

KING COUNTY AUDITOR'S OFFICE HIGHLIGHTS OF 2007 ACCOMPLISHMENTS



King County

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IMPROVING ACCOUNTABILITY AND PERFORMANCE

In 2007, the King County Auditor's Office significantly contributed to accountability, transparency, and performance improvements in county government. Our 2007 audit work resulted in 20 reports and memorandums. We led next steps for countywide performance measurement and reporting, and began

a model Capital Projects Oversight program including the \$1.75 billion Brightwater Treatment and Conveyance system. Moreover, agencies committed to implement 98% of our audit recommendations.

Those recommendations include increasing accuracy and efficiency of Jail Health Services pharmacy and medication administration, improving cost-effective use of

county vehicles, and promoting greater performance and cost savings in the Facilities Management Division's capital planning and programming.

Our office started up two new programs that the county council entrusted to us. First, the Capital Projects Oversight Program strengthens the county's commitment to fiscal responsibility, transparency in government, and quality capital projects. We monitored five major projects and began to establish a system for tracking timeliness, financial status, and program performance of capital projects.

Second, the Countywide Community Forums is a unique citizen engagement program through which citizens will meet in small groups to share views on important public policy issues. The first discussion topic will be: *Transportation: Public Priorities, Options and Funding*.

Mission Statement

The King County Auditor's Office conducts audits and other studies that identify and recommend ways to improve the accountability, performance, and efficiency of King County government.

Additionally, the Countywide Performance Measurement Work Group, led by our office, made progress toward a countywide system of performance measurement, management, and reporting. Work Group *Guidelines* for planning and measurement are now included in the budget instructions by the county's Office of Management and Budget.

Through core mission audit work and these new complementary lines of business, the auditor's office met its goals. Our achievements are possible because of the commitment of the Metropolitan King County Council and other county officials to improving government. We are thankful for their support and look forward to 2008.

JAIL HEALTH SERVICES' (JHS) PHARMACY OPERATIONS & MEDICATION ADMINISTRATION

This audit evaluated JHS's processes for administering medications to inmates, assessed the effectiveness of quality assurance activities, and reviewed staffing policies and practices, including workload and staffing trends. The auditor's office retained a consultant to provide technical and healthcare expertise.

Overall, the audit concluded that inmates are at no greater risk of medication-related errors than patients in other healthcare settings. However, improvements to staffing models for pharmacy and nursing shifts were recommended to ensure that staffing levels match workload demands and that JHS is using the most cost-effective mix of full-time staff, temporary staff, and staff overtime.

The report also recommended that JHS identify key publicly reportable performance measures, including outcome-based measures, and monitor these through joint reviews by JHS and the Department of Adult and Juvenile Detention. Implementation of the report's recommendations will improve the accountability, efficiency, and accuracy of medication dispensing and administration processes. JHS concurred with all of our recommendations and had begun implementation of several improvements when the report was published in October 2007.

COUNTY VEHICLE REPLACEMENT

We found that the majority of the county's vehicles are covered by well-developed vehicle replacement criteria. However, the county did not monitor or report its adherence to these criteria. Although the methodology used to develop vehicle rental rates was consistent with best practices, it was not transparent to the agencies using motor pool vehicles. Finally, we found that most county vehicles were underutilized.

The audit recommended ways to improve lifecycle cost analysis, strengthen cost recovery accounting, increase transparency and accessibility of the rate model, and provide for more cost-effective use of county vehicles. Follow-up to assess implementation of the audit's recommendations is scheduled for later this year.

COUNTYWIDE PERFORMANCE MEASUREMENT AND MANAGEMENT

Our mission is to establish an effective countywide system of strategic planning, performance measurement, management, and reporting. The integrated system has been designed to enhance government accountability, service performance, and resource allocation. Also, a new countywide training course on performance measurement has begun.

This year the council will be considering changes to the county code based on recommendations by the Performance Measurement Work Group, whose membership has countywide representation. If approved, these changes would codify the council's expectations for this countywide system.

The work group is currently working on four areas of implementation: Strategic Planning, Citizen Engagement, Reporting, and Coordination of Effort. It is also revising the *Guidelines* for strategic planning and performance measurement, which now are an integral part of the county's budget instructions.

The auditor's office will present a progress report to council in late summer of 2008.

SHERIFF'S OFFICE COMPLAINT MONITORING

The auditor's office continued to monitor the Sheriff's Office management of employee misconduct complaints. The Sheriff's Office is in the process of addressing many of the concerns identified in our 2006 management review, although some issues about officer use of force have not been addressed. These results were reported to the Sheriff's Blue Ribbon Panel during its 2007 follow-up report.

FOLLOW-UP ON SHERIFF'S OFFICE PERFORMANCE AUDITS 2002-2005

This report provided follow-up on three performance audits conducted of the King County Sheriff's Office (KCSO): the 2002 audit of the Communications (Comm) Center; and the 2004 and 2005 audits of patrol operations, overtime, strategic planning, the contract cost recovery model, and federal grants management.

The KCSO has taken steps to implement most of our recommendations. Efforts to shift the management approach from one that was largely reactive to a more strategic approach is evident in the work that has begun in the areas of patrol staffing and strategic planning.

While progress has been made to strengthen the Comm Center and patrol staffing plans, our follow-up found that these operations continued to be based on older staffing plans that should be updated to meet contemporary standards. As a result, the Comm Center continued to experience performance difficulties, high overtime, and staffing shortfalls. In response to this follow-up report, the KCSO engaged a consultant to update its Comm Center staffing plan. This work was completed in February 2008 and will be used by KCSO in justifying a supplemental budget request for additional staff.

FACILITIES MANAGEMENT DIVISION (FMD) CAPITAL PROGRAMMING AND PLANNING

This audit evaluated FMD's adherence to best practices in capital programming and planning and reviewed the county's broader capital programming and planning policy-making framework and oversight.

Full implementation of the audit's recommendations should lead to more consistent, comprehensive analysis; more transparent and well-informed capital investment decisions; and more effective communication of FMD's performance in achieving capital program and preservation goals.

The audit noted areas of programming and planning where FMD employed best practices and identified opportunities for improved best practice implementation. For example, the audit recommended standardized risk assessment, cost planning, and alternatives analysis; more frequent updates to its major maintenance project inventory; and better performance measures. Additionally, the audit recommended that council clarify county code to strengthen the consistency and transparency of capital programming and planning practices and establish requirements to provide decision-makers with thorough analysis for making major capital investment decisions.

CAPITAL PROJECTS OVERSIGHT

In 2007, the King County Council funded Phase I of the Capital Projects Oversight (CPO) pilot program within the auditor's office. This project stemmed from issues with project overruns, the adequacy of information provided to the council on capital projects, and the timing of the information transmitted to the council.

The auditor's office and the consultant team PMA & Saybrook Associates presented two reports to the Capital Budget Committee:

Part A Report: *Design of a Model for the Auditor's Office Capital Project Oversight Reporting*

Part B Report: *Plan for Implementation of a Model for the Auditor's Office Capital Project Oversight Reporting*

The Part A report recommended a model for legislative oversight of major capital projects and ways to improve the county's overall capital budgeting process and project reporting. The Part B report focused on specific activities, processes, and resources to implement oversight.

In response to the report recommendations, the County Council approved additional funding in 2008 for Phase II. In Phase II the auditor's office will begin implementing the recommended oversight model. The oversight program should mitigate project overruns and potential problems, contain costs, and inform decision-making processes through adequate, timely, and useful standardized reporting.

Current projects being monitored are: Accountable Business Transformation, Brightwater Wastewater Treatment Facility, Harborview – Ninth and Jefferson Building, Jail Integrated Security Project, New Administration Building review, and Countywide Contracting and Procurement. Reporting of monitored projects has already improved.

INTEGRATED SECURITY PROJECT

In 2007, the auditor's office presented a set of recommendations to the council's Capital Budget Committee intended to keep the Integrated Security Project (ISP) in the King County Correctional Facility on track for completion before the end of 2008. The recommendations helped to clarify the scope and budget of the remainder of the project.

Independent consultants hired by the auditor's office reviewed the status of the ISP in the first quarter of 2007. At that time, the uncompleted portion of the project involved the design and remodeling of jail spaces used by Jail Health Services (JHS).

The auditor's consultants, PMA/Saybrook, found the following conditions on the project:

- Lack of understanding among stakeholders of the roles and responsibilities of the project team in terms of implementing the construction phase;
- Frequent change of supervisors during the long project, thus losing institutional knowledge of design and construction plans and agreements; and
- Insufficient communication among project team on upcoming work and the prerequisites and planning needed to maintain the work schedule.

To address these issues, the consultants made six recommendations which suggest that the key stakeholders perform a scope review and agree upon remaining contract work and any pending work identified by the Department of Adult and Juvenile Detention and JHS. Implementation of the recommendations has since occurred. Audit staff continue to monitor the project.

HARBORVIEW/NINTH AND JEFFERSON BUILDING

The auditor's office retained the firm of Jones, Lang, LaSalle to provide oversight of the Harborview Ninth and Jefferson Building project on behalf of the council. Our monitoring reports since July 2007 show the project is on schedule and within budget.

BRIGHTWATER WASTEWATER TREATMENT

During 2007, the auditor's office successfully implemented interim capital project oversight measures for the \$1.76 billion Brightwater Wastewater Treatment Project. Noteworthy progress includes:

- Establishment of the Brightwater Oversight Project Work Group committed to ensuring transparent management and accountability through effective staff oversight. The work group is comprised of representatives of key project stakeholders, such as the council, Wastewater Treatment Division, the auditor's office, oversight consultants, and project management.
- Brightwater project oversight and status reports were improved through more comprehensive documentation of potential project issues and impacts for the council. In addition, based on PMA consultant's oversight model recommendations, we recently implemented a one-page status report to communicate performance and budget information to the council.

NEW ADMINISTRATION BUILDING REVIEW

The council requested a due diligence review of the New Administration Building proposal. Efforts include reviewing alternatives, evaluating operational impacts, conducting economic analysis, and performing risk assessment.

COUNTYWIDE COMMUNITY FORUMS

In September 2007, the Metropolitan King County Council enacted a public outreach program called Countywide Community Forums to enhance public participation and civic engagement in government. Volunteers coordinate the program by organizing small, community based discussion forums countywide to provide feedback on county-related public policy issues.

The auditor’s office oversees the program and has been working with the volunteer program coordinator and deputies to ensure that program materials are fair and balanced, data collection and analysis techniques are sound, and donated funds are managed appropriately. Auditor’s office staff and program volunteers recently collaborated with members of the program’s steering committee to identify the first issue “Transportation: Public Priorities, Options, and Funding.” The first forums are planned for mid-year.

REVIEW OF THE STATE AUDITOR’S OFFICE (SAO) AUDITS OF KING COUNTY

In 2006, the SAO conducted three financial audits: King County’s Comprehensive Annual Financial Report, Transit Enterprise Fund, and the Wastewater Enterprise Fund. The county received unqualified (clean) audit opinions.

An accountability audit was also performed. It was a positive report with only one finding. The SAO determined that the county did not comply with state law governing use of real estate excise tax revenue. The county disagreed with the finding, and planned to seek clarification from the state legislature on how the revenue may be spent. The auditor’s office briefed the council and will conduct a follow-up.

ROADS CONCURRENCY FOLLOW-UP STUDY

In 2006, the auditor’s office published a study on the roads concurrency system and in 2007 conducted a follow-up. The auditor’s office contracted with Mirai Transportation Planning and Engineering to conduct both studies.

The 2007 follow-up found that modeling practices and transparency had improved, but many of the most significant recommendations of the 2006 study had not been addressed. Recommendations from the follow-up will lead to greater efficiency and performance of concurrency modeling by adherence to industry best practices, consistent standards, and policy revisions.

Also in 2007, in response to the study and council provisos, the Roads Services Division convened a working group to develop a proposal for significant revisions to the concurrency system that will be proposed in 2008. The auditor’s office staff attended the working group meetings to observe the process and will assist in council review of the proposed new concurrency system when it is transmitted in 2008.

PROFESSIONAL COLLABORATIONS

The county auditor serves as a founding member and trustee for the Washington State Local Government Auditors Association. Two noteworthy endeavors accomplished last year were:

- Established protocols for coordination between local government auditors and the Washington State Auditor’s Office on performance audits.
- Organized a lively roundtable on advancing auditing policies and procedures to improve the effectiveness of audit organizations.

IDEAS WELCOMED

Please contact our office if you have any questions or suggestions. Find us on the Web for more information on the audit process, completed projects, or new studies scheduled for 2008.

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