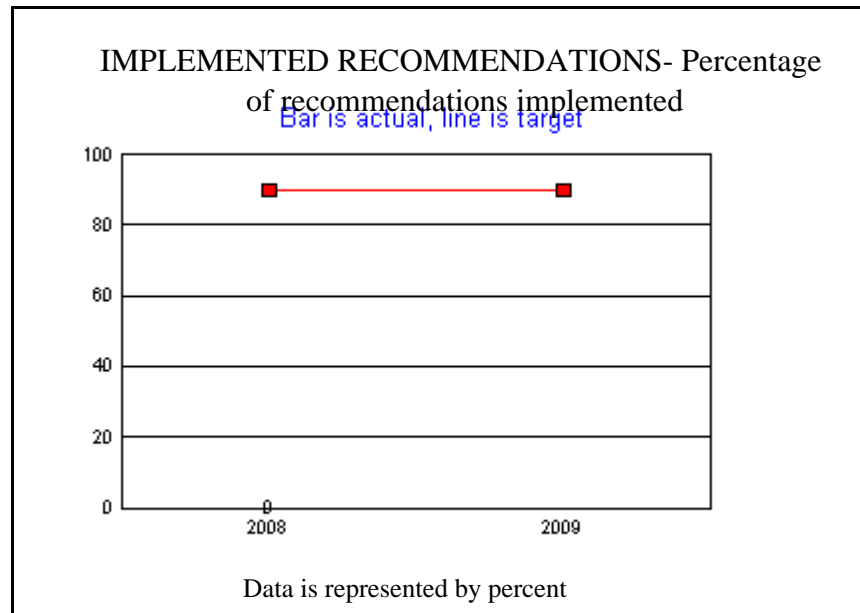


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| <p>KPM #4</p> | <p>Audit Recommendation Implementation- Percentage of audit recommendations implemented.</p> | <p>2003</p> |
| <p>Goal</p> | <p>Quality Products: We are dedicated to producing a quality product that meets our customers' needs in a timely, accurate, professional, and efficient manner.</p> | |
| <p>Oregon Context</p> | <p>Benchmark #35 - PUBLIC MANAGEMENT QUALITY Governing magazine's ranking of public management quality.</p> | |
| <p>Data Source</p> | <p>The data is captured in our recommendation data base.</p> | |
| <p>Owner</p> | <p>Audits Division, Chuck Hibner, 503-986-2355</p> | |



1. OUR STRATEGY

This measure is designed as a quality measure for recommendations we make as a result of our audit work. The recommendations we make should be implementable and we should be convincing enough to inspire the subject agency to follow through with implementation.

This measure is also designed to ensure that we are following up on recommendations that result from non-recurring work. For those projects that we do every year, follow up is easy, inevitable, and one of our audit standards. For work that we may only undertake once, we need to be taking some steps to ensure agencies are implementing those recommendations as well.

2. ABOUT THE TARGETS

Similar to measure 165-002 & 165-003, creating a meaningful target for this measure is difficult. The basis for the estimate is historical information and an approach that we should be able to do better than we have in the past. Our experience has been that a number of our recommendations are not implementable within 1 year. Our target for implementation will never be 100%.

3. HOW WE ARE DOING

We are yet unsure of the cause behind the decline in these results. We will be contacting agencies after a closer look at our follow-up results to determine the cause. One potential reason could be due to the recent changes in audit standards. Those changes are requiring reporting of more financial control findings than ever. This has led to financial control findings becoming a greater proportion of our findings. I suspect that part of the answer will lie with agencies' ability to respond quickly to these types of findings.

4. HOW WE COMPARE

As we revisit our measure this next year, we will look for comparable data from other states.

5. FACTORS AFFECTING RESULTS

A primary factor in implementation is an agencies willingness to implement our recommendations. The only influence we have is in showing a convincing argument for implementation and reporting the status of recommendation implementation. Outside factors would include the Governor's or the Legislature's interest in a particular program or set of recommendations. Recommendations that we make and their status are also reported as a part of an agency's Ways and Means budget packet.

6. WHAT NEEDS TO BE DONE

Beyond doing the research noted in #3 above, we need to continue to improve our discipline and our process for follow up of recommendations made for non-recurring audit work. The next 3 – 5 % will most likely result from our following up consistently and serving as a reminder that outstanding recommendations need to be implemented.

7. ABOUT THE DATA

The recommendation follow up information is captured either through the following years audit work or through a follow up form sent to the agency asking for the status of each recommendation. Once returned to OAD the responsible audit manager will verify the accuracy of the response and undertake any additions work needed to confirm their response prior to entry into our database.

Note