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**Internal Memorandum**

**DATE:** January 14, 2009  
**TO:** Metropolitan Council Audit Committee  
**FROM:** Katie Shea, Director of Program Evaluation and Audit  
**SUBJECT:** Program Evaluation and Audit Performance Information for 2008

As part of our ongoing quality assurance program in Program Evaluation and Audit, we review key performance indicators annually to be reported to the Audit Committee and Regional Administrator. This memorandum summarizes those indicators for 2008.

**Projects Completed for 2008**

Program Evaluation and Audit, in 2008, completed all of the projects on the original audit schedule and was able to absorb a number of others that were requested by other areas of the Council throughout the year to complete a total of 50 projects. The breakdown of projects by type was as follows:

Audits	17
Consultations	14
Investigations	<u>19</u>
TOTAL	50

All projects are not equal, however, in scope or product. Therefore, some consume more time and resources than others. As a result, although the number of projects provides some basis for understanding productivity, it provides only perspective on work completed.

**Status of Recommendations Made**

A more important measure is whether or not clients implement the corrective actions they propose in response to our recommendations. All significant and essential recommendations are entered into a database and tracked with the respondents annually to determine if the action has been implemented, is on track toward implementation or has not been completed. The results of that tracking are reported annually to both the Audit Committee and the Council's Regional Administrator.

During 2008, Program Evaluation and Audit made 76 significant and essential recommendations in our reports. To date all the corrective actions have been completed or are on track toward completion.

In tracking all prior recommendations (the database goes back to 2004), 6 corrective actions are on track toward implementation and all others have been fully implemented. There are no recommendations that have not been addressed.

## Client Feedback:

This year, we have two surveys available to us to collect feedback from our clients throughout the organization, a broad survey of managers and supervisors by Regional Administration and our regular survey of our clients after audit engagements throughout the year.

In October, Regional Administration administered a Customer Satisfaction Survey to Managers and Supervisors across the organization asking about their level of satisfaction with a variety of internal services, including Program Evaluation and Audit. Generally, those who had participated in some sort of activity with us (whether it was an external or internal audit, consultation or general advice), were fairly small in number, 20-27 identified. Nonetheless, those respondents were generally satisfied with the work Program Evaluation and Audit performed for them, as shown in Table 1.

**Table 1. Satisfaction with Program Evaluation and Audit (RA Survey)**

Type of Activity/Review	% Satisfied or Very Satisfied
Audits for the Audit Committee	90%
External audits (state, federal)	80%
Investigations	95%
Consultation on compliance, regulations, technical matters	96%
General audit advice on project set-up, reporting	100%

Subsequent questions included all respondents, whether they had been involved in a Program Evaluation and Audit project or not, making it difficult to determine the source of some of the data. However, the results are still generally positive. For these questions, respondents are given the two levels each for agree and disagree, as well as a “no opinion” option and still, the percentage of those expressing dissatisfaction is quite low. No more than 5% express dissatisfaction with Program Evaluation, our services, or the quality of our recommendations. The rest are either satisfied or have no opinion, likely because they have not been involved with us.

There were also two open comment sections in the survey. Here are some of the comments from the question reading, “List one thing Program Evaluation and Audit does especially well.”

- Explains deficiencies very well.
- Helpful – friendly
- Open to consultation and provides advice
- Provide constructive solutions arising from analysis of our systems
- Spend time discussing and explaining the results of its audits and corrective steps necessary
- Always willing to talk

Here are some comments from the question reading, “List one thing that Program Evaluation and Audit could be doing to provide better support or services to you or your staff.”

- Whenever the Audit Department shows up, I get worried. But they have always been professional in our dealings. They also listen to management when investigating issues.
- We would like to more frequently audit our contractors.
- Views expressed in audit reports do not always appear to be objective
- Provide regular audit info/updates.

The Client Survey conducted by Program Evaluation and Audit is more targeted. It is sent to each client at the end of an engagement to solicit their feedback on the project and its results. In this survey, virtually all of the responses were positive. 100% of respondents felt that the auditors were objective, communicated well with them throughout the process and wrote reports that were clear and easy to understand. More importantly, 100% stated that they will be implementing the recommendations made by Program Evaluation and Audit. There were some comments made here as well that are listed below.

- I appreciated their help and support in developing management responses.
- The auditors take their time to do their research about our business prior to any meetings, then when we meet with them, they already have a vast understanding of our business.
- The auditor provided expertise not available to our staff
- Another great experience with Audit
- I had a concern about information that we provided that was not in the final report.
- It took a little while to get across what we wanted, but we got there.

Overall, the results of the feedback are positive. At the same time, we recognize that there are always areas to improve. One area continues to be communication. To cite one simple example, our satisfaction rate for external audits was 80%, but in informal conversations with some formal clients, many suspected it was because many supervisors and managers do not know what our role is for those reviews. It was suggested that they may actually be rating those audits and not our role in facilitating them.

One focus of Program Evaluation and Audit over the past year or two has been to be more proactively focused and work with our internal clients as much as possible in a preventative mode to assist with evaluating internal control structures, setting up projects, or providing assistance in advance of an external review. We have seen a significant increase in the number of requests for assistance we receive, which shows success in our efforts. Some significant proactive work performed during 2008 included:

- Developing standard definitions for operations and maintenance costs and assisting the Parks Department in evaluating local park authority submissions to ensure that expenses were correctly classified,
- Hired and supervised two interns to conduct a review of the Council's drug and alcohol policy and procedures for contracted transit providers in partnership with Metropolitan Transportation Services,
- Assisted environmental services in evaluating internal controls in a property lease they administer,
- Worked with the Livable Communities program on establishing requirements for expense documentation in grant reimbursement requests.

At the same time, the RA survey seems to indicate that a number of supervisors and managers at the Council still do not know about what Program Evaluation and Audit does or what services we can provide for them. We need to find more and better ways to work with divisional leadership throughout the Council to get information out to their supervisors and managers so we can keep them better informed and less afraid about us and what we do.

We would also like to retool both of these surveys somewhat next year to provide more detailed responses so we can address more specific issues and concerns among our clients and potential clients.