

CHAPTER II-5

ROLE 5

EXTERNAL REPORTING, CAPACITY BUILDING, OR ADVOCACY FOR THE USE OF PERFORMANCE INFORMATION

Role 5 provides examples of the many ways auditors advocate to, or assist, elected officials and other external stakeholders, including the general citizenry, interest groups, grantees and contractors, and the media in identifying and using performance measurement data. Five different auditor practices are encompassed in this role, including that of advocating for adoption or improvement of performance management systems (Practice 5a); preparing and issuing public performance reports (5b); assisting external stakeholders in using performance information (5c); and engaging citizens through focus groups and other processes in shaping or determining public goals, objectives, or performance measures (5d). Assessing or improving citizen engagement related to performance measurement is a potential future practice (5e).

Summary of Role 5 Practices and Examples

Practice 5a: Advocate to, or assist, external stakeholders concerning the development, implementation, or improvement of government performance management systems. In Practice 5a auditors interact with their organization’s legislative bodies or other external stakeholders by making presentations; alerting them to best practices that could be adapted; drafting performance measurement laws, ordinances, or resolutions; or providing reports or other information on the potential for improving performance management.

- In **Austin (p. 105)**, Texas, the city auditor has drafted resolutions and ordinances which have influenced development of performance management in Austin, both when the City Council has passed the legislation and when it has not. The Auditor’s Office has also had performance measurement leaders from inside and outside the city government present their good practices to City Council members.
- In **Portland (p. 105)**, Oregon, the city auditor recommended that the mayor and City Council adopt a managing-for-results ordinance, conduct citywide strategic planning, and adopt a city mission and goals.

- In **Florida (p. 106)**, the Office of Program and Policy Analysis and Government Accountability (OPPAGA), has regularly advocated for improving accountability by providing the legislature briefings, user-friendly short reports, and guidance in using and improving Florida's performance management systems. OPPAGA has prepared summary reports that inform the legislature on the progress of state agencies in implementing the state's Performance Based Budgeting system.
- In **Montgomery County (p. 107)**, Maryland, the county auditor helped the council establish policy guidance for county departments and agencies with respect to developing program-specific performance measures. This policy guidance was included in a performance measurement resolution passed by the council in 1998.
- In **Kansas City (p. 108)**, Missouri, the city auditor brings performance measurement to the attention of the City Council through meetings with individual council members after audit reports are issued and through "Special Reports" that call performance measurement to the attention of the mayor and City Council.

Practice 5b: Produce and issue external periodic performance reports. In Practice 5b the auditor prepares and issues public performance reports for elected officials, citizens, and other external stakeholders.

- In the first four examples the audit office follows the Service Efforts and Accomplishments (SEA) framework of the Governmental Accounting Standards Board in external reports:
 - Since 1991, the **Portland (p. 108)**, Oregon, City Auditor's Office has published annual SEA performance reports, including data from six comparator cities, an annual citizen survey, and maps comparing results across citizen involvement districts in the city.
 - **Prince William County (p. 110)**, Virginia, internal audit has prepared annual SEA reports since 1995 following a two-year cycle, reporting on a different set of services every other year. Measures are selected by internal audit and agencies based on how representative they are of each service and their availability in information systems. Comparative data from other local governments are included, as are citizen survey highlights. A separate full report on the citizen survey is also issued annually.
 - In 2001-02 the **Palo Alto (p. 112)**, California, city auditor published the city's first SEA report. Measures and data were selected from sources including the city's budget, comprehensive plan, Sustainability Task Force, and benchmarking information from other jurisdictions and professional organizations. The city auditor published another SEA report for 2002-03.
 - The **Multnomah County (p. 113)**, Oregon, Auditor's Office has published four SEA reports. The SEA reports follow a two-year cycle: One year the Auditor's Office prepares a report on social and health services and the next year the Auditor's Office prepares a report on public safety services. Comparative information from other counties and citizen survey results has been included.

- In the next two examples, auditors have developed annual performance reports using approaches other than the SEA model to organize and report performance information:
 - The **Gwinnett County (p. 114)**, Georgia, Auditor’s Office has produced annual “Performance Measurement Reports” for the past three years. The 2002 report summarizes information on 12 county departments and includes their mission statement, top three accomplishments, goals, and objectives, and multi-year performance data trends.
 - In fiscal years 2001 and 2002 the **Kansas City (p. 115)**, Missouri, city auditor published their first two “City Services Performance Reports.” The FY 2002 report presents citizen survey results, including benchmarking survey data from numerous cities in which the same questions were asked, and performance information in six broad service categories.

Practice 5c: Assist external stakeholders in using performance information to make decisions. In Practice 5c, auditors’ staff assist elected officials and other stakeholders by providing user-friendly access to performance-related information, or producing analyses or interpretations of program performance data or broader outcome indicators of public conditions. Information reported can help legislators make better informed budget and policy decisions, and can help other stakeholders understand state or community issues.

- In **Florida (p. 117)**, the Office of Program Policy and Government Accountability (OPPAGA) conducts Program Evaluation and Justification Reviews which can include both recommendations for management improvements and for legislative action, including budget-related decisions. OPPAGA also maintains a Web site with information on over 300 agencies and programs and links to their performance measures and budgeted standards, reports on the performance-based budget system and most other OPPAGA studies, and school district performance reviews. The system provides access to anyone with an interest in state government, with a special intention of educating new legislators. OPPAGA also provides a weekly e-mail newsletter on special issues for legislators and citizens.
- In **Portland (p. 119)**, Oregon, the city auditor provides two non-audit staff to the Portland-Multnomah Progress Board to help identify, monitor, and report on outcome indicators (called “benchmarks”) of important community conditions, made accessible on a Web site. Since 1998 these benchmarks staff have also published several special reports on in-depth studies of particular benchmarks or issues, as an aid in interpreting trends and policy options.

Practice 5d: Engage citizens in determining performance goals, objectives, or measures. In these three examples, auditors have conducted focus groups with citizens and business leaders to identify performance measures or to learn what citizens want in a performance report:

- The **Phoenix (p. 120)**, Arizona, City Auditor Department has conducted customer and employee focus groups to help departments develop results-oriented performance measures, and has facilitated citizen meetings to help develop the “Organizational Indicators” reported at the beginning of the monthly City Manager Executive Report.
- The **Multnomah County (p. 121)**, Oregon county auditor led citizen discussion groups to learn how much citizens knew about county government, what they would like to know, and how they personally assess government performance, to help the audit office develop its performance reporting approach. Conclusions about what citizens want in a report were included in a feasibility study and repeated in the introductions to performance reports.
- The **Kansas City (p. 123)**, Missouri, city auditor has conducted focus groups for business representatives to talk about their service performance concerns in depth. In 2001, the city auditor convened a City Services Performance Report Advisory Panel consisting of seven community representatives and two city management staff to help select performance measures to report.

Practice 5e: Assess or improve citizen engagement related to performance management.

This is included as a potential “future practice” in which auditors would assess or help improve citizen engagement related to performance measurement. The two examples that follow may be precursors to future involvement by auditors in assuring citizens that engagement processes in performance measures are representative of the community and are effective in giving participating stakeholders a real opportunity to influence plans and decisions in their entities.

- In **Kansas City (p. 123)**, Missouri, a possible precursor to this practice is the City Auditor’s Special Report on “Governance Assessment of the City’s Boards and Commissions.” The Special Report includes answers from each board and commission to the questions, “How does the board represent the people of Kansas City? How is that documented?”
- A more extensive possible precursor to this practice is the **Metro (p. 124)** auditor’s 1997 Audit of the Urban Growth Boundary planning process of the Metro Portland regional government. In conducting this audit, the Metro Auditor’s Office established three standards for planning processes that involve uncertain forecasts of future conditions, and where stakeholders have varying interests and different ideas of what the forecasts should be.

Full Examples of Role 5

External stakeholders include, for example, non-executive elected officials, the general citizenry, interest groups, grantees, and contractors (nonprofit & for profit), and the media.

Practice 5a. Advocate to, or assist, external stakeholders, concerning the development, implementation, or improvement of government performance management systems.

Austin, Texas, City Auditor (www.ci.austin.tx.us/auditor): In 1992 the Office of the City Auditor drafted and presented to the Austin City Council a performance measurement and reporting resolution. The council adopted the resolution, encouraging city management to measure performance and issue annual performance reports. The auditor's role has been to audit the adequacy of these reports as well as the city's progress in implementing performance management on a citywide basis (see 1b). As part of its 1998 review of the city's progress, the City Auditor's Office drafted an ordinance that would require specific performance measurement and management practices, spelling them out in more detail than the 1992 resolution. The Auditor's Office included the draft ordinance in its report on the use of performance measurement in Austin. The city manager's response to the report was to propose a plan to improve performance management in Austin, in cooperation with the city auditor (see 4b), which the City Council accepted, rather than pass the ordinance. So the proposed ordinance influenced performance management improvement in the city, even though it was not passed. As part of its 2002 review of the city's progress, the City Auditor's Office drafted a "best practices" performance management and accountability ordinance. The comprehensive ordinance would place stronger performance planning, reporting, measuring, analyzing, and reporting requirements on city departments. When presenting its findings to the City Council Audit and Finance Committee, the Auditor's Office brought the need for an ordinance of this nature to the committee's attention. At that time the Council Committee tabled the report, and by reference a possible ordinance, for consideration at a later date.

In addition to reporting to the council and proposing draft ordinances on city performance management, the City Auditor's Office has also brought examples of best practices in performance measurement to the City Council's Audit and Finance Committee. These committee meetings are taped and can be viewed by both the public as well as the city management. In 2002 the Audit Office had a representative of the State of Texas Legislative Budget Board make a presentation to the Audit and Finance Committee on the Texas Strategic Planning and Performance System best practice model that incorporates strategic planning, performance budgeting, and performance monitoring. In 2002, the City Auditor's Office asked the city's fire chief to make a presentation to the Audit and Finance Committee describing how his department uses performance measurement data to strengthen its operations. Over the years, the Austin Fire Department has been a leader in the city's managing-for-results efforts and has built a strong technological and human infrastructure to support its performance management system.

A summary of the report *Performance Measurement and Reporting 1998*, December 1998, is available at the Office of the City Auditor Web site (www.ci.austin.tx.us/auditor).

Portland, Oregon, City Auditor: (www.portlandonline.com/auditor): The City Auditor's December 2002 report *Managing for Results: A Proposal for the City of Portland* is addressed to the mayor and City Council, and includes a recommendation for the City Council to adopt a managing-

for-results ordinance, conduct citywide strategic planning, and adopt a city mission and goals. (This entity-wide managing for results proposal is mainly reported under Practice 4a, as City Council members have an executive management role in the Portland city government, as well as a legislative policy role.) In February 2003 the City Council passed Ordinance No. 36123 directing the Office of Management and Finance to prepare an implementation plan for a city managing-for-results process which was completed in June 2003. The City Auditor's Office continues to provide technical assistance and advice (see 4b).

Managing for Results: A Proposal for the City of Portland, December 2002, is available as a "publication" from the City Auditor's Web site (www.portlandonline.com/auditor) or an "audit report" from the Audit Services Division page (www.portlandonline.com/auditor/auditservices)

Florida Office of Program Policy Analysis and Government Accountability (OPPAGA, www.oppaga.state.fl.us): OPPAGA regularly advocates for improving accountability by, for example, providing to the legislature briefings, user-friendly short reports, and guidance in using and improving Florida's performance management system. For example, from 1997 to 2001 OPPAGA prepared a series of "PB² Summary Reports" (sometimes called "Commentary" or "Status" reports) to inform the legislature of progress in implementing the state's Performance Based Program Budgeting system and how particular performance management initiatives were faring, and to recommend system improvements. All but the first of these reports (which provided an historical context for performance budgeting in Florida) have been quite brief, from eight to 16 pages. For example, a January 1999 report concluded that Florida's PB² experience had led to improved accountability, better public services, and cost savings, but that agencies needed to develop more comprehensive performance measurement systems, improve data quality, and develop more reasonable standards. The report also recommended ways the legislature could make PB² more useful for policy and budget decisions, such as by improving the presentation of performance information in the budget, requiring agencies to identify how requests for budget changes would affect performance on PB² measures, and requiring agencies to develop unit cost measures. One of the recommendations that the legislature followed was to require agency unit cost measures. In 2001 OPPAGA reviewed how that was working and issued an eight-page report to the legislature. The report notes that the categories that agencies are using to report costs are useful for budgetary purposes, but the precision of agency cost estimates varied, and that for some programs, problems with the manner in which the outputs have been defined may limit the accuracy and usefulness of these unit costs.

The following are available from OPPAGA's Florida Monitor Web site (www.oppaga.state.fl.us):

- 1997-2001 PB² Summary and Status Reports
- Full list of PB² publications

Montgomery County, Maryland, Office of Legislative Oversight:

(www.montgomerycountymd.gov click on “Departments,” then “Legislative Oversight”): The Office of Legislative Oversight (OLO) has prepared a number of reports for the Montgomery County Council that assess the progress made by county agencies in establishing performance measures. The first report, published in 1998, provided an overview of performance measurement approaches, products, and plans of the county government and agencies.

As part of its continuing review process, OLO helped the council establish policy guidance for the county departments and agencies with respect to developing program-specific performance measures. In November 1998, the council included such policy guidance in a resolution it passed titled “Council Expectations Regarding the Development and Use of Performance Measurement” (Council Resolution 13-188). In this resolution, the council indicated how it would like agencies to report performance measures, and declared its own intentions for using performance measures, stating:

“Over time, the council intends to use performance measurement information to help:

- Enhance communication with the agencies and the public about the costs and performance of programs and services;
- Establish a basis for developing strategic objectives and clarifying program goals and policies;
- Support agency efforts to continuously improve management and service delivery;
- Maintain oversight of and accountability for programs and other activities;
- Identify areas of weakness that require special attention or remedial action; and
- Provide a context for budget discussions and identify opportunities for changes and trade-offs in resource allocation.”

OLO prepared another report in 1999 to update the council on the status of performance measurement activities. The report also included examples of annual performance reports produced by other jurisdictions, and provided recommendations about future reporting needs in Montgomery County. OLO completed a third and final report in 2000 to again update the council on performance measurement activities in the county government and other county-funded agencies, and to report on how the council uses performance information. OLO has devoted about 400 staff hours to these projects in years in which they have been performed.

Based on OLO’s work on the status of county measurement efforts, the council has specifically requested that county departments and agencies:

- Increase the number of outcome measures tracked;
- Link outcome data to evaluation and decision-making;

- Designate funds for data collection and analysis activities;
- Include discussion of performance measurement data during budget work sessions.

Many budget work session materials now include a summary of performance measurement activity and performance data. OLO also uses performance data in other research, analysis, and evaluations conducted for the council.

Kansas City, Missouri, City Auditor (www.kcmo.org/auditor): The need to improve performance measurement in city agencies is a frequent topic that the city auditor raises in meetings he holds individually with all City Council members after audit reports are issued. These discussions are especially pertinent when auditors find inadequate performance measurement in departments when they conduct performance audits (see 1a), and when the Auditor's Office does occasional studies just on an agency's performance measures (see 3a). After recommendations to improve department performance measurement are made in audit and special reports, the audit office's system of tracking management actions in response to recommendations usually involves a brief report back to the City Council, which will again raise their awareness of performance measurement, when it has been an issue in an audit or special report. In addition to agency-specific reports, the city auditor has issued occasional reports that have called performance management to the mayor and City Council's attention in a citywide context, including the following two August 2001 "Special Reports." The *Analysis of Report Recommendations 1988–2001* distilled audit recommendations over a 14-year period into major themes, one of which was "Measure and Report on Performance." *Budget Process Practices* included several major findings and recommendations concerning improving performance management, including having the mayor and council set and annually update multi-year citywide goals and annual priorities to drive budget decision making, continuing to improve performance measurement and reporting, and establishing more explicit linkages between budget practices, budget and performance information, and management processes.

The following reports are available from the city auditor's Web site (www.kcmo.org/auditor):

- *Analysis of Report Recommendations 1988–2001*, August 2001
- *Budget Process Practices*, August 2001

Practice 5b. Produce and issue external periodic performance reports.

Four examples of reports using a Service Efforts and Accomplishments (SEA) framework:

Portland, Oregon, City Auditor (www.portlandonline.com/auditor): Since 1992 (initially for city fiscal year ending June 30, 1991), the City Auditor's Office has published 13 annual performance reports on city services under the title *Service Efforts and Accomplishments* (SEA). The

November 2003 SEA report, for city fiscal year 2002-03 covers nine large city bureaus (departments) which provide the following services: Fire and Rescue, Police, Parks and Recreation, Transportation, Environmental Services, Water, Planning and Development Review, Housing and Community Development, and Planning. These services involve 76 percent of the city's budget and 83 percent of its staff. The stated purposes of the SEA report are to improve the public accountability of city government; assist council, management, and citizens in making decisions; and help improve the delivery of public services. The report contains information on city government and bureau goals, program results and performance trends, and spending and staffing levels. To put the information in context for readers, the SEA reports provide four types of comparisons (not all are done for every measure):

- Comparisons of results for major city geographic districts: eight districts in 2002, with boundaries similar to those of the city's "district coalitions" for neighborhood involvement.
- Historical trends; in 2003, both five- and 10-year trends were reported.
- Actual performance against targets and established standards.
- Portland's performance compared with that of six similar cities: Charlotte, Cincinnati, Denver, Kansas City, Sacramento and Seattle. These cities, used for comparison each year, have similar populations, service area densities, and costs of living to Portland.

The SEA report includes data from the annual citizen survey conducted by the City Auditor's Office (see 3a). The geographic comparisons feature maps showing results for each of the eight districts for many performance measures, especially for measures of citizen satisfaction and perceptions. Recent SEA reports through 2002-03 include a summary in the front with significant performance trends for overall service results, spending and staffing, citizen satisfaction, and selected specific measures with positive and negative results considered of particular importance or concern, for public safety, "livability ratings," housing and development, water quality (drinking as well as rivers and streams), water rates, and the physical condition of the city's street system. The Introduction section in the full report describes the report's scope and methodology, limitations, and relationship to the annual budget. Appendices describe the citizen survey methodology in greater detail, and provide more detailed data from the citizen survey and city bureaus, including historical data that sometimes goes back over 10 years, and contextual information on the comparison cities (e.g., population and density, per capita budget of major services, monthly water bill, size of elements of their infrastructure such as miles of streets and sewers). The 2002-03 report also included the 2003 Business Survey in Appendix B. For the 2001-02 SEA report, the City Auditor's Office used a total of 1,526 staff hours, including citizen survey administration, intercity data collection, report writing, preparation, and distribution.

The City Auditor's Office has been working with city bureaus and the Office of Management and Finance to ensure that SEA performance measures are aligned with measures to be used in the

city budget process as part of the new managing for results process (see 4a and b). The 2002-03 SEA provides an early example of the new alignment, as it is the first SEA report to organize the presentation of chapters and performance results by major City Council and bureau goals. The City Auditor's Office also intends to work on ensuring SEA reports meet the Governmental Accounting Standards Board's (GASB's) recently issued "suggested criteria" for communicating performance information.

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 Web site (www.portlandonline.com/auditor) or as "audit reports" from the Audit Services Division home page (www.portlandonline.com/auditor/auditservices). Summaries of a number of recent years' SEA Reports (through 2001-02) are also available from these Web sites.

Prince William County, Virginia, Internal Audit (within the County Office of Executive Management: www.pwcgov.org/oem): The Prince William County Internal Audit Division has, since 1995, prepared an annual Service Efforts and Accomplishments (SEA) report. Internal audit staff devote about 1,700 hours to this practice each year. The initial SEA report covered three service areas. The county has added services to SEA reports, and established a two-year reporting cycle that, for 2002 and 2003, covered 17 service areas representing 57 percent of the county's fiscal 2003 General Fund Budget (excluding a "School Transfer"). The 2003 report included seven service areas: Community Improvement & Maintenance, Criminal Justice, Library, Planning, Youth Residential Programs, Solid Waste, and Stormwater Infrastructure Management. The 2002 report included 10 service areas: Adult Detention Center; Building Development; Fire and Rescue; Fleet Management; Mental Health, Mental Retardation, and Substance Abuse Services; Police; Public Safety Communications; Public Welfare; Real Estate Assessments; and Tax Administration. The 2003 report includes the prior year's service area chapters as an appendix so one document contains the most recently published SEA data on all 17 service areas. In preparing the annual audit plan, internal audit discusses with the county executive new areas to add to the SEA report. Staff constraints limit internal audit to adding no more than one or two service areas each year. The service areas are selected on the basis of visibility, strategic importance, and quality of performance information available for that service area. Internal audit and agency management select measures they feel are representative of the service area and that are mostly available in internal information systems.

In each service area chapter of the SEA reports, Prince William County groups measures in three categories: *spending and staffing*, *outputs*, and *results*. The county reports cost per capita of all service areas except for fully fee-supported services under "spending and staffing," and made a point in the 2001 and 2002 Executive Summaries that "it should be noted that spending per capita is a measure of the effort the community puts into a service area; it is not an efficiency measure

since it does not compare outputs with inputs.” (This distinction is consistent with GASB *Concepts Statement 2 on SEA Reporting*). The county does report efficiency measures comparing outputs (or outcomes) with inputs, and lists most of them under “outputs” or “results” in the service area chapters. In the 2003 SEA Executive Summary, and in “Overview” sections of the “2003 Service Area Chapters,” summary tables are provided with highlights of comparisons over time and sometimes with other jurisdictions in “Spending” (generally per capita), “Efficiency” (defined as the level of output achieved for a given level of spending), and “Results” (defined as the degree to which key program objectives are achieved).

The purposes of the SEA report are to: improve public accountability, improve service delivery, foster a competitive spirit through inter-jurisdictional comparisons, increase trust in government through greater transparency, and promote learning through interaction with peers in other jurisdictions. The 2001-2003 SEA Executive Summaries all noted that, “the SEA report is uniquely able to provide objective information that addresses many key questions that concerned citizens, elected officials, and management raise. Examples of these questions include:

- Does Prince William County spend more on a given service area than other jurisdictions?
- If so, are the citizens being provided more service or a higher quality of service?
- Is a given service area providing more or less service this year than in prior years?
- Is a given service area effectively accomplishing its key objectives?”

Spending per capita, efficiency, and a number of other SEA measures are reported in comparison with four other local governments. For all services, Prince William compares itself with Chesterfield, Henrico, and Fairfax Counties. They were selected by internal audit because Chesterfield and Henrico Counties are the Virginia jurisdictions closest to Prince William in population, and Prince William residents are often concerned with comparisons with neighboring Fairfax County. The 2003 Methodology section also notes that, “each SEA agency was allowed to select one additional comparative jurisdiction of its choice. The only restriction was that the selected jurisdiction must be either a Virginia or [Washington] D.C. metro jurisdiction.” All told, the 2003 report uses eight comparison local governments, seven from Virginia and one from Maryland. An appendix compares selected demographics of Prince William County with those of all these jurisdictions. Other types of comparisons are also reported, as noted below.

Each service area chapter of the SEA reports has an “Overview”— usually three or four pages — that starts by summarizing the service mission, program organization, resources, and projected key activities for the next fiscal year. In the 2003 report, each Overview section then has the “Spending,” “Efficiency,” and “Results” summary table noted above, and concludes with explanatory comments, such as on uses of the data, expected future improvements in SEA reporting for that service, and comparison communities surveyed. Each service area overview is followed by additional pages

(e.g., 20 added pages for police in 2002) with more detailed trend and comparative information. In detailed sections, five- or six-year line graphs compare Prince William County trends with other jurisdictions, and sometimes compare Prince William “actual” trends with the county’s targets for that measure. Bar charts showing Prince William’s five- or six-year trends over time are also shown for some measures. Brief explanatory comments are also provided for some measures. Selections of specific measures to report have been made cooperatively among the internal audit division, county agencies, and the county executive.

Some SEA report “results” indicators are measures of citizen perceptions (e.g., percent of citizens feeling safe in their neighborhood) and satisfaction (e.g., percent satisfied with overall police performance) from the county’s annual citizen survey (see 3b). The county issues a separate report with full survey results. Internal audit estimates that one-third of the division’s staff time is related to SEA reporting, excluding time to verify data (see 2a).

Relevant publications available from the County Office of Executive Management Web site (www.pwcgov.org/oem) include:

- *FY 2003 Citizen Satisfaction Survey*, August 2003
- *FY 2003 Service Efforts & Accomplishments Report*, January 2004

Palo Alto, CA, City Auditor (www.city.palo-alto.ca.us/auditor): The 2002-03 Service Efforts and Accomplishments (SEA) report (issued in January 2004) is the second annual performance measurement report for the City of Palo Alto. The SEA reports have a chapter on each of eight major groups of services, mostly organized by department and divisions or programs within departments. The major service groups reported are: community services (e.g., parks, arts and culture, human services), fire, libraries, planning and community environment, police, public works, utilities, and legislative and support services. The reports also include a chapter on overall spending and staffing. The front of each report includes a two-page summary with a paragraph of performance highlights on each major service group, including selected percentage changes in performance. The stated purpose of the SEA reports is “to provide reliable information on the performance of city services, assess the trends in efficiency and effectiveness, and improve city accountability to the public.” As described in the “Scope and Methodology” section of each report, measures and data were selected for reporting by the Office of the City Auditor from several sources, including the city’s adopted budget documents, the city’s Comprehensive Plan, the city’s Sustainability Task Force, performance measures from other jurisdictions, and benchmarking information from the ICMA and other professional organizations. SEA data tables include a symbol to indicate measures that are also reported in the budget, though relatively few performance measures were drawn from the budget. Chapters or sections on each department provide the department’s mission, descriptions of the department’s services, information on spending and staffing, and measures

of workload and performance results. The 2002-03 SEA report includes the results of Palo Alto's first annual citizen satisfaction survey. To put the performance findings into context for the public, the report provides two major types of comparisons:

- Five year historical trends of Palo Alto data for most measures, including percent change over the five year period;
- Comparisons to other cities for selected measures.

In addition to making the 2001-02 SEA report accessible from the city auditor's Web pages, in 2003 the city of Palo Alto also made the report accessible from a special Web page of the city manager on the city's budget crisis. City auditor staff devoted 1,800 hours to the first SEA report (for 2001-02), including time selecting measures (see 3a). The city auditor expected this to decline with experience in compiling future reports.

The 2001-02 SEA report (January 2003) and the 2002-03 SEA report (January 2004) are available from the city auditor's Web site (www.city.palo-alto.ca.us/auditor).

Multnomah County, Oregon, Auditor (www.co.multnomah.or.us/auditor): The February 2004 *Service Efforts and Accomplishments Report: Public Safety FY2003* is the fourth annual Service Efforts and Accomplishments (SEA) report for Multnomah County, OR, and the second SEA Report on Social and Health Services. Multnomah County issued its first SEA report in 2001, for fiscal 2000 social and health services performance. The Multnomah SEA reports follow a two-year cycle: One year the County Auditor's Office prepares a report on social and health services, and the next year the Auditor's Office prepares a report on public safety services. The stated purpose for the SEA report is to "increase government accountability, and provide information to citizens about their government." The fiscal 2003 Public Safety SEA Report focused on services of the District Attorney, Sheriff, Department of Community Justice, and the Local Public Safety Coordinating Council. The fiscal 2002 Human Services Report focused on services of the Human Services Department, Health Department, Library, and Office of School and Community Partnerships. These four human services agencies represent the lion's share of the county budget, comprising 59 percent of county expenditures and 45 percent of staff in FY 2002. For each agency, the SEA report includes four types of measures, defined in the report as *spending and staffing measures* (including growth in last five years); *workload measures* — amount of service produced or numbers of people served; *outcome measures to demonstrate intended results and effectiveness of programs*; and *efficiency and cost measures*. It also describes the services provided by each agency, and agency missions, goals and objectives, accomplishments, and continuing issues. In addition to the data on the specific measures, the report provides graphs and a map of agency locations. As the county has only issued SEA reports on each group of services twice thus far, some social services were reorganized between those reports, and a new

agency was added to the latest public safety report, some measures are not yet available for certain agencies.

The “Introduction” of the SEA report provides information on the scope and methodology of SEA reporting, and on data and measurement limitations. The FY 2002 SEA report compares four other counties’ library services to that of Multnomah County to provide some context for assessing the county’s performance. The FY 2003 SEA report reported a limited number of comparisons of efforts in jail and patrol services from three other counties to those of the Multnomah county sheriff. SEA reports going back to FY 2001 include results of citizen surveys to assess the public’s “satisfaction with the quality of city services and sentiments on neighborhood livability.” Detailed survey data and external data sources are in appendices. The county auditor has posted all four SEA reports to date on its Web site.

To determine specific measures to include in the SEA reports, the Multnomah County Auditor’s Office worked closely with staff and management in each agency to develop a framework for reporting, decide on measures, and gather data for the report. The Auditor’s Office also was guided by what it learned from citizens before it started issuing SEA reports (see 5d). In preparing SEA reports, the County Auditor’s Office follows GASB’s SEA Reporting Concepts, as well as the “General Standards” section of *Government Auditing Standards* (Yellow Book). County auditor staff have devoted about 950 hours per year to SEA reporting, though the amount of staff time required has been declining as the report is institutionalized and the Auditor’s Office becomes more efficient at compiling the report.

In a new effort, as part of an audit project related to a special three-year income tax to assist school districts in the county, the Multnomah county auditor and the Portland city auditor will be assessing school district performance and will be jointly publishing SEA reports on the performance of the eight school districts in Multnomah County.

Current and past SEA reports dating back to the first in 2001 (for FY 2000) are available from the county auditor Web site (www.co.multnomah.or.us/auditor).

Two examples of performance reports using models other than the SEA framework:

Gwinnett County, Georgia, Internal Audit (from www.gwinnettcounty.com click on “Departments,” then “County Administrator,” then “Internal Audit”): The Office of Internal Audit has produced Gwinnett County’s three annual “Performance Measurement” reports, for the years 2000, 2001, and 2002. They also conducted “trial runs” of their performance measurement system in 1998 and 1999, providing one or two extra years of trend data for some measures. The 2002 report reports trend data back to 1999 for most measures. These public reports are products of the

county's "Performance Measurement Project" (see 4b), which is intended to examine how the county government uses its resources to achieve its goals. Report cover letters from the chair of the County Board of Commissioners noted that before these reports "there was no one central place to see facts and figures relating to the productivity of Gwinnett County as a government" and noted "this report enables everyone to see the whole picture as well as the details." Cover letters from the county administrator say the report "is meant to be a resource by which Gwinnett County can measure the effectiveness and efficiency of our county government." Introductory material in the 2001 and 2002 reports describes how county staff developed the measures reported (see 4b), and emphasizes the importance of reviewing trends in performance results over several years.

The County Performance Measurement Report for 2002 summarizes information on 12 county departments, including: Community Services (including, e.g., Parks and Recreation, Health and Human Services), Correctional Services, Financial Services, Fire and Emergency Services, Human Resources, the Law Department, Magistrate Court, Planning and Development, Police Services, Public Utilities, Support Services, and Transportation. Each department has information on its mission statement, its top three accomplishments for 2002, goals and objectives, an organization chart showing major divisions, and performance measures. Several types of performance measures are reported, defined in the report as *inputs — staff and funds; outputs — the volume of work produced; efficiency — the amount of resources used to get the job done; service quality — how well the work was done; and outcomes — final results*. Some divisions or programs do not report on every type of measure, because a type of measure may not fit well with the work of that division. As performance measurement is still evolving in Gwinnett County, a few measures shown have less than the four years' of data reported for most measures. Some have no data, with footnotes showing the reason, such as a need to conduct surveys in the future to capture the data. In addition to actual results for performance measures, 2002 data are compared with 2002 projections, and projections for 2002 are also reported. The report also includes organizational charts for the county government and for the Office of Internal Audit. Two audit staff work on the annual performance report over a six-month period, including testing measures (see 2a) and assisting management (see 4b), while also working on other audit projects. Together, they spend about 390 staff hours per year actually producing the performance reports. The 2002 Performance Measurement Report will be the first to be made available on the county Web site.

Kansas City, Missouri, City Auditor (www.kcmo.org/auditor): The city auditor issued its first two annual *City Services Performance Reports* in March 2002 (for fiscal 2001) and March 2003 (for fiscal 2002), for the fiscal years that ended the previous April 30th. In several previous years starting in the mid-1990s, the city auditor issued reports on citizen surveys and on a 1999 survey of business owners and managers (see 3b), providing performance information on satisfaction with city services, perceptions of community conditions, and priorities for services or issues that should

receive future emphasis from city leaders. In March 2002, the city auditor issued a report on a series of October 2001 focus groups of business owners and managers, providing more depth of information to complement the satisfaction and perception ratings business people provided in 1999 (see 3b). Results of the citizen surveys through 2001 were released as separate reports (the last in March 2002). Results of the 2001 survey were also included in the fiscal 2001 City Services Performance Report. Starting with the 2002 survey, survey results are only being reported in the City Services Performance Report. These citywide performance report projects have taken an average of about 1,200 staff-hours each.

The fiscal 2002 City Services Performance Report presents a summary of citizen survey results followed by performance information in six broad categories: streets, public safety, parks, water and sewer, neighborhood livability, and overall quality of life. A section in the report on each category includes both relevant citizen survey results and relevant indicators of service performance or community conditions. The City Auditor's Office intended for the performance information to provide balance and context for the survey data — both to be fair to city staff to address their concerns that survey results are not a complete picture, and to be fair to citizens so that their perceptions are considered. To help determine what performance measures should be included in the report for each category, the city auditor assembled a nine-member advisory panel, including two city management staff and seven community representatives (see 5d).

Starting in 2000 the City Auditor's Office decided to change its citizen survey rating scale from four points to five points, in order to obtain results comparable to results of citizen surveys done by the same survey research firm in up to 18 other communities in the metro Kansas City area, and to results of other cities in and near the wider Midwestern region. Each year since then, in separate reports or in the City Services Performance Reports, the city auditor has provided benchmarking data comparing Kansas City citizen satisfaction and perception ratings with those of citizens in other communities. Graphically, the reports have included two types of comparative bar charts showing benchmarking data for a number of questions and related sets of questions allowing readers to quickly see how Kansas City satisfaction ratings compare with other cities or with its own metropolitan region. One type of chart shows Kansas City results positioned clearly within the range from lowest to highest of a group of comparison cities, with average results also shown as a comparison point. Another type of chart simply shows bars with results of individual cities, generally the other large cities from the wider region. The fiscal 2002 report includes comparative citizen survey data from 12 other cities across the Midwest, and into the mountains and the Southwest, from Indianapolis to Denver, and from Minneapolis to San Antonio. Also, in fiscal 2001 and fiscal 2002, year-to-year comparisons are reported for Kansas City results, with the 2002 report showing three-year comparisons.

The following reports are available from the City Auditor’s Web site (www.kcmo.org/auditor):

- *Survey of Kansas City Businesses*, February 2000
- *Kansas City Citizen Survey*, April 2000
- *2000 Kansas City Citizen Survey*, November 2000
- *City Services Performance Report for Fiscal Year 2001 & Survey*, March 2002
- *2001 Business Focus Group Report*, March 2002
- *City Services Performance Report for Fiscal Year 2002*, March 2003

Practice 5c. Assist external stakeholders in using performance information to make decisions.

Florida Office of Program Policy Analysis and Government Accountability (OPPAGA):

Program Evaluation and Justification Reviews: OPPAGA (www.oppaga.state.fl.us) is required to complete a “Program Evaluation and Justification Review” to the legislature of each state agency program that is operating under a performance-based program budget (PB²) and issue a report of each review to the legislature. In Florida, a legislatively defined “program” in the budget is usually large (e.g., Medicaid Health Care Services). These reviews serve as performance reports on individual programs and as evaluations of specific program management and policy issues, and can include both recommendations for management improvements and for legislative action, and thus contribute to legislative decision-making. OPPAGA has been conducting these reviews (now simply called “Justification Reviews”) since 1997, when several agencies progressed to their second year in the PB² system. More recently, the legislature has gone to a five-year cycle of close legislative review of all programs, which helps determine OPPAGA’s schedule. The justification reviews now represent about 40 percent of OPPAGA’s workload. Even at that level of effort, OPPAGA cannot maintain a strict five-year review cycle for every program. OPPAGA selects programs to review each year based on a combination of performance risk assessment and legislative policy priorities. Performance risk assessment includes, for example, the time since the last review and the extent of problems found in the past. This is balanced against programs that relate to policy issues of interest to the legislature, determined by OPPAGA in meetings with the legislative leadership and its staff. (OPPAGA reports to *both* a Joint Legislative Audit Committee *and* to the legislative leaders — the speaker of the House and the president of the Senate.) A justification review often includes aspects of a performance audit (see 1a) and examination of performance and policy considerations that can help legislators make budget and policy decisions. Typically, justification reviews involve:

- Review of all performance measures reported to the legislature as part of PB² for *continuing* relevance and reliability (see 2a);

- Assessment of performance over time: In using performance data to assess performance, OPPAGA tends to examine longer-term trends (e.g., five years or longer) than agencies typically report to the legislature each year in the budget process;
- Review of internal performance reporting systems and nonfinancial management controls.
- Examination of specific management and policy issues based on assessment of management risk and legislative policy interests. In examining these issues, OPPAGA tries to answer:
 - Is the program doing a good job of achieving outcomes for the taxpayer?
 - Is there a better way to achieve these outcomes?
 - What cost-saving or operational streamlining opportunities are there for this program?
 - What emerging issues related to this program will the legislature need to pay attention to in the future?

Recent Medicaid budgeting experience illustrates one legislative use of these reviews. OPPAGA's Medicaid Program Justification Review included an examination of rebates to the state for volume purchases from the preferred drug list, including the Florida Agency for Health Care Administration (AHCA) practice of allowing some pharmaceutical companies to provide in-kind services (e.g., providing information on disease management) in lieu of cash rebates. OPPAGA found that the value of the in-kind services did not equal the value of the rebates due. The Florida Senate subsequently passed a bill to ban this practice, while the House did not. The two chambers compromised by requiring the companies to guarantee \$16 million more in budget savings, and justify any non-cash-rebate savings in documentation reported to AHCA. The Medicaid budget was adjusted accordingly. The legislature has implemented various other justification review recommendations with budgetary impact over the years, including, for example, reducing unnecessary positions, raising fees (for programs such as professional licensure that are supposed to be self supporting), and automating claim processing systems.

Justification Review reports since 1997 are available from OPPAGA's Florida Monitor Web site (www.oppaga.state.fl.us).

Internet-based Public Information Related to Program Performance: OPPAGA maintains a Web site, the "Florida Monitor" (www.oppaga.state.fl.us), that includes a wide range of information about OPPAGA (including lists of all reports back to 1978 and downloadable reports back to 1995), about Florida's performance-based program budget (PB²) system, about School District Reviews, and about all State of Florida agencies and programs. Much of the information on about 300 agencies and programs is on the "Florida Government Accountability Report" (FGAR) portion of the Web site. For every state program, FGAR contains descriptive program summaries with links for more details (including links to related legislation), several years of program funding by source, summaries of program issues and OPPAGA evaluative comments (with links for more details for

some issues), links to performance measures and standards for the program as approved by the legislature in the budget process, links to other OPPAGA reports on the program and to the program agency's Web site, and agency program contact people and phone numbers. While FGAR was designed to serve anyone with an interest in state government, OPPAGA particularly had in mind providing a readily accessible information resource to help new legislators learn about agencies and programs and their performance issues. Legislative committee staff help fulfill that function by printing out the FGAR program profiles and inserting them in briefing books for new legislative members.

In 2003, OPPAGA initiated the *Florida Monitor Weekly*, an e-mail newsletter for Florida public policy research, that anyone with an e-mail address can receive free by signing up for it at OPPAGA's Florida Monitor Web site. The *Florida Monitor Weekly* covers selected issues each week, and not only highlights related OPPAGA publications and other legislative and State of Florida reports, but goes beyond Florida information to include highlights of federal reports, related reports from other states, think tank research, Web site resources, and other sources for policy research and program evaluation. OPPAGA provides this weekly publication as an information service to bring attention to issues of interest to Florida policy makers. While still intended to be helpful to Florida legislators, OPPAGA also intends the *Florida Monitor Weekly* to be of interest to a broader audience of citizens interested in the issues featured each week. OPPAGA devotes 5,825 staff-hours annually to maintaining these Internet services.

Home pages or front pages of these three Internet services:

- Florida Government Accountability Report (FGAR): www.oppaga.state.fl.us/government
- Florida Monitor: www.oppaga.state.fl.us
- Florida Monitor Weekly: www.oppaga.state.fl.us/weekly

Portland, Oregon, City Auditor (www.portlandonline.com/auditor): The city auditor provides two "benchmarks staff" to support the Portland-Multnomah Progress Board, a "blue ribbon" citizen panel, formed in 1993, and cochaired by the mayor of Portland and the chair of the board of Multnomah County Commissioners. These two staff are not auditors, do not follow government auditing standards, and report directly to the elected city auditor, not to the director of audits. They are not part of the Audit Services Division of the Office of the City Auditor.

The Portland-Multnomah Progress Board identifies, monitors, and reports on indicators (called "benchmarks") for important community-wide goals. The Board identifies major trends in the community and acts as a catalyst for government, business, and community groups to improve the performance of the benchmarks, which generally represent broader community and regional

outcomes than do the city's SEA reports (see 5b). The city auditor's benchmarks staff obtains data from a variety of sources for benchmark indicators of the economy, education, environment, government and civic participation, health and families, public safety, and urban vitality. Most benchmarks for which regular data sources are available are updated annually, a few less frequently. Some benchmarks have been under study to find good sources of data, and some are discontinued from time to time, usually because of a lack of reliable data and sometimes because the Progress Board has not found the indicator to be useful. Long-term data trends (some back to 1990) and updates are available on the Progress Board Web site. In 1999 and 2001, the city auditor's benchmarks staff prepared brief benchmark summary reviews of key benchmarks, with narrative on "Major Challenges for Our Community" and trend graphs with brief narrative for eight or nine key benchmarks divided under three main headings: "Our Thriving Region," "Fulfilling Lives," and "Safe and Caring Communities." The 2001 review is printable on two sides of a letter-size page. From time to time, the city auditor's benchmarks staff also conducts an in-depth study of a particular benchmark or policy issue. Since 1998, they have published "special reports" on three such studies: *Children's Readiness to Learn*; *Salmon Restoration in an Urban Watershed: Johnson Creek, Oregon*; and *Educational Success for Youth: Aligning School, Family, and Community*.

In addition to the benchmarks staff, staff from the Audit Services Division of the Office of the City Auditor provides some additional assistance to the Progress Board, by, for example, including a few questions on the annual citizen survey that are used for benchmarks data. Also, the Auditor's Office occasionally assists the city's Planning Commission and District Coalitions (nonprofit or city-staffed collaborative groups organized geographically to engage citizens and support neighborhood associations), in using performance information.

Benchmarks reports and data, and the "special reports" referred to above, are available under "Progress Board Benchmarks" in "Publications" from the city auditor Web site (www.portlandonline.com/auditor). The Portland-Multnomah Progress Board home page is accessible from the city auditor Web site.

Practice 5d. Engage citizens in determining performance goals, objectives, or measures.

City of Phoenix, Arizona, City Auditor Department (phoenix.gov/AUDITOR): In 1991 the City Auditor Department began leading focus groups that helped identify performance indicators eventually selected by city departments (see 3a). Audit staff talked with customers of departments and frontline staff to find out what was important about the services being delivered. From that they worked with departments to develop performance measures. The focus groups helped clarify discrepancies between what service managers thought citizens wanted, and citizens' actual service expectations. One focus group lesson that cut across departments was the need for simpler, less

abstract performance terminology for citizens to relate to. Phoenix changed its terminology from the typical input-output-efficiency-outcome labels. The city found that from Phoenix citizens' perspectives, "results" usually fell into one of four categories: satisfaction, cost, cycle time, or mission. Over a five-year period, the City Auditor Department conducted customer and employee focus groups to help all city departments develop performance measures intended to be more results-oriented than their existing measures. Now the City Auditor Department conducts focus groups by request for departments that wish to update their performance measures. In 2003-04, the Auditor Department will assist the Public Transit Department in reviewing and updating its performance indicators.

In 1999 the City Auditor Department again led a series of citizen meetings. These meetings were used to help develop the "Organizational Indicators" found at the beginning of the City Manager Executive Reports, and that form a "report card" for city services. Auditor department staff asked citizen participants what was important to them about the services that the city provided. The Auditor Department first worked with the National Civic League and the Urban Institute to conduct two pilot workshops with citizens to discuss the concept of performance measurement and explore possible areas for measurement. Then, 10 community forums were held throughout Phoenix in convenient locations (e.g., libraries, community centers, senior centers) to find out what was important to citizens about the services provided by the city. During these meetings, citizens indicated they were most interested in 12 types of services or issues. Staff then generated hundreds of possible outcome indicators for these citizen priorities. A second set of meetings was held where citizens used computer-voting technology to select specific outcome indicators they considered of highest priority. They voted using a handheld device similar to those used by TV game show audiences. The system quickly tabulates votes and allows participants to immediately see a graph of the voting results. This process produced "Organizational Indicators" of broad public interest, including indicators not likely to be reported in reports only organized by department. While some of the Organizational Indicators are traditionally associated with specific departments (e.g., police and fire response times), some are the results of efforts of multiple departments (e.g., citywide energy expenditures). Also, other Organizational Indicators are, at most, only partly influenced by city government (e.g., average commuting time, unemployment rate) but are community outcomes of great concern to citizens.

The *City Manager Executive Report* is available from the Web pages of the city manager (<http://phoenix.gov/CITYGOV/citymgr.html>) and city auditor (<http://phoenix.gov/AUDITOR>).

Multnomah County, Oregon, Auditor (www.co.multnomah.or.us/auditor): In 1999, as part of a feasibility study on conducting service efforts and accountability (SEA) reporting in Multnomah County, the County Auditor's Office conducted eight citizen discussion groups to learn how much

citizens knew about county government, what they would like to know, and how they personally assess government performance. The county auditor reported on these discussion groups, and the rest of the feasibility study, in the January 2000 report, *Service Efforts & Accomplishments Feasibility Study*. In the feasibility study report, the Auditor's Office estimated that about 220 staff hours were spent organizing the eight discussion groups, and another 48 staff hours were spent managing and leading the sessions. Fifty-two Multnomah County residents participated in the meetings. In soliciting participants, the Auditor's Office used names provided by Portland neighborhood associations, the Multnomah County Citizen Involvement Committee and Citizen Budget Advisory Committee, local Safety Action Teams, and active citizens around the county. The auditor considered "engaged" citizens such as these to be the intended audience for SEA reports.

In the feasibility study report, the Auditor's Office noted that "our discussions with citizens revealed that there is a critical need to educate people about what the county does, how it is distinct from other local and regional governments, and what kinds of services it provides. Most citizens we talked with, while informed, were not able to immediately give an opinion on performance or know how they would assess performance without first requiring some description of services." The Auditor's Office conclusions about "what citizens want in a report" were included in the feasibility study report, and have been repeated in the introductions to the SEA reports later issued by the auditor. As described in the county's SEA report for fiscal year 2002 (on social and health services), county citizens most want an SEA report to:

- *"Report from the public's point of view.* Organize the information by function rather than department. Include services, regardless of size, that are of great interest to the public.
- *Describe goals and service populations.*
- *Show revenues, expenditures, and the amount of services purchased.* Include information on county spending priorities and the number of people served.
- *Include broad measures.* Provide figures on county progress toward state and local benchmarks and cross-departmental measures.
- *Show efficiency measures.* Include information at the county and department level on per capita costs of services.
- *Include trends and comparisons.* Show how the county has done over time and compared to other jurisdictions."

The report *Service Efforts and Accomplishments Reporting for Multnomah County: A Feasibility Study*, January 2000, and all current and past SEA reports dating back to 2001 (for FY 2000) are available from the county auditor Web site (www.co.multnomah.or.us/auditor).

Kansas City, Missouri, City Auditor (www.kcmo.org/auditor): In addition to commissioning citizen and business surveys (see 3b), in which respondents were asked to select priority services and issues for future emphasis as well as rate their satisfaction with services and perceptions of community conditions, the City Auditor's Office has involved relatively small numbers of citizens in matters related to performance management. In 2001, the City Auditor's Office conducted four business focus groups in which a total of 34 business owners and managers attended (see 3b) to talk about their service performance concerns in depth. Participants identified specific aspects of each service discussed that most affected their overall satisfaction, and the relative importance of each aspect they identified. For the fiscal 2001 *City Services Performance Report* (see 5b), the city auditor convened a nine-person City Services Performance Report Advisory Panel to help select performance measures to report. The panel had two city management staff with a good working knowledge of citizen concerns and city development issues, and seven community representatives from different parts of Kansas City, representing a local foundation, university public affairs programs, community development or neighborhood associations, and a former president of the Board of Police Commissioners. Of the many possible measures that could be reported, the advisory panel was asked to identify measures that particularly focus on community conditions and service outcomes.

Advisory Panel members are listed in Appendix 1 of the *City Services Performance Report for Fiscal Year 2001*, which is available from the city auditor's Web site (www.kcmo.org/auditor).

Practice 5e. Assess or improve citizen engagement related to performance management.

A potential future practice, with possible "precursor" examples: This practice is listed here as a "potential future practice" on the assumption that if citizen engagement becomes a prominent component of performance management in more jurisdictions, it will be important to have some form of independent review to assure citizen engagement processes are representative of the community, and are effective in giving participating stakeholders a real opportunity to influence plans and decisions. No demonstrated examples have been found in this study for this practice. However, two examples were identified that may be a "precursor" to this future practice, and may provide lessons that can be drawn upon in the future by auditors interested in assessing or helping to improve citizen engagement in performance management in their entities.

Kansas City, Missouri, City Auditor (www.kcmo.org/auditor): Possible precursors of this "future practice" are the city auditor's "Governance Assessments" of city boards and commissions, a practice started in 2001. This involves a legal requirement of the City Auditor's Office to request city boards and commissions to complete "Governance Checklists." The "Special Reports" issued on these assessments provide the verbatim answers of each board and commission to a series of

governance questions, the last of which are, “How does the board represent the people of the City of Kansas City? How is that documented? (Please provide the documentation.)” The City Auditor’s Office has devoted an average of 560 staff-hours to each of these projects.

These special reports are available from the city auditor’s Web site (www.kcmo.org/auditor):

- *Good Governance Practices for Boards and Commissions*, August 2001
- *Governance Assessment Fiscal Year 2002*, October 2002
- *Governance Assessment Fiscal Year 2003*, October 2003

Metro Auditor (www.metro-region.org/auditor), **Portland, Oregon, metro area regional government:** A possible precursor of this “future practice” is the Metro Auditor’s Audit of Metro’s Urban Growth Boundary (UGB) planning process, issued in a September 1977 report. In the United States, the specific process that was the subject of this report is unique to Oregon. However, it is a process that has things in common with many policy planning and decision-making processes undertaken by state, provincial, and local governments throughout the U.S. and other democracies: It is highly controversial, much of the data on which to base a decision has a high degree of uncertainty, and there are a range of stakeholders with widely varying interests and positions on the issue. If citizen engagement becomes a regular feature of government performance management (e.g., citizens engaged in strategic planning, goal setting, selection of performance measures), some parts of Metro’s UGB Planning Process Audit may be useful to auditors who, in the future, may want to assess the credibility of processes involving citizens in performance management. The Metro Auditor’s Office used 1,200 staff hours for this audit. In conducting the audit, the Auditor’s Office established three standards for a credible and complete UGB decision process, which could potentially be applied to other planning processes that involve uncertain forecasts (e.g., long-term strategic planning for a community or region), and where stakeholders have widely varying interests and different ideas of what the forecasts should be:

- Uncertainty in projections and forecasts should be clearly recognized; this standard intends to ensure that future uncertainties are openly acknowledged, so stakeholders do not feel Metro is concealing uncertainty to favor a particular view or interest, or discount a differing view.
- Outcomes associated with several projections and forecasts should be discussed; this standard intends to ensure acknowledgment and discussion of possible alternative futures.
- All interested stakeholders should assist in reaching consensus projections or forecasts that can be presented for decision-making purposes; this standard intends to ensure that forecast numbers used for eventual decision making are as credible as possible, and even stakeholders who do not agree with the result feel the projections and forecasts were arrived at in a fair and reasonable manner.

The Metro Auditor's Office acknowledged in its September 1997 report that the Metro's UGB planning process included extensive citizen involvement, but found that several of the major stakeholders on opposite sides of UGB issues perceived, for one reason or another, that their views had not been given reasonable consideration or they had not been shown proper respect. Appendices to the report included the 17 steps the Metro Growth Management Services Department used in its planning calculations, and critiques of each step by groups on opposite sides of the UGB debate with specific responses by the department to each critique of each step.

One of the report's recommendations called metro's development of performance measures related to the goals of maintaining an Urban Growth Boundary "an important part of this process of enhanced credibility because the measures will eventually form a 'feedback loop' which will document how and how well its growth management planning processes are working and the specific effects of policy decisions." (Metro has since developed such measures, and in March 2003 issued its first report of its land-use and transportation performance measures.) Another recommendation said that metro's executive officer (chief appointed official), in consultation with the elected Metro Council, "should identify all potential stakeholders who need to know these details. Metro's executive officer, staff, and council should work consistently and continually with these stakeholders and keep them fully informed about the data produced and [associated] outcomes. Metro should stay abreast of stakeholder activities to determine ways to continually improve an open stakeholder involvement process."