



Office of the Auditor  
**Annual Report**  
FY 2013-14



Suzanne Flynn, Auditor  
October 2014

## Office responsibilities and staff

### Purpose

The purpose of the Metro Auditor’s Office is to ensure that Metro operations comply with laws and regulations, assets are safeguarded and services are delivered effectively and efficiently. The Office achieves this by conducting performance audits. Performance audits provide objective analysis so that management and the Metro Council can use the information to improve program performance, reduce costs, assist decision-making and contribute to public accountability. The office also administers the contract with the external auditor and manages a hotline to report waste, inefficiency and abuse.

### Communication and transparency

Additionally, the Office provides accountability and transparency in government. Audit findings and recommendations are presented publicly before the Council and are intended to assist the Council and Chief Operating Officer in making improvements that will better serve the public. Reports are published on the Metro Auditor’s web page.

The Office includes the elected Auditor, four staff auditors and an administrative assistant:

- Suzanne Flynn, *Metro Auditor*
- Brian Evans, *Principal Management Auditor*
- Mary Hull Caballero, *Principal Management Auditor*
- Kathryn Nichols, *Senior Management Auditor*
- Angela Owens, *Senior Management Auditor*
- Lisa Braun, *Administrative Assistant*

## Performance measures

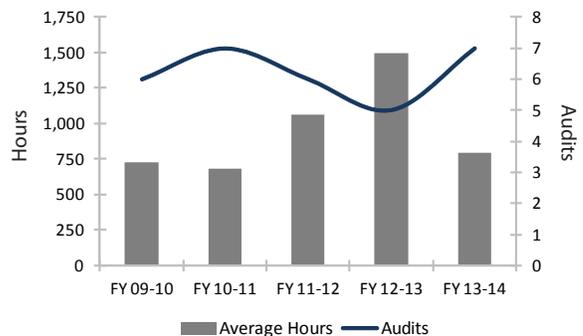
The Audit Office’s performance is measured by reviewing results in the following areas:

- Average hours to complete an audit and number completed each fiscal year
- Total auditor hours per department
- Audits completed per full time equivalent

### Average hours per audit and number of audits

Audits vary in length, depending on their scope and complexity. In FY 2013-14, seven audits were completed. The hours required for completion ranged from 248 to 1,650 hours, with an average of 794 hours.

The average time in FY 2012-13 was higher than other years due to the complexity of an audit completed in that year.



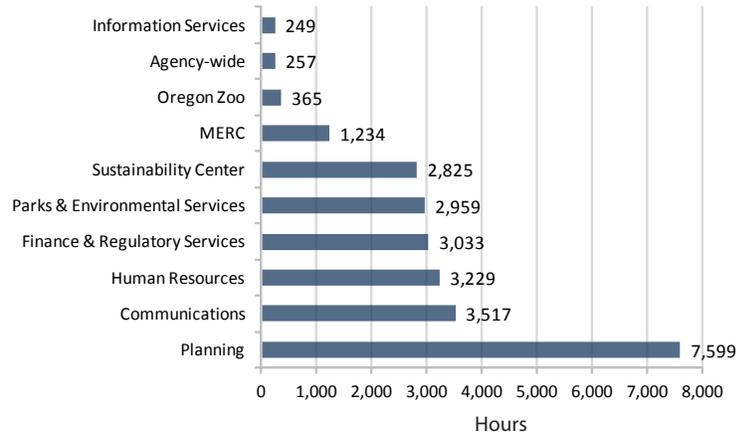
## Hours by department

*FY 2009-10 to FY 2013-14*

One consideration when audits are placed on the schedule is the number of hours spent in a department in past years. Other criteria are:

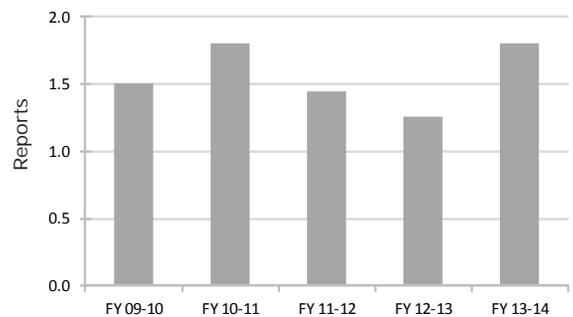
- Potential for savings or improvement
- Interest of Council or public
- Potential for loss

Some programs are more complicated and require more hours. The office also may spend more hours in larger departments, as there are more programs. In FY 2012-13, an audit completed in the Planning Department spanned two years and took over 5,000 hours to complete.



## Audits per FTE

Staff hours available and the scope of the audit determine the number of audits that can be completed each year. The length is affected by the complexity of the subject and size of the program. In FY 2013-14, 1.8 audits per FTE were completed, up from 1.3 the prior year. The downward trend in FY 2011-12 and FY 2012-13 was due to a highly complex and detailed audit conducted over that time period.

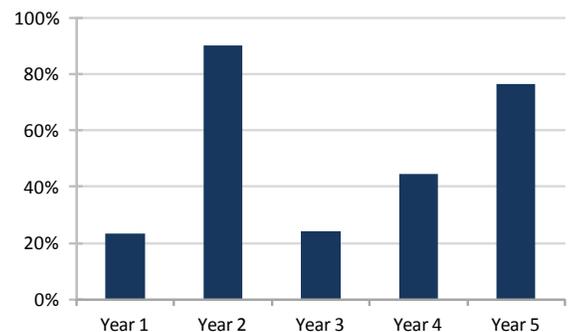


## Recommendation implementation rate

*(1-5 years after audit issued)*

Each year, the office surveys program managers to report on the status of recommendations. That data is used to track the percent of recommendations implemented from one to five years after an audit was issued. Implementation rates are adjusted after the Auditor's Office completes a follow-up audit.

A positive trend would show the percentage increasing as time from completion increases. According to the most recent survey, 76% of recommendations from audits completed five years earlier were implemented.



## Audits released

The office completed seven audit reports in FY 2013-14, which included five full audits and two follow-up audits. There were a total of 21 recommendations made. The audit reports released were:

- IT Software Controls follow-up audit (July 2013) Auditor: Anderson
- Organics Waste Program (October 2013) Audit team: Evans, Owens
- MWESB Procurement Program (March 2014) Audit team: Evans, Owens
- Leave Management follow-up audit (April 2014) Auditor: Nichols
- Opt In Program (May 2014) Audit team: Hull Caballero, Nichols
- Financial Condition of Metro (June 2014) Auditor: Evans
- Sponsorship Expenditures (June 2014) Auditor: Flynn

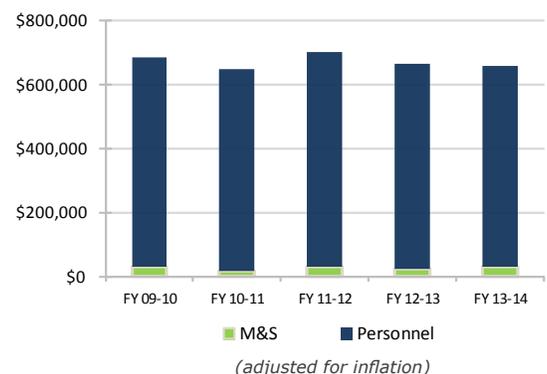
## Audit schedule, FY 2014-15

The following audits are scheduled to be completed this fiscal year.

Audit Title	Start Date	Actual/Estimated Completion Date
Recycling Hotline	Feb 2014	Complete
Asset management	March 2014	Oct. 2014
Ethics Line Case 129	July 2014	Oct. 2014
Assessment of performance measures	July 2014	Dec. 2014
Comparison of Metro's budget process to best practices	Aug 2014	Dec. 2014
Natural Areas Maintenance follow-up audit	Jan 2015	April 2015

## Expenditure

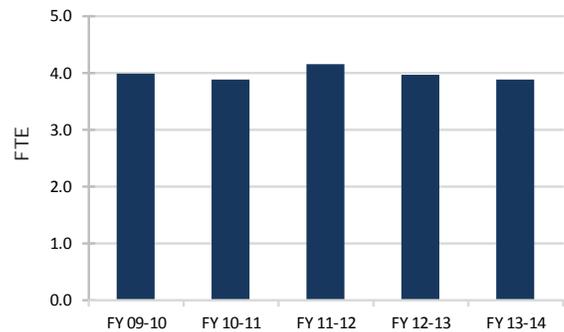
Expenditures were mostly unchanged from last year. Spending on materials and services increased 16% from the prior fiscal year due to replacement of staff computers and software purchase.



## Staffing available

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This graph represents actual audit staff hours available. In FY 2013-14, there were 7,767 staff hours available, the equivalent of 3.88 FTE. This was a slight decrease from last year, due to staffing changes.



## Mission and values

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### Our mission is to:

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

### We do this by:

- *Conducting independent and objective audits, and*
- *Reporting our findings and recommendations.*

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

### Values:

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

## Award-winning audit

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The Office of the Metro Auditor was the recipient of the 2013 Bronze Knighton Award in the Small Shop category. The audit winning the award was titled "*Tracking Transportation Project Outcomes: Light Rail Case Studies.*" Each year, the Association of Local Government Auditors presents awards for audit excellence. Since 2000, the office has won a total of 12 awards from the Association.

## Auditor Office transition

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Voters approved the position of Metro auditor in the Metro Charter beginning in 1995. Since then, there have been two elected auditors. The present auditor, Suzanne Flynn, will leave office at the end of this year and Brian Evans, currently a Principal Management Auditor in the Auditor's Office, will become the Metro Auditor on January 5, 2015.

## Ethics Line summary

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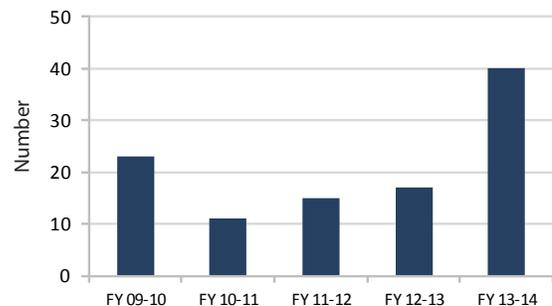
The Ethics Line gives employees and the public a way to report waste, inefficiency or abuse of resources. The Metro Auditor administers the Ethics Line in consultation with upper management and the human resources director. Cases may be handled by human resources personnel if it is possible that disciplinary action may occur. In some cases, upper management will assign an investigation to a department director if the report involves a service or program in that department. The Auditor reserves the right to conduct an audit on any report received.

Forty reports were received in FY 2013-14, more than in any other year. About one-half of the reports were related to the Oregon Zoo. There is a wide variety in the nature of the reports in terms of specificity and identified problem. As a result, they cannot be categorized or summarized easily. Twenty-seven of the reports were successfully investigated. In 12 cases, the information was confirmed and in 11 cases the information was unfounded. In four cases, the information was inaccurate and no determination could be made. The most frequent action that is taken in response to a report is to relay information to the person reporting the concern that explains why the incident occurred. In nine of the cases, some level of personnel action was taken.

### Reports received

FY 2009-10 to FY 2013-14

The number of ethics line cases received each year varied. The highest number to date was 40 reports in FY 2013-14.



### Average days to close

FY 2009-10 to FY 2013-14

According to best practices, cases should be resolved in 30 days or less to be responsive to the person reporting. Since FY 2010-11, this standard has mostly been met.

