



A Report to the
Jackson County
Board of Commissioners

Commissioners

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Audit Purpose

Performance measurement is an important tool that can contribute to informed decision making, accountability, and transparency of government operations.

Its importance is illustrated by the fact inclusion of performance measurement data is a criteria of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.

Given the importance of performance measurement, we included this audit in the Fiscal Year 2017-18 Audit Plan.

Audit Objectives

This audit was initiated with two primary objectives:

1. To verify the accuracy of outcome measurement data as reported annually in the County's 2017-18 budget.*
2. To determine if different and/or additional measures could improve the utility of information reported in the future

*We reviewed the data reported for FY 2015-16 as FY 2016-17 was not yet available when the 2017-18 budget was prepared.

Section 1 - Accuracy of Reported Data (Summary)

Most data we reviewed was reported accurately. However, there were instances when departments did not have the supporting information needed to verify the accuracy of reported data. When this occurred, it was generally due to one of the following two situations:

- 1) In some instances there were changes in administrative and/or management personnel involved in the tracking and reporting of data. The new individuals did not know where the data was and/or how it had been calculated.
- 2) In other instances, information was gathered from 'live' databases and a copy of the point-in-time data had not been recorded and therefore was no longer available.

Section 1 - Accuracy of Reported Data

The following slides only address instances when reported data was inaccurate, when the necessary supporting documentation was not available, and/or when clarification of the measure seemed warranted to ensure a reader is correctly understanding what is being measured.

For the sake of brevity, we do not comment on the many instances when supporting data was available, the outcome accurately reported, and the meaning of the measure clear.

We note that we reviewed the source data to verify the accuracy of reported data but we did not perform data reliability tests of the source data itself.

Accuracy of Reported Data - Airport

Airport – We noted only one inaccuracy. Due to a human error, the wrong dollar amount was used in the calculation of the cost (to airlines) per enplaned passenger. This resulted in the cost per enplaned passenger being reported as slightly higher than it really was. It was reported as \$7.09 when it was actually \$6.73.

Strategic Objective: Maintain an average cost per enplaned passenger for operation and maintenance of the airfield. This is achieved by being proactive to needed repairs and maintenance.

Outcome(s)	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Cost per enplaned passenger	\$7.76	\$7.12	\$7.09	\$7.13	\$7.86

Accuracy of Reported Data - Assessment

Assessment – Staff previously responsible for preparing the measurement data is no longer employed by the County and the current management team could not find documentation to support the percentages of recalibrated land values reported in the budget document. The team hypothesized that the reported numbers represent the intent and not actual results.

Recalibration of Industrial, Commercial, and Multi-Family Lands

Strategic Objective: To equalize and stabilize all industrial, commercial, and multi-family lands values in Jackson County.

Outcome(s)	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Recalibrations of industrial, commercial, and multi-family lands	25%	50%	75%	100%	100%
Recalibrations of parking lots and restaurants	n/a*	n/a*	n/a*	25%	60%

*Recalibrations began in fiscal year 2016-2017.

Accuracy of Reported Data - Assessment

Assessment Continued –Performance was better than reported for “inventory reviewed accounts.” 3.8% were reviewed; 3% was reported for 2015-16.

Strategic Objective: The Assessor's Office continues an inventory review cycle by strategically targeting market areas of the County. The goal is to reduce the number of properties that have not been inspected for more than ten years and to capture potential real market value change.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Recalibrated accounts	0.00%	0.00%	0.00%	9.70%	13.00%
Inventory reviewed accounts	2.75%	2.66%	3.00%	3.00%	6.00%

Recalibration is the process of analyzing all sales in a given area and reestablishing base values and guidelines for appraising that area. In fiscal year 2017-2018, selected areas for recalibration are rural Talent, Phoenix, East Medford, and Rogue River. Inventory Review is the process in which a defined area is chosen to have all properties physically visited or reviewed by aerials, then revalued based on new data.

Accuracy of Reported Data - Assessment

Assessment Continued - We found that use of the term “Electronically filed business returns” may be misunderstood. The term is not referring to completion and submittal of an online form which then uploads automatically to a database. As used in the example below, it is referring to the ability to email the form to the Assessor’s Office instead of faxing or mailing a completed form. Staff then manually enter the information.

Strategic Objective: Provide the convenience of an electronic filing option for all business personal property taxpayers through a secure and confidential Jackson County website.

Outcome(s)	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Electronically filed business returns	n/a*	2.83%	10.00%	20.00%	25.00%

*New filing option began in fiscal year 2014-2015.

The Assessor’s Office initiated electronic filing for business personal property returns to 170 selected grocers and retail stores through access of a dedicated and secure Uniform Resource Locator (URL) website in fiscal year 2014-2015. This option for selected taxpayers continued in fiscal years 2015-2016 and 2016-2017 with improved e-filing capabilities. Another 10 percent of a selected retail population will be added in fiscal year 2017-2018.

Accuracy of Reported Data – Community Justice

Community Justice –

Adult Division - Due to staff turnover, supporting documentation for several measures were not available. The information is gleaned from a “live” or “rolling” statewide system and therefore reports for past periods could not be rerun for the reporting period.

Transition Center – Staff reported known data integrity issues resulting from use of both the ‘number of cases’ and ‘number of people’ in the reporting system. A person can have more than one case.

Accuracy of Reported Data – Community Justice

Community Justice Continued–

Juvenile Division – One measure is described as “Reduction in risk level of juveniles at time of probation closure.” However, the percent reported is the percent of juveniles who successfully completed probation. A juvenile can successfully complete probation without decreasing their risk level.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Reduction in risk level of juveniles at time of probation closure	89%	84%	82%	83%	84%

Accuracy of Reported Data – County Clerk

Clerk – There was an error in the reported fluctuation of registered voters in FY15-16 when compared to FY14-15. The budget reports a decrease. However, the number of registered voters increased from 121,000 in FY14-15 to 122,000 in FY15-16 resulting in an increase of .83% and not the reported -3.31%

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Registered voters	122,500	121,000	122,000	142,000	146,000
Fluctuation of voters from prior year	6.55%	-0.82%	-3.31%	16.39%	2.82%

Accuracy of Reported Data – County Clerk

Clerk Continued - The Clerk reports the number of presentations given yearly. However, the number reported is an estimate. No actual count is maintained.

Promote Clerk's Office Programs to the Public and Represent the Clerk's Office at Public Engagements

Strategic Objective: Educate the public on the functions of the Clerk's Office programs and engaging in community outreach.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Presentations and participation	20	20	20	20	20



Accuracy of Reported Data – Development Services

Development Services – Due to a combination of revisions to the reporting system software and management turnover, the data needed to verify the accuracy of reported Code Enforcement measures were not available.

The Building Program measures had been reviewed as part of a 2017 internal audit and found to be accurately reported. They were not re-reviewed for this audit.

Accuracy of Reported Data – District Attorney

District Attorney – Due to staff turnover, data supporting Prosecution Case Management measures was not available.

Due to a calculation error, the Victims Assistance Program underreported the number of restitution orders completed by the time of sentencing. 80% were completed by the time of sentencing but the Department had only reported 69%.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Restitution orders completed by the time of sentencing	70%	68%	69%	70%	72%



Accuracy of Reported Data – Expo

Expo - Audit reviewed attendance numbers for the 2016 Fair, but due to staff turnover, documentation for performance measures regarding facility rental days and spaces rented could not be found.

Accuracy of Reported Data – Finance

Property Management – “‘Intent to Foreclose’ notices sent” was minimally overstated because the count included notices sent regarding manufactured structures. The count should have only included notices pertaining to real property.

‘Fluctuation in properties sold’ was reported to be 79.2% when it was actually negative 79.2%. The number sold decreased from 24 in FY14-15 to 5 in FY15-16. A negative sign was used for FY13-14 data and therefore should have been used for FY15-16 to be consistent.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Fluctuation in properties sold	-15.0%	41.2%	79.2%	360.0%	17.4%

In addition, the ‘dollar value collected’ of contract payment collections was overstated by \$13,800 (11%) due to a recordation error.

Accuracy of Reported Data – HHS

Health and Human Services (HHS) –

Animal Control – We found some discrepancies between numbers reported in the budget document and numbers derived from the program’s software system, which serves as the source of the reported data. Staff are attempting to determine the cause of the discrepancies so that accurate data can be reported in future years. The discrepancies pertain to Animal Control. The numbers reported for the Shelter match reports from their software system.

Developmental Disabilities – Year end data is exported from an Access database to Excel for reporting purposes. The spreadsheets were not maintained for the year being reviewed and therefore we could not verify the data accuracy.

Accuracy of Reported Data - HHS

HHS Continued –

Veterans Services – Source data was not available due to staff turnover.

Mental Health – Source data was not available due to continued revisions of the reports used to produce the data.

Public Health – Some programs are reporting data for the most recently completed calendar year instead of the fiscal year indicated. This was occurring because the State requires the reporting of calendar year data.



Accuracy of Reported Data – IT

Information Technology – IT wins the poster child award for performance measurement. The department uses a detailed spreadsheet to track and report performance measurement data. The spreadsheet even includes a “Help” tab that explains the procedures used to create the spreadsheet. The “Help” tab prepares the department for continuity in the event of staff turnover. Additionally, the spreadsheet enables a viewer to trace the reported measurement data back to the source data and calculations.

Accuracy of Reported Data – Justice Court

Justice Court– All reported outcomes were supported by source data, are easily understood, and do not need any clarification. Justice Court gets a ‘poster child award’ for using a combination of three related indicators that together demonstrate an ability to decrease staffing levels without negatively impacting customer service. The FY18-19 recommended budget includes a 1 FTE decrease.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Case filings per fiscal year	18,145	15,595	12,336	11,100	9,388
Cases filed per Court Clerk	4,536	3,899	3,084	2,775	2,347
Percent change per Court Clerk	26%	-14%	-20%	-10%	-15%

Accuracy of Reported Data – Roads and Parks

Roads - An incorrect number was used when reporting the amount of System Development Charges (SDC) funds transferred to projects. Per accounting records, the correct amount was \$301,370 not the reported amount of \$163,447.

Strategic Objective: Provide funding for capacity increasing projects in County parks. Use SDC funds to pay for new improvements or provide matching funds for grants that build new parks or increase park capacity.

Outcome(s)	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Funds transferred for projects	\$48,995	\$163,037	\$163,447	\$161,000	\$0

Accuracy of Reported Data – Roads and Parks

Parks - The number of reported daily trips on the Bear Creek Greenway at the Ashland count station appears to be incorrect. The number of trips reported does not match the data for Ashland (254 trips per the data), any of the 4 other count stations, or the average of the 5. Due to staff turnover, the cause of the discrepancy could not be determined.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Daily trips on Bear Creek Greenway*	292	338	372	363	375

*From Ashland count station at mile point 8.5.

Accuracy of Reported Data – Sheriff’s Office

Sheriff’s Office – The Sherriff’s Office has undergone management changes and staff currently assigned responsibility for outcome measurement reporting were not aware of what methodologies or definitions had been used in the past.

For example, the Budget reports a 86% rate for ‘completed background investigations.’ The intent of this measure could not be determined based on data that indicates 883 applications were received, 35 background checks completed, and 13 individuals hired.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Completed background investigations	n/a*	n/a*	86.00%	95.00%	95.00%

*New measurement; data not available.

Accuracy of Reported Data – Sheriff’s Office

Sheriff’s Office Continued - We noted that many outcomes are described as “Changes in...” though the data does not represent a change from the prior year. For example, what is reported as a ‘**change** in use of force incidents based on arrests’ is really the percent of arrests in which ‘use of force’ was reported. In 2105-16, force was recorded as used in 57 of the 5,774 arrests made that year, which equates to use of force in 0.99% of the arrests.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Change in use of force incidents based on arrests	n/a*	0.97%	0.99%	0.99%	0.99%

Accuracy of Reported Data –Sheriff’s Office

Search and Rescue (SAR)– The contribution of volunteer hours to the SAR program was underreported due to a calculation error. Per SAR records, 15,247 hours were contributed in 2015 and 19,923 in 2016. The number of hours increased 31% from 2015 to 2016 but an increase of 23.47% was reported.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Volunteer hours contributed	2.50%	1.72%	23.47%	20.00%	20.00%

The 2017-18 budget document reports the percent of persons located as 99% for all years reported. The calculation is based on the number of successful missions and the total number of missions. However, the percentage can be distorted for two reasons. First, the total number of missions can include multiple searches (missions) for the same person. Second, a mission can involve searching for multiple people. SAR is working on revising their tracking system so that it can collect the specific data it would like to report in the budget document.

Accuracy of Reported Data – County Surveyor

Surveyor's Office – Given the lack of certain historic data, estimates were required when reporting on some measures. For example, there is no historic record or source document that provides the Surveyor with an exact or reliable estimate of the number of corners established in the county. Additionally, because 'corner records' are multi-faceted and change over time as technology advances, defining and determining if available historic information constitutes a record is subjective. As a result, when reporting the percent of corner re-establishment records available online, the Office uses the known number of records available online but is limited to estimating the total number of historic records in the archives.

A software application – Government Corners Index Application – has recently been developed by the IT Department for use by the Surveyor. This application will enable the Surveyor to begin tracking performance of some of the outcome measures.

Accuracy of Reported Data

Watermaster - The reported performance for the measure “Average hours to troubleshoot offline gauges” is their goal (48 hours) and not the average of the actual time it took to troubleshoot each instance. The misuse of the goal as a measure explains the use of the related goal “gauges repaired within 48 hours.” Note: Due to management turnover and use of a live database, records were not available to determine the accuracy of the reported percent repaired within 48 hours.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Average hours to troubleshoot offline gauges	n/a*	48	48	48	48
Gauges repaired within 48 hours	n/a*	51%	53%	75%	81%

*New measurement; data not available.

Section 2 – Utility of Measures Being Used

This section discusses the potential for improving upon the existing measures. We recommend a countywide overhaul of the current measures being reported. Our recommendation stems from the following , which are discussed in more detail in the following slides:

- A) Several department representatives agreed that other measures would provide more useful information.
- B) GFOA budget reviewers provided feedback as to how the existing system can be improved upon.
- C) Our knowledge of performance measurement indicated that in some cases it seemed likely that different measures would produce more useful information that could aid in decision making.

The following slides discuss these recommendations in more detail.



Section 2 – Utility of Measures Being Used

Individuals representing several departments expressed dissatisfaction with some current measures but were reluctant to initiate change. The reasons for their reluctance varied but ran along the theme of not wanting to change something the budget office had approved in the past and that the County seemed satisfied with.

We note that their reluctance is based on a misperception. As seen on the next slide, the County encourages departments to improve upon existing measures.

Section 2 – Utility of Measures Being Used

The Budget Preparation Manual, which is re-issued each year, instructs:

*As you put together the performance measurements for your requested budget, keep in mind that the goal is to come up with a set of good measures that say something about a program's progress toward achieving strategic objectives (this can be done even if you do not necessarily have complete control over that progress). While assembling your program budget, step back and refocus on the real goal of a program's activity and the extent to which it is making any kind of difference for the people, department(s), and/or community it is designed to serve. **Also, if you feel there are better performance measures and outcomes than the ones you used in prior years, feel free to make a change.***

Jackson County FY 2017-18 Budget Prep Manual p. 9 [bold-face added]

Section 2 – Utility of Measures Being Used

Though the GFOA has rated the existing measures as a whole as being proficient, GFOA reviewer feedback as to how the existing system can be improved upon included the following:

Some measures were more metrics than measures so work in implementing some more meaningful measures (FY17-18 comment).

Note: There are no agreed upon definitions for the terms ‘metric’ and ‘measure.’ We interpret this reviewer as using the term ‘measure’ to denote a calculation based on two pieces of data (defined as metrics) that results in meaningful information that can be used to compare performance to a standard. Given these uses, ‘miles driven’ and ‘gas used’ would be metrics used to calculate the efficiency measure ‘miles per gallon’.

Section 2 – Utility of Measures Being Used

Previous year comments indicate that the County has been steadily improving its use of performance measures.

In FY 13-14 a reviewer commented:

Performance measures are a work in progress. Having seen lots of other governments' attempts, the effort here is commendable. Some observations: Measures identified as outcomes are frequently really inputs or outputs – e.g. attending meetings – but the effort to tie a specific measure to an objective at the detail level reflected here is very good. If a measure is satisfied at the 100% level every year, then it probably reflects something that could be measured from a different perspective to show discreet change in performance from year to year.



Section 2 – Utility of Measures Being Used

In FY 14-15 a reviewer commented:

Performance measures continue to be a work in progress. It typically takes someone in a position of authority to bring sufficient attention to these measures to achieve better results.

Neither FY15-16 nor FY16-17 reviewers commented on the performance measures.

Section 2 – Utility of Measures Being Used

3. To analyze the utility of each department's existing measures, we asked ourselves:

- Will the measurements inform decision making by identifying emerging trends and/or highlighting areas where additional management attention is needed?
- Is there a balance between measures of efficiency, outputs, and outcomes?

The answers to these questions indicated that some measures lacked utility and appeared to be used solely because the department needed to report something. We believe that better measures exist.



Examples of Measures to Consider -

The following are some examples of where county departments have provided useful information but where re-evaluation of the measures and consideration of other measures may lead to more robust and useful reporting.

The examples are provided to support our recommendation that there is room for improvement and thus a need for an overhaul. The examples were selected for their illustrative applicability and are not an indication of the quality of the departments' measures as compared to other departments. We could easily have chosen examples from other departments.

Measures to Consider - Assessment

A primary goal is to fairly and accurately assess property. The ICMA (International City/County Managers Association) uses the measure “percent of total assessment value upheld on appeal” for its benchmarking project. This measure relates to the concept of effectiveness (are assessments accurate) and outcome (are all citizens being assessed fairly). Using this measure would directly relate to the county goals of serving all citizens fairly and achieving a high standard of performance. Additionally, the data is readily available and thus would not involve significant work to report.

Note: No single measure can address all aspects of performance. This measure would not provide any information regarding the possibility that property is being assessed at a lower rate than it should).

Measures to Consider – Community Justice

Adult – Recidivism is included in the benchmark comparison to the State but the benchmark section does not provide trend data or definitional parameters. Reporting recidivism as a performance measure should be considered since reducing future criminal conduct is a primary goal of the program and relates to the county goal of protecting the health, safety, and well being of all citizens.

“Supervision fees collected” reports the dollar amount collected but gives no indication as the relationship between fees owed and fees collected. Reporting fees collected as a percentage of fees assessed would be in line with the stated strategic objective “Increase supervision fee collection as measured by percent owed to percentage collected” and would provide information regarding the effectiveness of collection efforts.

Measures to Consider – County Clerk

Elections – “Registered voters” and “Fluctuation of voters from prior years” are used as measures relating to the strategic objective “compile registration data in order to accommodate the various requests that Elections receives for specific voter statistics.”

Reporting the number of requests responded to and the average number of days to respond are alternative measures that would indicate the workload and effectiveness at being responsive.


Strategic Objective: Compile registration data in order to accommodate the various requests that Elections receives for specific voter statistics.

<i>Outcome(s)</i>	Fiscal Year 2013-2014 Actual	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Actual	Fiscal Year 2016-2017 Expected	Fiscal Year 2017-2018 Projected
Registered voters	122,500	121,000	122,000	142,000	146,000
Fluctuation of voters from prior year	6.55%	-0.82%	-3.31%	16.39%	2.82%

Measures to Consider – County Clerk

Recording – The program’s measures consist mainly of processing measures: Documents recorded, marriage licenses issued, domestic partnership forms received, and BoPTA petitions filed. We appreciate the challenge the Recording Program would have in using a productivity/efficiency or outcome measure as the Program would be challenged to isolate costs, time, or inputs of documents from marriage licenses as all staff simultaneously deal with both types of documents.

Because the number of documents recorded is significantly greater than the number of marriage licenses issued (41,871 and 1,424, respectively, in FY15-16), the Clerk may want to consider reporting the number of documents processed per staff hour worked.



Measures to Consider – Development Services

Code Enforcement - The measures provided do not give an indication of the time it takes for a complaint to become resolved. The program may want to report number of calendar days from complaint received to case closure for cases closed during the fiscal year.

The number of code enforcement hearings held is reported. This is a workload indicator. Including the percent of cases in which the hearing officer upholds the finding of the code enforcement officers would give an indication as to how effective code enforcement officers are at determining whether a violation did or did not occur.



Section 3 –Performance Measurement Definitions

An agreed-upon understanding of the terminology used is necessary for any conversation. Towards this goal, we offer the following performance measurement descriptions of commonly used terms.

The following slides discuss:

- Inputs, outputs, and outcomes

- Efficiency and Effectiveness

Performance Measurement Definitions

Inputs – Inputs are the amount of internal resources used (e.g., FTEs, hours worked, or dollars expended). Inputs by themselves do not give an indication of performance, but inputs can be needed to calculate other measures. Additionally, it can be useful to have an understanding of the extent of resources being used to address a goal, provide a service, etc.

Outputs – A measure of the work produced or services delivered. Outputs reveal the quantity of work performed but do not address the quality, the efficiency at which the work was completed, the results of the work, or the conditions that result from the completion of the work.

Performance Measurement Definitions

Outcomes - Outcomes measure the results (or consequences) of the work. Outcomes are not 'what the program did.' Outcomes are 'what is different in the world because of what was done.' Outcomes are external measures whereas the output is internal. For example, crimes investigated is an output of a law enforcement agency. Criminals prosecuted because of a successful investigation and a lower crime rate would both be considered outcomes. Prosecution and a lower crime rate result from the actions of the law enforcement agency but occur externally to the agency.

Outcomes can be subdivided into intermediate and long term outcomes.

Performance Measurement Definitions

Effectiveness – Effectiveness relates to the extent to which the desired results have been achieved. Effectiveness describes the amount of achieved results or the level of quality of the results. Examples include: percentage of work products completed within a specified timeframe, percent of clients achieving the desired result, and percent of completed work products that meet a specified minimum quality standard.

Effectiveness can be viewed through both the lens of outputs and outcomes.

Effectiveness measures do not provide information regarding the efficiency at which the desired result was achieved.

Performance Measurement Definitions

Efficiency – A measure of the quantity of work completed per unit of resource used (measured by the ratio of outputs to inputs).

Examples include: Number of transactions per FTE, Cost per case, and hours worked per product completed. Efficiency measures do not provide information regarding the quality. An organization can be very efficient at producing poor results.

Workload (also called Service Demand) – This refers to the amount of work that comes into a program. Examples include: Calls for service, customers, etc. Workloads give an indication of the external environment and contribute to the overall understanding of both need and performance. Workload is different than output because incoming work is not necessarily equal to completed work.



Performance Measurement Definitions

Cost-effectiveness – A measure that combines elements of efficiency and effectiveness. Cost-effectiveness measures the cost of achieving the desired outcome and can only be used in situations when the desired outcome can be defined, achievement of the desired outcome is known, and achievement can be monetized.

The GFOA Budget Award and Performance Measurement Reporting

Performance Measurement Reporting is one of 27 criteria used to determine how well the budget serves as a policy document, financial plan, operations guide, and as a communication device.

As explained on the GFOA website:

[Home](#) / [Distinguished Budget Presentation Awards Program \(Budget Awards Program\)](#)

Distinguished Budget Presentation Awards Program (Budget Awards Program)

Judging process

Each budget document submitted to the program is evaluated separately by three reviewers. Each reviewer rates a given budget document as being either *not proficient*, *proficient*, or *outstanding* in regard to 27 specific criteria, grouped into four basic categories. The reviewer also provides an overall rating for each of the basic categories. To receive the award, a budget document must be rated either *proficient* or *outstanding* by at least two of the three reviewers for all four basic categories, as well as for 14 of the 27 specific criteria identified as mandatory.

The GFOA Budget Award and Performance Measurement Reporting

Directions provided by the GFOA includes the following regarding performance measurement reporting:

Explanation

Performance measures should include the outputs of individual units and provide a meaningful way to assess the effectiveness and efficiency of those units. The measures should be related to the mission, goals, and objectives of each unit. Include information for at least three years (the prior year actual, current year estimate or budget, and budget year).

Refer to GFOA's best practice on A Systematic Approach to Managing Performance and Performance Management for Decision Making.

<http://www.gfoa.org/sites/default/files/u63/2014BudgetCriteriaExplanations.pdf>

Information about the GFOA Budget Award

Another GFOA document provides this direction:

9. *Measures.*

Performance measures typically are included in the respective departmental section of the budget document:

- Each department is encouraged to present performance measures that link with the goals of both the overall entity and the department;
- Performance measures should include input, output, efficiency, and effectiveness measures and their relationship to achieving desired outcomes;
- Include measures for the prior, current, and upcoming budget year; and
- A discussion of key measures is becoming increasingly common.

<http://www.gfoa.org/departmental-presentation-operating-budget-document>

Audit Methodology

To determine the accuracy of reported data, our methodology included:

- Interviewing representatives of each department to determine the department's process for defining, collecting, and reporting outcome measures.
- Performing various audit tests to verify the accuracy of reported outcome data. These tests involved agreeing outcomes reported to source reports, using alternative data sources to conduct analytical tests of reasonableness, and re-performing mathematical computations.

To determine if different and/or additional measures could improve the utility of information reported in the future, our methodology included:

- Researching performance measurement literature published by organizations such as the International City/County Managers Association (ICMA), the Municipal Research and Services Center of Washington State, and the Government Finance Officers Association (GFOA)
- Reviewing the measures reported in the budgets of other local governments
- Discussing the results of our research with representatives of each department.



Management Response to Audit

Audit Standards pertaining to performance audit reporting require that an audit report contain the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report, as well as any planned corrective action plan.

The audit was provided in draft form to each department director, the Sr. Deputy County Administrator, and County Budget Analyst for their review and feedback.

No individual disagreed with any of the findings, conclusions, or recommendations.

Additional Information About the Audit Process

- Audit Authority - We conducted our audit in accordance with Codified Ordinance 218 pertaining to the County Auditor. This audit was included in our fiscal year 2017-18 Internal Audit Plan.
- Compliance with Government Auditing Standards - We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
- Confidential or Sensitive Information - We did not withhold information that would be considered sensitive or confidential.

Jackson County
Internal Audit Program
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This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Internal Audit Program are available for viewing on the County [website](#). Printed copies can be obtained by contacting the Internal Audit Program.

