for signing property; • communication to internal and external audiences about ethics; • estimated resources required to carry out the communication strategy; • periodic evaluation of whether the strategy is reaching its target audiences and meeting its communication goals. 	IMPLEMENTED
The Program should develop a more formal knowledge management strategy to capture and document information held by key staff members, including lessons learned from the 1995 Program.	IMPLEMENTED



Metro | *People places. Open spaces.*

January 7, 2010

Suzanne Flynn
Metro Auditor
600 NE Grand Avenue
Portland, OR 97232

Dear Auditor Flynn:

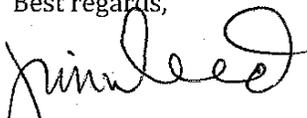
We have reviewed the Natural Areas Audit Follow-up report. Thank you for your acknowledgement of staff's efforts to implement the recommendations of the Auditor and of the Natural Area Citizens Oversight Committee. Both outside perspectives have challenged program staff to develop systems and procedures to ensure program transparency and accountability, and the recognition of those systems in this report is appreciated.

The one recommendation from your office's prior report that you are not showing as implemented is accounting for the future cost of operations and maintenance. This is a challenging task with many variables, but as mentioned in the report, we are making progress on a system to track the information we need to make cost projections. The availability of this information to provide decision-makers with background for budget and long term planning purposes is critical, and we are making every effort to improve our methods and ensure a consistent, documented approach for the future. This is critical to fulfilling the promises made to the voters when they voted to tax themselves for water quality and wildlife habitat improvements.

Program staff will continue to work diligently to maintain these systems, and to adjust and improve them when we see the opportunity to do so. Many of these recommendations are dynamic in the sense that as we learn more about our work, we identify better ways to manage this information.

We thank you and your staff for your thoughtful and professional look at our program and systems.

Best regards,


Jim Desmond
Director
Sustainability Center

cc: Michael Jordan, Chief Operating Officer
Scott Robinson, Deputy Chief Operating Officer
Dan Cooper, Metro Attorney
Kathleen Brennan-Hunter, Natural Areas Program Director