



Newsletter of the
Performance Audit
Committee

Performance Audit

The Performance Audit Mandate

Performance audits are a tool to bring accountability to government by finding ways to deliver more efficient and effective service. Performance audits are required under the Pierce County Charter, as amended by the voters in 1996. The County Council is now required to:

“... employ independent and outside competent professional personnel, commencing in the first quarter of 1997, to conduct performance audits which shall evaluate the effectiveness and efficiency of all County programs and departments on a timely basis, no less often than every two years.”

This charter language may be the most comprehensive and ambitious requirement for performance audits that exists in the United States. Responding to the voters' mandate, the County Council created an independent audit committee and contracted with experienced professionals to conduct performance audits.

Performance Audit Committee

In early 1997, the County Council created the Performance Audit Committee to oversee audit work. The committee includes three members of the Council, the County Executive, the Executive Director of Administration, and two citizens with performance audit experience. This structure helps to ensure that performance audits are independent.

To coordinate the audits, the committee hired Matt Temmel. Before coming to work with Pierce County, Matt worked for 14 years for the state legislature as a performance auditor. He plans the audits, coordinates with the auditors and county administrators, and conducts special studies.

Performance Audit Committee Members

If you have comments about performance audits, please feel free to contact committee members or staff.

Councilmember Wendell Brown, Chair	798-7772
Executive Doug Sutherland, Vice Chair	798-7477
Councilmember Karen Biskey	798-6654
Patrick Kenney, Executive Director of Administration	798-7450
Councilmember Ken Madsen	798-6626
Professor Roy Polley, CPA, CIA	564-6858
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The Auditors

Independent contractors, rather than county staff, have conducted the audits. The first contractor was KPMG Peat Marwick, a national firm that was selected over nine other competitors. The selection panel that reviewed the proposals and recommended KPMG was made up primarily of performance audit professionals from Seattle, Tacoma, Olympia, and Portland.

KPMG conducted three audits (1997-98) and was paid a total of \$451,000. The county has also contracted with four smaller firms. For six audits, those firms will be paid a total of \$166,000. *See other side for audit reports and contractors.*

(Over)

1998 Reports

Issues and Opportunities Facing Pierce County (March 1998), by KPMG. This comprehensive analytical survey recommended topics for later, more detailed audits.

Fleet Management (August 1998), by KPMG. Analyzed the county's passenger fleet in terms of fleet size, take-home vehicles, and other issues. A follow-up report next year will evaluate the results.

Cash Management (September 1998), by KPMG. Analyzed cash controls and potential for quicker depositing in order to increase interest earnings.

Indigent Defense Cost Recovery (September 1998), by The Spangenberg Group. Analyzed screening for public defender services and recommended measures to offset costs. Documented low recovery of public defense costs by Pierce County compared with other counties. After the report appeared, some judges changed their sentencing practices to greatly increase the amount of "recoupment" that is assessed against convicted defendants represented by public defenders. In addition, the County Council passed legislation requiring a \$25 screening fee when applying for a public defender. A follow-up report next year will evaluate the overall impact.

1999 Reports

Jail Issues Planning Study (January 1999), by The Spangenberg Group. This planning study identified local policies and practices that affect the number of people held in the county jail.

Jail Population Data, 1990-99, by Matt Temmel. The major finding was that 41% of the current jail population is composed of pretrial felony cases. Further work is planned in this area.

Clerk of the Superior Court (May 1999), by Ron Fekete, Center for Information Services. This management audit found excellent performance by the Pierce County Clerk. The office is staffed more leanly but is more productive than its counterparts in other large counties, thus indicating a very efficient organization. In addition, survey results gave the Clerk's office exceptionally high ratings for service quality and customer satisfaction.

District Court #1 (July 1999), by Lowell Kuehn, Pacific Northwest Consulting Services. Compared with seven other district courts, this audit found a high number of staff per judicial position, high salaries, and reduced workload in District Court #1. The report recommended staff reductions and/or workload increases by shifting cases from Superior Court. It also found that the number of judicial positions in District Court #1 exceeds the state standard. Subsequently, the county's 2000 budget cut the number of court commissioners (0.7 FTE) and made a small reduction in court staffing (1 FTE). The issue of significant staff reductions or workload increases (by transferring cases from Superior Court) remains on the table for consideration in 2000.

Pierce County Jail Staffing Analysis (November 1999), by Kathleen Gookin,

Criminal Justice Planning Services. This report made 19 recommendations for more efficient jail staffing and overtime control. Further work is planned in 2000.

Studies in the Planning Stage

- County Council (management audit in progress)
- Performance measures of County departments (in progress)
- Sheriff's Department deployment issues
- Superior Court management issues
- Data analysis of County jail population
- Fleet management (follow up study)
 - Indigent defense cost recovery (follow up study)
 - Jail staff scheduling and overtime (follow up study)
- Other studies as decided by the Performance Audit Committee

Performance Audit Committee Mission

The Performance Audit Committee conducts objective performance audits and special studies on behalf of the citizens of Pierce County. The committee makes recommendations to the Council and Executive that can result in cost savings and improved performance in county government.

Vision

Our vision is to provide high quality useful information and feasible recommendations for action by Pierce County policymakers and managers. Performance audits and special studies play a valuable role in helping to reduce costs, improve customer service, promote accountability, and achieve more efficient and effective county government.

Audit Costs and Benefits

- Audit costs outweigh short-term savings, mainly because of the \$451,000 in payments to KPMG
- Small contract firms have given good value for money.
- District Court report (cost \$18,000) identified *major* potential savings or improved system efficiencies by transferring cases from Superior Court.
- Report on Indigent Defense Cost Recovery (\$31,000) identified opportunities for improved performance and increased revenue.
- Many audit recommendations require further evaluation and time for implementation.
- Overall, too soon to know the long-term impact of performance audits.

How to Obtain Performance Audit Reports

Reports are available on the Internet at www.co.pierce.wa.us/performance-audit. The Performance Audit Committee meets monthly. Some meetings are televised on channel 12 in Tacoma and on TCI channel 29 outside the city. To receive meeting notices, please call Linda Medley, (253) 798-3647.