

ROLE 2: ASSESS PERFORMANCE INFORMATION

Practice 2a. Test relevance or reliability: Test or certify performance measurement relevance, reliability, or both.

Portland, Oregon, City Auditor (www.portlandonline.com/auditor): Every year, as part of the process of compiling information to be included in the City of Portland's *Service Efforts and Accomplishments Report* (SEA Report, see 5b), the City Auditor's Office reviews the relevance and reliability of the measures to be included in the report, which by 2002 covered nine major City services, representing 79 percent of the City's budget and 86 percent of its staff. In recent years, the Auditor's Office has spent an estimated 200 to 300 hours a year reviewing relevance and reliability of SEA data as part of the overall SEA reporting project. Audit time was higher when SEA reporting started in 1991, declined over two to three years, and has been generally stable since then. However, when new services have been added to the report, additional effort has been needed for two or three years to build routines and controls.

Each year, the Auditor's Office sends a data collection form to all agencies included in the SEA Report, requesting the most recent year's data, backup documentation, and a contact person. In the early years of SEA reporting, audit staff had to put more effort into working with agencies to establish the relevance of reported performance measures. As SEA reporting matured, the need to test relevance diminished. Now, audit staff discuss with agency managers whether the mission has shifted or the goals or objectives have changed for services reported, and only consider whether measures are relevant and need to be changed when such changes in mission, goals, or objectives have occurred. In recent years, changes in performance measures have been incremental, with only a small number each year. To test reliability, auditors examine all the supporting documentation and the pattern of the data, looking for unsubstantiated or questionable results, and ask agency staff probing questions about data concerns identified in that review. Every year, the Auditor's Office finds the need for some changes to be made in all or most agencies' submitted SEA data. Rarely does all of an agency's data make it into the public SEA Report as initially submitted. The auditors document all their testing of SEA data according to Government Audit Standards, to support the credibility of the information reported to the public.

For agencies where reliability issues have arisen in the recent past, new staff have become involved in performance measurement, or new measures have been established, the Auditor's Office may plan from the start to spend more time reviewing their data in some depth. For other agencies, the depth of the review will depend upon questions that arise in the review of submitted data and documentation. Usually, not more than 20 to 25 percent of SEA measures are likely to be questioned by audit staff each year. Depending upon management's responses to questions, or reliability issues identified in performance audits, auditors may check further, examining source documents or reviewing agency methodologies for measuring and collecting performance data. On average, audit staff conduct more in-depth reviews of two or three critical measures each year. Sometimes these more in-depth reviews are performed during the SEA project and sometimes during the course of other performance audits. For example, the City Auditor's Office improved measurement and collection of Fire response times and vehicle aging data during associated performance audits. In the course of performance audits, auditors also occasionally review the relevance and reliability of agencies' more detailed performance

indicators beyond the measures included in the SEA reports (also see 1b). Depending upon how Portland's new managing for results process develops (see 4b), and whether the City Auditor's Office can obtain the needed staff, auditors may perform more in-depth reviews of performance information for all City agencies, including those not included in the SEA report. This may involve cyclical reviews of a selected number of City agencies each year.

Service Efforts and Accomplishments 2002-03, November 2003, as well as previous years' *Service Efforts and Accomplishments* reports are available from as "publications" from the City Auditor's website (www.portlandonline.com/auditor) or as "audit reports" from the Audit Services Division home page (www.portlandonline.com/auditor/auditservices)