

Ideas Welcomed

Please contact our office if you have any questions or suggestions. Most of our products can be downloaded from the web: www.seattle.gov/audit.

2010 Audit Reports

- Seattle Public Utilities Revenue Cycle—Water (Retail and Wholesale) Internal Controls Review
- Follow-up Report on 2008 Audit: The City’s Enforcement of Bias Crimes
- Follow-up Audit of Workers’ Compensation: Return-To-Work Program
- City of Seattle Anti-Graffiti Efforts: Best Practices and Recommendations
- Indigent Defense Services Follow-up and 2010 Audit
- Best Practices Review of Claims Adjustment Processes

2010 Special Projects

- March 2010 Status Report on the Remaining TriData Emergency Management Recommendations
- Potential Issues Related to the Current Litter Audit for City Council Budget Consideration
- Comparing Seattle City Light Employee Costs to Contract Employee Costs
- Program Evaluation Proposal
- Status Report on Implementation of Audit Recommendations 2007-2009
- Comments on Proposed Changes to the City’s Consultant Contracting Process
- Cash Handling Oversight Process Improvement Review
- Law Enforcement Assisted Diversion (LEAD) Program Evaluation Consulting
- CURB/GOTS/CO-STARS Program Evaluation Consulting
- Four Investigations in Response to Citizen Concerns

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*In 2010 we hosted Humphrey F
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2011 FOCUS AREAS



Apply data mining techniques to some of our projects.

Continue reviewing major City revenue sources and expenses.

Complete an assessment of Seattle City Light to identify the best areas for potential audits.

Engage in a hiring process to increase the office’s program evaluation and quantitative analysis capabilities.

Work with the City Council to explore the idea of establishing an audit committee.

Continue to encourage City departments to adopt metrics that can be used to conduct rigorous program evaluations.

Annual Report

City of Seattle Office of City Auditor

“I am very pleased with your assessment of other strategies that cities have tried ... and your conclusions that many of those efforts ... don’t have an impact on this problem - which is why we as a Council need to consistently insist on evidence-based best practices that actually show that they work – not only in this area but also in other areas of the City where we spend the taxpayers’ money”.

*Seattle City Councilmember Tim Burgess
Referring to the Graffiti Audit, August 2010*

2010 Output and Impact

Audit Output

In 2010, we completed a total of twelve written products. These included six audits and six special projects that the City Council requested or the City Auditor initiated. We also participated in several efforts that did not result in written products:

- We served as program evaluation consultants on two projects.
- We assisted with the design of effectiveness measures for several City programs, and
- We conducted investigations in response to several citizen concerns.

Impact of Our Work

Tangible improvements in City practices resulting from our work in 2010 include:

- The City Council implemented several recommendations from our Graffiti report, including strengthening the City’s ability to apprehend and prosecute graffiti vandals by dedicating a detective to graffiti cases and funding a photographic graffiti database.
- The Seattle Police Department implemented nine of the recommendations from our 2008 report on enforcement of bias crimes.
- In response to our recommendations, Seattle Public Utilities has either implemented corrective actions or is currently working on improving internal controls over the water revenue cycle that would reduce expenses, lost revenues, or risks faced by the utility and its customers.

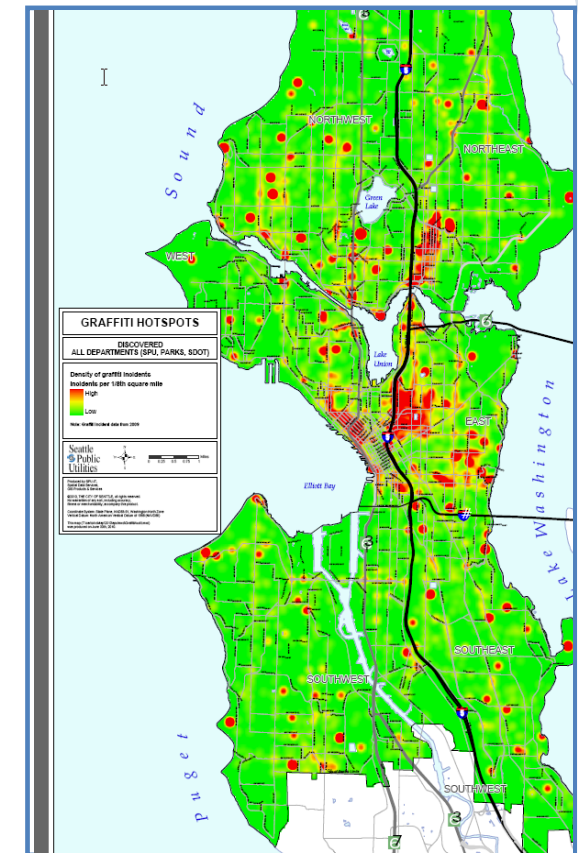
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Red areas show high concentrations of graffiti in Seattle.



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The Office of City Auditor conducts performance audits in accordance with Generally Accepted Government Auditing Standards.

PAST AUDIT FOLLOW-UP RESULTS

Highlights of audit recommendations that were implemented by departments in 2010 include the following:

- In the 2011 Adopted Budget, the City Council implemented our 2005 recommendation to reduce free services to special events sponsors.
- In June 2010 the Seattle Municipal Court implemented our 2006 recommendation to establish a set-up fee for new time payment plans. This is estimated to generate approximately \$80,000 annually.
- Seattle City Light implemented all of the suggestions from our 2008 audit of City Collections Controls, which should help City efforts to collect the \$20 million it is owed.



SPU Graffiti Ranger removing graffiti "tag".

City of Seattle Anti-Graffiti Efforts: Best Practices and Recommendations

We made 14 recommendations for improving the City's approach to preventing and abating graffiti. We found that best practices for addressing graffiti involve a multi-faceted approach, which consists of: 1) eradication, 2) enforcement, and 3) engagement/education.

Seattle Public Utilities Water Revenue Cycle

We evaluated Seattle Public Utilities' (SPU's) internal controls governing the charging and collecting of revenues for its water services. The City receives over \$150 million annually in water revenues. While we identified no significant problems, we found several opportunities for improving SPU's water services revenue cycle controls, including improving testing of commercial and wholesale meters (which bring in about \$82 million in annual revenues), and tightening controls on leak rebates, which could save \$250,000 or more annually. We recommended improving the testing of wholesale and commercial meters to help minimize any lost revenues due to meters that are slowing down and under-recording water consumption.

2010 Audit Results

"The information gathered from several 2010 audits helped inform our budget decisions in these tough financial times."

Seattle City Councilmember Jean Godden,
Chair of the City Council Finance and Budget Committee

Indigent Defense Services Follow-up /2010 Audit

Of 36 recommendations we made in our 2007 report on the City's Indigent Defense Services program, 34 have been implemented or addressed and two are not being implemented. We found the program demonstrated compliance or improved compliance with 27 professional standards, and partial compliance with one. Based on the 2010 audit we offered 11 new recommendations to continue improving program delivery and oversight.

Follow-up Audit of Workers' Compensation Return-To-Work Program

We followed up on two main issues discussed in a previous PricewaterhouseCoopers audit: 1) minimizing the number of future claims by injured workers with multiple previous claims, and 2) improving the return-to-work processes for injured workers. We provided several recommendations to improve the City's Return-to-Work program.

Follow-up Report on 2008 Audit: the City's Enforcement of Bias Crimes

Of 17 recommendations from our 2008 report, 12 have been fully or partially implemented and five have not been implemented. We recommended that the Seattle Police Department use its improved bias crime data collection to create regular reports on bias crimes.

Best Practices Review of Claims Adjustment Processes

We compared the City's claims review processes with industry standards and with other public jurisdictions.

Non-Audit Projects in 2010

Potential Issues Related to Current Litter Audit for City Council Budget Consideration

Based on work in progress on our audit of Seattle's litter abatement programs, we offered two options to the City Council for recovering revenue from litter-related services, and one option for continuing a cost-effective litter abatement program.

March 2010 Status Report on the Remaining TriData Emergency Management Recommendations

We continue to follow up on the implementation status of the TriData study's recommendations. When Seattle Municipal Court and Seattle City Light complete their Workplace Violence Protection Programs, the City will have addressed all 111 emergency preparedness recommendations from the 2003 TriData study.

Comments on Proposed Changes to the City's Consultant Contracting Process

We evaluated proposed changes to the City's consultant contracting process and recommended further evaluation before making potentially disruptive changes to the process.

Comparing Seattle City Light Employee Costs to Contract Employee Costs

We compared the cost of Seattle City Light employees' work to that of consultants doing equivalent work by reviewing 71 contracts. Ten contracts included work comparable to City Light employees' work. For these ten contracts, we found the hourly cost for work by City Light in-house employees was generally, but not always, less than the hourly cost for equivalent contract employees.

Program Evaluation Proposal

We proposed options to City Council for program evaluations that could be conducted by the Office of City Auditor.

Law Enforcement Assisted Diversion (LEAD) Program Evaluation Consulting

We participated in consensus-building for an inter-agency pilot program to divert low level drug offenders to services instead of incarceration, and commented on draft documents related to evaluating the program.

CURB/GOTS/Co-STARS Program Evaluation Consulting

We reviewed and commented on proposals to evaluate three drug offender intervention programs.

Cash Handling Oversight Planning

We worked with the City's Treasury Division to update and improve the City's cash handling questionnaire, which facilitates oversight of the City's cash, check, and credit card payment functions.

Response to Citizen Concerns

We conducted four investigations in response to citizen concerns.

Status Report on Implementation of Audit Recommendations 2007-2009

We reviewed 194 recommendations from 22 audits issued in 2007, 2008 and 2009. Ninety (46%) have been implemented, 97 (50%) are pending, and 7 (4%) had no planned action or follow-up.

Measuring Our Results for 2010

Audit Performance Metrics

In 2010, we issued 49 audit recommendations, and of that total, the audited departments agreed to implement 42 (85%).

We use the baseline measure of 84% (from 2009) for tracking our own performance beyond 2009. We will continue to track this measure.



Assuring Quality through an External Peer Review

Who Audits the Auditor?

The Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States require periodic peer reviews of government audit organizations to assess the quality of their audits and the competence of their professional staff. In November 2008, the Washington State Local Government Auditors Association (WSLGAA) released its assessment of the Office of City Auditor. It found that our office met all 24 professional performance standards, and found "...the overall report quality to be high and the staff to be competent." The WSLGAA assessment can be found on our website.

The next peer review of our office will likely occur in 2012.