



METRO

Office of the Metro Auditor

Annual Report

September 2007

Over 15 years ago voters added an auditor's office to Metro. The Auditor is independently elected to provide the independence and objectivity needed to conduct audits. I began my first term as Metro's Auditor in January of this year. Since taking office, I have hired new staff, reviewed and revised procedures and determined an audit schedule. Two audits will be released soon and my office will sponsor a new fraud hotline for Metro due to be available in November. Our office also developed and adopted a new mission statement and vision.

This first annual report represents work that was completed before my arrival. However, the data represents how I will continue to report to citizens annually on our activities and results. I look forward to serving you in the next four years.

Sincerely,

Suzanne Flynn
Metro Auditor

The Office of the Metro Auditor is a link between the public and Metro. It is in the public's interest to have Metro government operate the best that it can so that public resources are used wisely. It is in Metro's interest to be fully accountable to the public and achieve the public's trust and support. We are committed to serving the interests of the public by providing constructive investigations of Metro services.

Our Mission is to:

- Ensure that Metro is accountable to the public;
- Ensure that Metro activities are transparent; and
- Improve the efficiency, effectiveness and quality of Metro services and activities

We do this by:

- Conducting independent and objective assessments, and
- Reporting our findings and recommendations

It is our Vision to be completely relevant and efficient, choosing the right areas to audit and completing audits quickly so that Metro can constantly improve its services and be accountable to the public.

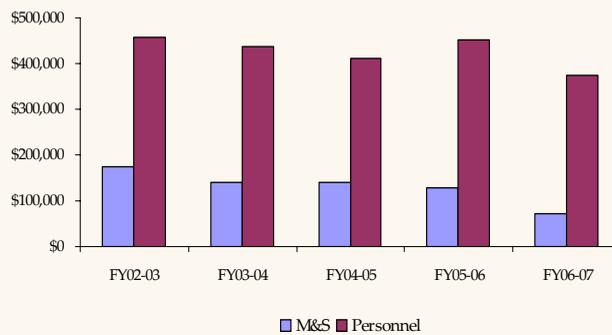
Values:

- Professionalism
- Wise and equitable use of resources
- Support findings with fact
- Balanced perspectives
- Ethical behavior
- Being open minded
- Respectful of others
- Credibility

Accomplishments

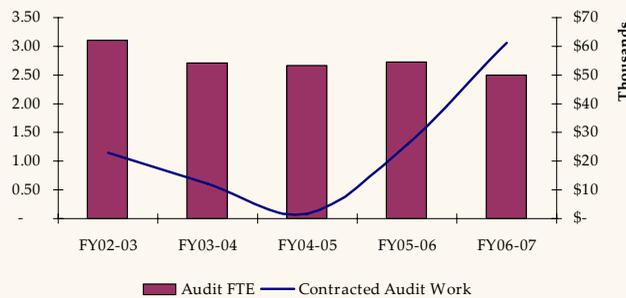
Visit our Website:
www.metro-region.org

Expenditures
(adjusted for inflation)



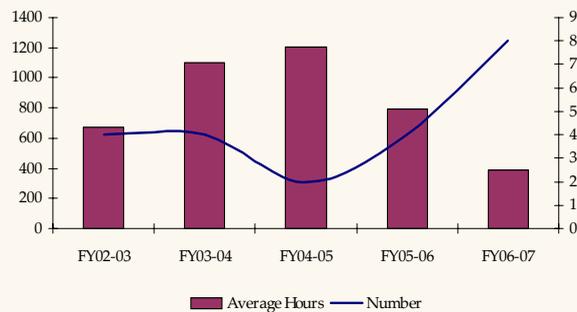
Expenditures decreased 29% in the last five years. The largest decrease was in Materials and Services (59%). This was caused primarily by a transfer of the funding for the annual external audit outside of the Office's budget. However, the budget has been reduced in all areas of spending.

Audit Staff and Contracted Work



The Office was budgeted for three full-time staff auditors each year in the last five years. However, because of turnover or unpaid leave, the actual staffing varied. The Office also includes the elected Metro Auditor and an executive assistant. In the first half of FY06-07, an increased amount of work was contracted out, most likely due to staff turnover. It is my general approach to not contract out audit work. Staff, over time, gains a level of expertise and understanding that can lead to more efficiency.

Average Hours Per Audit and Number of Audits



Because auditing is an expensive resource, it is important to use the resources wisely. At times, a larger, more comprehensive look at a program is necessary.

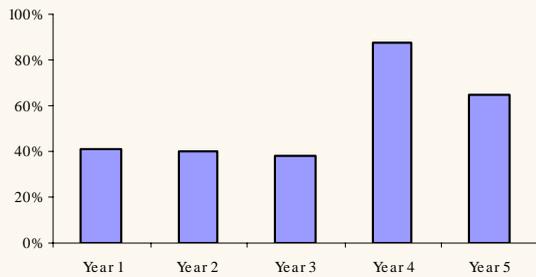
This chart shows the average hours per audit and the number of audits completed each fiscal year. In the years that the average hours per audit were larger, the number of audits completed was smaller.

Audit Wins Gold Knighton Award

The Auditor's Office has received its seventh award for audits performed by the department. The Gold Knighton Award is the top award for an audit in North America. Awarded at this year's Association for Local Government Auditors conference, the audit was on the Metropolitan Exposition Recreation Commission (MERC) management of facilities. The focus of the audit was to study facility care and capital improvement processes at MERC. The results of the audit identified areas of improvement such as evaluating staffing adequacy, tracking cleaning and maintenance activities, clarification on capital funding agreements spending criteria, among others.

Accomplishments

Implementation Rate 1-5 Years After Audit Issued

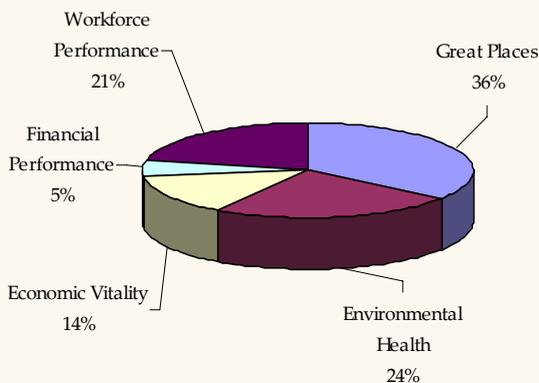


One way to measure audit effectiveness is to track the percentage of recommendations that are implemented. Because management is continuously evaluating and adjusting programs, recommendations can become irrelevant over time if not implemented. As a result, we track the implementation rate from one to five years after the audit is issued. The rate should be higher in the later years. For audits issued four and five years ago, the rate was higher (88% and 65%).

Audit Reports

Reports are available for download on our website, or you may contact the Auditor's Office at (503) 797-1892 to request a copy

Audits by Goal/Success Factor FY03-07



The Metro Council has identified four strategic goals: Great Places, Environmental Health, Economic Vitality and Smart Government, as well as factors that guide internal business processes and are critical for success. In the past five years, the Auditor's Office has focused about one-third of its resources in the area of critical success factors (workforce performance and financial performance) and the other two-thirds in the goal areas of Economic Vitality, Environmental Health, and Great Places.

Audit Schedule

	Start Date	Completion Date
• MERC Performance Measures	Underway	September 2007
• Open Spaces Program	Underway	October 2007
• System to Review Local Compliance with Metro Standards (Planning)	September 2007	January 2008
• TOD Grant Award Process	August 2007	January 2008
• Waste Reduction and Outreach	December 2007	August 2008
• Sustainability Management System	January 2008	September 2008

Questions or Suggestions?

Contact us at (503) 797-1892, or write us at:
Metro Auditor, 600 NE Grand Avenue, Portland, OR 97232

Continuing Education

Metro Audit staff attend continuing education events throughout the year. Government Auditing Standards require that government auditors complete 80 hours of continuing professional education every two years. Our staff attends forums, workshops and conferences relative to performance auditing, as well as participate in an annual retreat that focuses on enhancing communication and benchmarking skills.

About Metro

Metro is the elected regional government that serves more than 1.3 million residents in Clackamas, Multnomah and Washington counties and the 25 cities in the Portland, Oregon, metropolitan area. Metro programs and planning tools help protect our air, water, parks, natural areas and fish and wildlife habitat. Metro also manages garbage disposal and recycling, as well as the Oregon Zoo, Oregon Convention Center, EXPO and Portland Center for Performing Arts.

Metro is governed by a council president elected regionwide and six councilors elected by district, as well as an auditor who is elected regionwide.

Metro Auditor Office Staff

Auditor Suzanne Flynn was elected in May 2006, and took office January 2007. Her background encompasses 16 years of local government experience, most recently as the elected auditor for Multnomah County.

Audit Office staff includes three full-time auditors - Debbie DeShais, Principal Management Auditor, Fred King, Senior Management Auditor, and Kristin Lieser, Senior Management Auditor. Providing support for the Auditor Office staff is Lisa Braun, Administrative Assistant.

Office of the Auditor



METRO

600 NE Grand Ave.
Portland, OR 97232-2736

Address Service Requested

