

## Local Government Performance Audit Survey Results

February 2011



WASHINGTON  
**BRIAN SONNTAG**  
STATE AUDITOR

# Introduction to the Survey Results

Local government elected officials and managers recently helped the State Auditor's Office evaluate potential topics for future performance audits.

The results of two surveys and several focused discussions were analyzed and compiled by Elway Trimble Communications, an independent research and public engagement firm.

Local government leaders identified several important topics for consideration as future audits, such as the local impact of state environmental programs, law enforcement staffing models, and deferred maintenance.

The survey results follow.

# For more information

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## Washington State Auditor Brian Sonntag

March 3, 2011

Dear Local Government Leaders:

As promised, we wanted to share with you the results of the two Washington State Auditor's Office Local Government Performance Audit surveys that were distributed in November. The "Local Government Priorities for Performance Audits Survey of Local Government Officials" is now available on our website at

[http://www.sao.wa.gov/EN/Audits/PerformanceAudit/Documents/Local\\_govt\\_outreach\\_results\\_PA\\_2011.pdf](http://www.sao.wa.gov/EN/Audits/PerformanceAudit/Documents/Local_govt_outreach_results_PA_2011.pdf).

Thank you for helping us evaluate more than two dozen potential audit topics, providing us with your insights as local government leaders and managers. As you can see on the following chart, important issues such as the local impact of state environmental programs, law enforcement staffing models, and deferred maintenance impacts rose to the top of your list of suggested performance audit topics. We very much appreciate your participation in the surveys and focus discussions, particularly in light of the competing demands on your time.



Local Government Leaders

March 3, 2011

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Our plan is to use this information to build our local government performance audit work plan. We have learned there may be changes in how our funding is apportioned, limiting our resources to conduct local government performance audits in the 2011 – 2013 biennium. We will have to wait until the Legislature makes certain budget decisions before we decide whether to proceed with any of the proposed audits.

In the meantime, we are still discussing the ideas that came up during our focused discussions with local government associations. A particularly intriguing suggestion is to help local governments develop more effective performance management systems through training and tools.

We greatly appreciate your thoughtful responses and suggestions and look forward to working together with you in the future.

If you have questions or concerns about this, please contact me at (360) 725-9720.

Sincerely,

A handwritten signature in black ink, appearing to read "Larisa Benson".

Larisa Benson

Director of Performance Audit

**State Auditor's Office**

**Local Government Priorities for Performance Audits  
Survey of Local Government Officials**

**DECEMBER 2010**



**Elway Trimble Communications**

*A Joint Venture of Elway Research & FLT Consulting, Inc.*

## Introduction

This report presents the findings from a multi-phase survey of local elected officials to determine their thoughts and priorities for performance audits of local governments. The survey was conducted on behalf of the State Auditor's Office in cooperation with the Association of Washington Cities (AWC), the Washington State Association of Counties (WSAC) and the Washington Association of County Officials (WACO).

The survey was designed and administered by Elway Trimble Communications, in close collaboration with the Performance Audit division of the State Auditor's Office.

The research consisted of three phases:

**Phase 1 - Focused Discussions:** Members of the Performance Audit Division and Elway Trimble Communications held focused discussions with staff and leaders of organizations about potentially useful performance audits in local government. These discussions generated a list of potential ideas and issues for performance audit. In addition to AWC, WSAC and WACO, discussions were held with the Washington Financial Officers Association, the Washington City/County Management Association, and the Association of Washington Business

**Phase 2 - Initial Survey:** The issues from Phase 1 were refined into a list of 35 topics, which was distributed to all members of AWC, WSAC and WACO via an on-line questionnaire. Respondents were asked to indicate, for each of the 35 topics, whether they thought there could be "significant potential value" from a performance audit of that topic on any or all of three criteria:

- a) Cost savings
- b) Improvement of programs and services
- c) Delivering results that matter to citizens

The results were analyzed by calculating the percentage of respondents who indicated each topic as having “significant potential value” in each of the three criteria. An index score was calculated for each topic by combining the three scores and this index was used to rank order the 35 topics from highest potential value to lowest.

**Phase 3 – Rating Survey:** A list of the 16 topics with the highest potential was created by considering the scores from Survey 1 and by combining some similar topics. These 16 were re-circulated to the same local government officials via a second on-line questionnaire. This time, respondents were asked to rate each topic on two criteria:

- 1) Its potential **value** to the respondent’s own jurisdiction. Value was defined as leading to
  - a) cost savings, b) program improvements and c) results that matter to citizens.
- 2) The **difficulty** of producing a performance audit that would produce the potential benefits. Difficulty might be reflected in the degree of the topic's complexity, level of controversy, challenges obtaining data or defining criteria for comparisons, low likelihood that parties could agree to change the status quo, etc.

## Methods

Both surveys were conducted on-line. The head of each local government association sent an email invitation to its members encouraging their participation. A link to the questionnaire was included. The invitation was accompanied by a letter of introduction from Larisa Benson, Director of the SAO Performance Audit Division, explaining the purpose and use of the survey.

Phase 2 data were collected between November 5-17, 2010. A total of 595 officials answered at least one question and 362 rated at least one of the 35 topics. The findings reported here are based on the 362 officials who answered a rating question.

Phase 3 data were collected between November 30 – December 9. A total of 471 officials answered at least one question in this second questionnaire, and 340 rated at least one of the 16 topics. As before, the data reported here are based on those who answered at least one rating question (N=340).

The responses were anonymous, so there is no way to know the extent to which the 340 respondents in Survey 2 were the same or different from the 362 who answered in Survey 1. It is reasonable to assume that there is considerable overlap, however, the sample data on the following page indicates a somewhat different profile for the two sets of respondents.

It must be kept in mind, that these results can be interpreted only as representing the answers given by these respondents to these questions at the time they completed the questionnaire. Although every member of each of the participating organizations was given the opportunity to participate in these two surveys, most did not.

## Respondent Profile

In interpreting survey findings, it is important to keep in mind the characteristics of the people who actually responded. This table presents a profile of the respondents to each survey.

		SURVEY 1			SURVEY 2		
		CITY	CNTY	TOT	CITY	CNTY	TOT
TOTAL (n=)		177	170	362	210	123	340
POSITION	Elected Official	32%	39%	125	30%	59%	130
	City / County Manager / Administrator	23%	10%	58	23%	6%	52
	Department / Agency Head	32%	32%	117	35%	21%	96
	Division / Program Manager	8%	16%	43	12%	14%	41
	Undetermined			19			21
CITIES	POPULATION	100,000+	5%		8%		
		20,000 TO 100,000	31%		30%		
		10,000 TO 5,000	32%		32%		
		Under 5,000	33%		31%		
	TYPE OF GOVT	Mayor-Council	66%		66%		
		Council-Manager	34%		34%		
COUNTIES	POPULATION	500,000+		15%		13%	
		100,000 to 500,000		29%		30%	
		50,000 to 100,000		28%		21%	
		Under 50,000		29%		36%	

## Summary

Overall, most city and county officials responding to the survey saw significant potential value in performance audits. The officials were asked to rate 16 potential performance audit topics for their potential value and for the anticipated difficulty in producing useful information. Nine of the 16 topics were rated on the “valuable” side of the six-point scale and 11 were rated on the “difficult” side of that scale.

City and county officials tended to have somewhat different priorities in terms of the potential value of performance audits. Among county officials, 13 of the 16 topics were rated on the “valuable” side of the 6-point scale. Among city officials, 8 of the 16 were. County officials gave higher value ratings than did city officials to 14 of the 16 topics.

The most potentially valuable performance audits for county officials were: Environmental mandates impacts; Law enforcement staffing models; Court improvements; Public information requests; Land use services; Deferred maintenance impacts; and Public/private partnerships for health care. Each of these had an average value rating of 4.0 or higher.

For the city officials, only two topics had value ratings at or above 4.0: Environmental mandates impacts and Deferred maintenance impacts.

There was closer agreement about the difficulty in producing a valuable performance audit on these topics: the ratings from city and county officials were statistically equivalent for 7 of the 16 topics. City and county officials both rated 8 of the 16 same topics above the scale midpoint.

City and county officials agreed that the “Impact on local governments of state environmental programs and mandates” was the most potentially valuable performance audit. City officials also rated that as the most difficult, while county officials rated it the second most difficult.

## Phase 2 Items

Below is the list of topics, grouped by general theme, included in Survey 1. These were developed from the initial discussions with association leaders.

### **REGIONALIZATION / CONSOLIDATION OF...**

- Fire services
- Public health services
- Legal penalty collections
- Parks administration and services

### **PRIVATIZATION OF...**

- Solid waste services
- Transit services
- Animal control services
- Ambulance use and overlap with fire services
- Organization of public works departments and services
- Organization of land use and permitting services
- Best practices in public/private partnerships for health care
- Centralization of state and local business tax and fee collections

### **PUBLIC SAFETY**

- Best practices in legal defense of indigents
- Law enforcement staffing models
- Improvements in District and Superior Court effectiveness, efficiency
- Medical services in jails
- Jail capacity
- Local government legal services
- Fire benefit charges

### **GOVERNMENT OPERATIONS**

- Best practices for using performance measures
- Lessons learned in performance-based budgeting
- Property assessments
- Valuation of land and improvements
- Best practices in responding to public information requests
- Best practices in motor pool operations
- Best practices in cash management and investment
- Improving purchasing practices
- Local government overtime practices

### **LONG TERM ISSUES**

- Opportunities for local governments to expand broadband telecommunications coverage
- Pension funding
- Implications of deferred maintenance (streets, equipment, etc.)

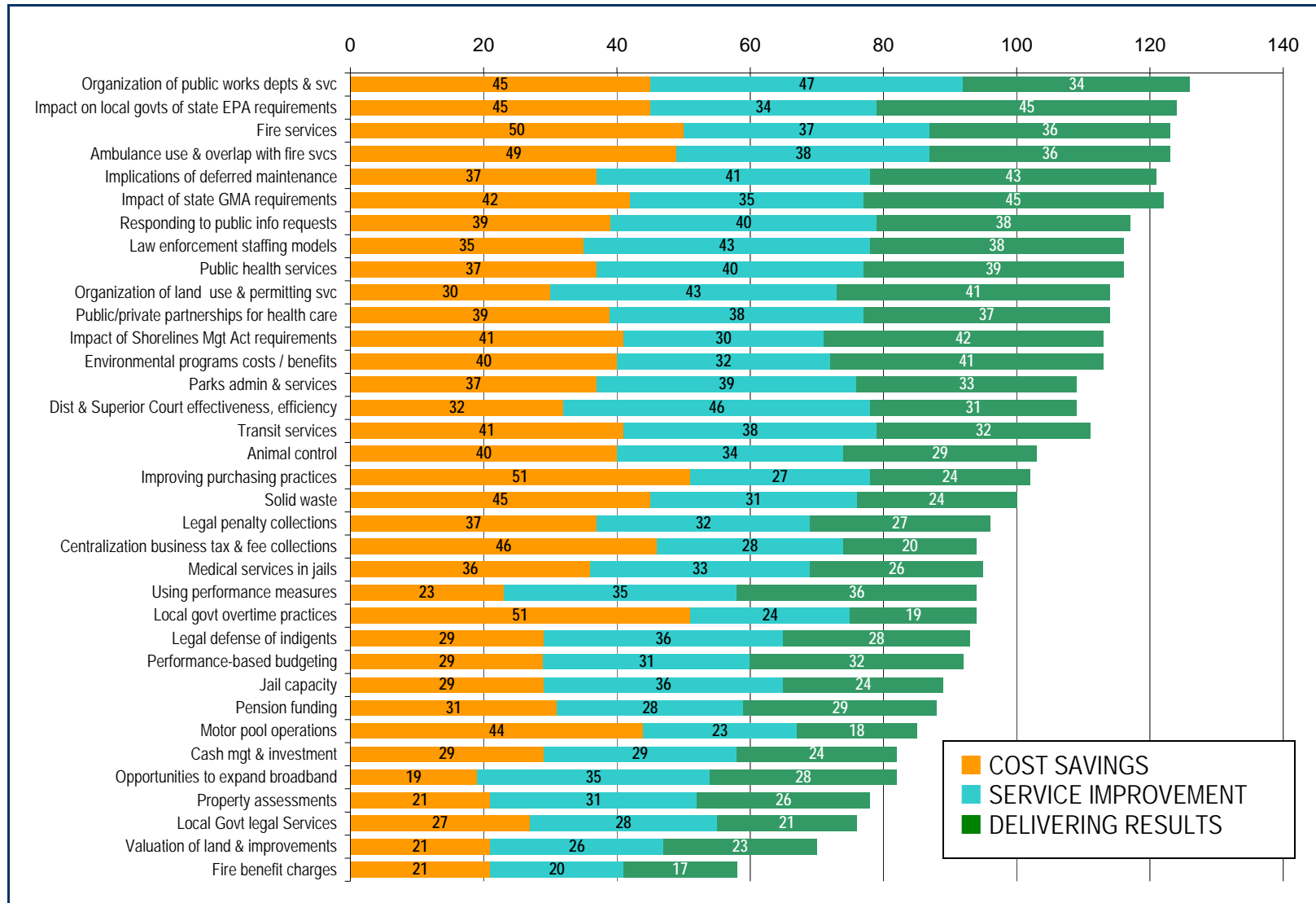
### **ENVIRONMENTAL ISSUES**

- Costs and benefits of specific environmental programs
- Impact on local governments of state Growth Management Act requirements
- Impact on local governments of state Environmental Policy Act requirements
- Impact on local governments of state Shorelines Management Act requirements

The graph on the following page summarizes the results of Survey 1. It indicates the percentage of respondents who indicated that each topic had potential value. Respondents were asked to simply indicate the ones they thought had significant potential value from a performance audit on any or all of three criteria:

- a) Cost savings
- b) Improvement of programs and services
- c) Delivering results that matter to citizens

## Survey 1: % Who Said Performance Audit Would Be Valuable



## Survey 2 Items

The top-rated items from Survey 1 were refined and re-presented to the local government officials in a second survey. Some items from Survey 1 were consolidated in this final round of survey. The officials were asked to rate each topic twice: Once for its potential value to the respondent's own jurisdiction and a second time for the degree of difficulty to produce a useful performance audit of that topic.

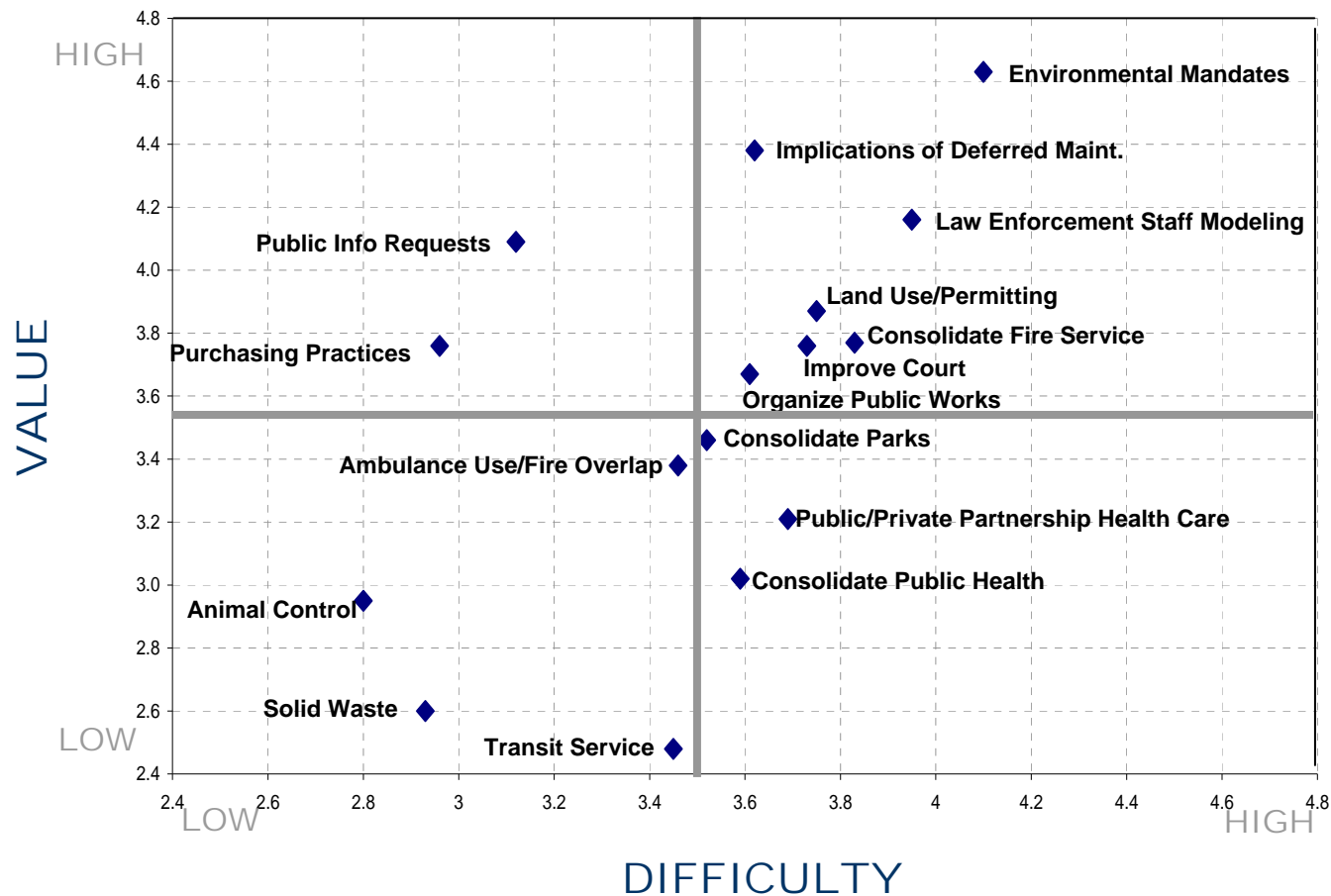
The items in Survey 2 were:

- Organization of public works departments and services
- Impact on local governments of state environmental programs / mandates
- Regionalization / Consolidation of fire services
- Ambulance use and overlap with fire services
- Implications of deferred maintenance (streets, equipment, etc.)
- Best practices in responding to public information requests
- Law enforcement staffing models
- Regionalization / Consolidation of public health services
- Organization of land use and permitting services
- Best practices in public/private partnerships for health care
- Regionalization / Consolidation of parks administration and services
- Improvements in District and Superior Court effectiveness, efficiency
- Privatization of transit services
- Privatization of animal control services
- Improving purchasing practices
- Privatization of solid waste services

The graphs on the following pages present several summary views of the findings.

### Relative Value x Difficulty: Quadrant Analysis

This graph plots the average scores for both Value and Difficulty for each of the sixteen topics included in Survey 2. Respondents were asked to rate each topic on a 1-6 scale. Note that the scales are truncated here for emphasis. None of the categories averaged lower than 2.48 or higher than 4.63 on either scale. The gray lines intersecting the graph indicate the overall average scores for Value and Difficulty



## Quadrant Analysis

The topics in the upper-right quadrant were rated as most potentially valuable and the most difficult of the 16 topics. Seven of the 16 items scored above average both for value and difficulty.

Assessing the impact on local governments of state environmental programs and mandates was rated both the most valuable (average rating = 4.63) and the most difficult (average rating = 4.10).

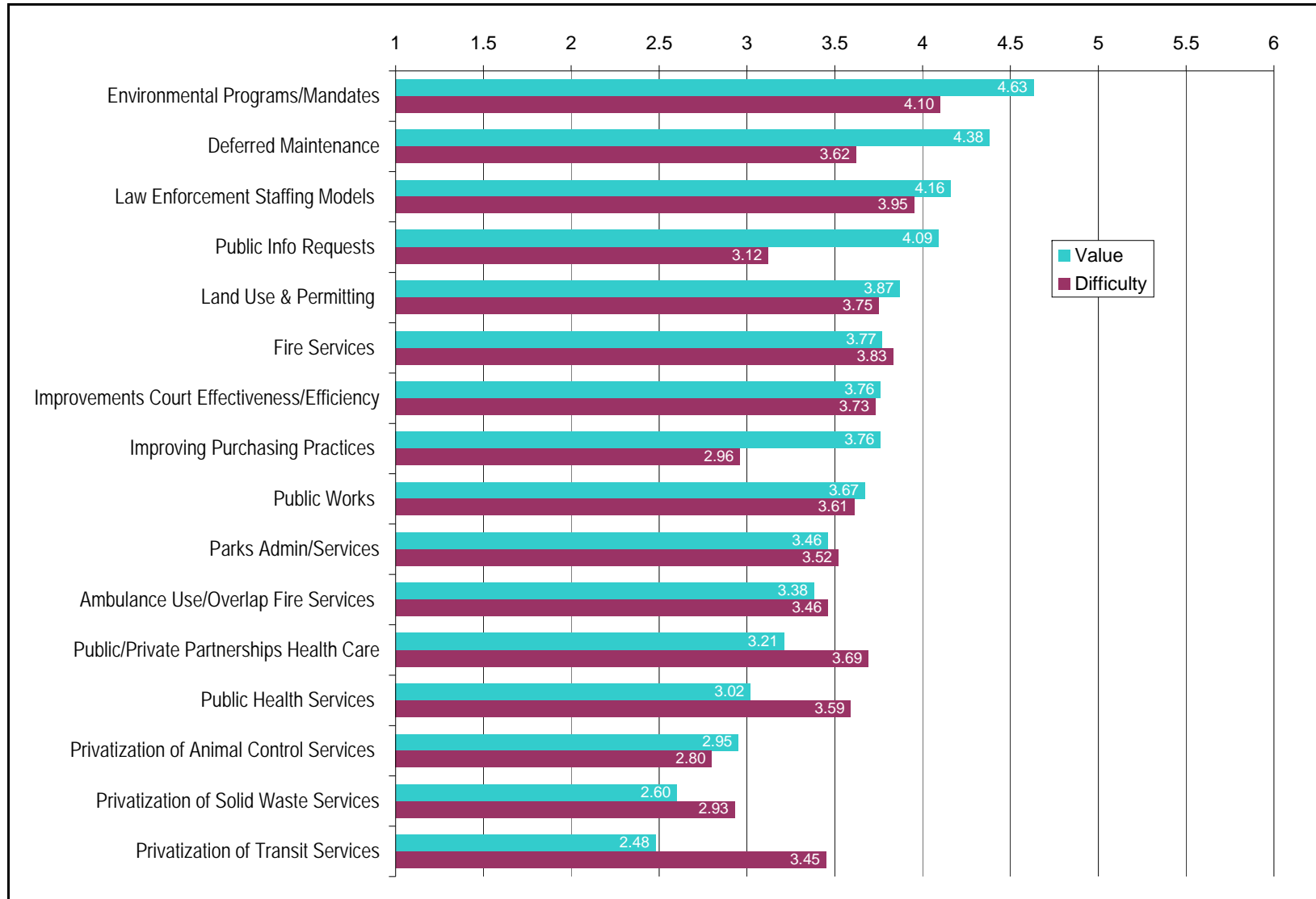
The upper-left quadrant includes topics that were rated above average for value and below average for difficulty. Only two topics were in this relatively “big bang for the buck” quadrant: Best practices in responding to public information requests and Improving purchasing practices.

The lower-right quadrant includes those topics that were rated above average for difficulty but below average for potential value. Of the three topics in this “more trouble than they are worth” category, two involved health: Regionalization / Consolidation of public health services and Best practices in public/private partnerships for health care.

The lower-left quadrant includes four topics rated least difficult and least valuable of the 16. The three lowest rated were all privatization initiatives: transit services, animal control and solid waste services.

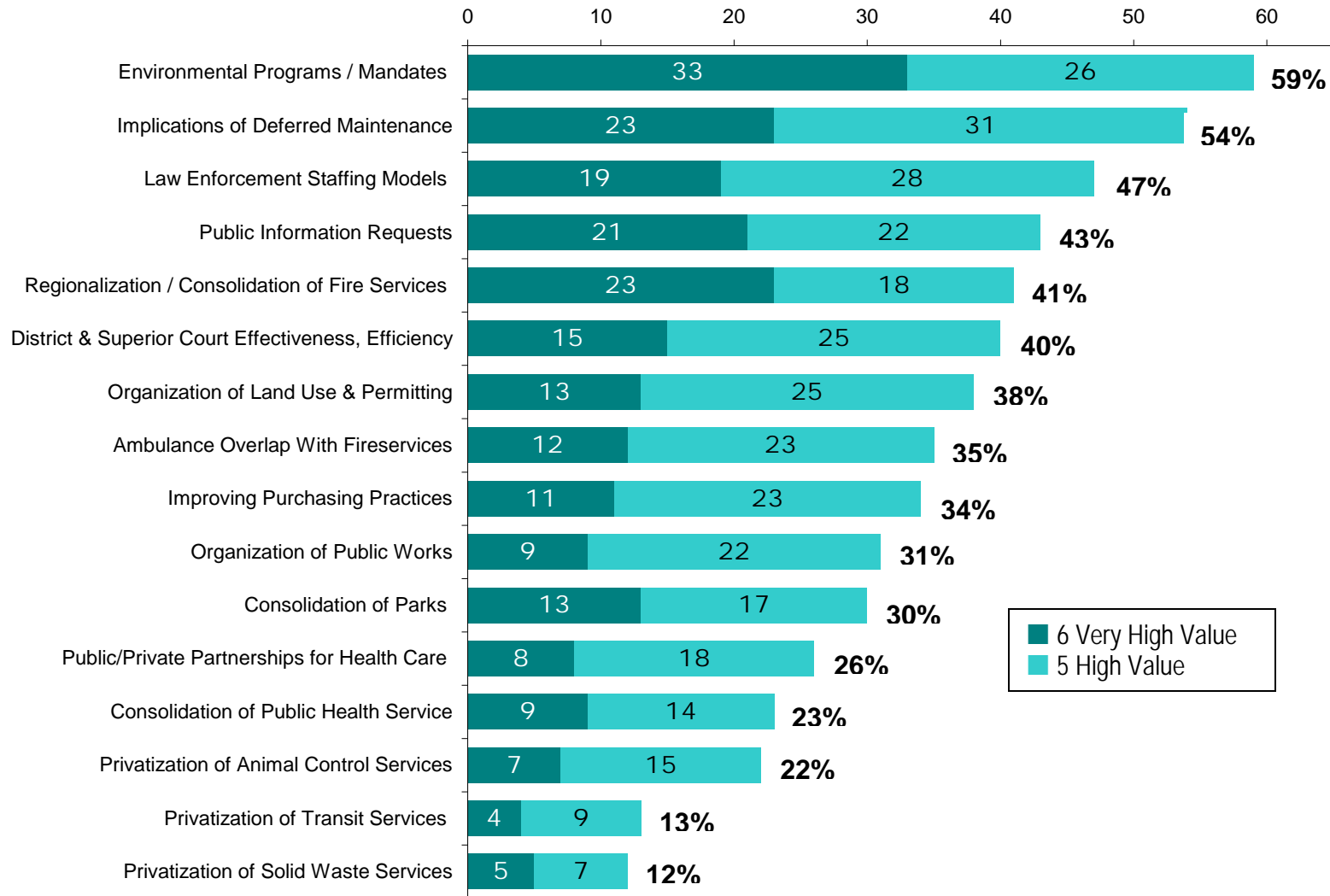
Again, it is important to keep in mind that these are *relative* positions. Nine of the 16 had average value ratings above the scale mid-point. The relative positioning on two dimensions is intended to aid in developing priorities.

### Value, Difficulty: Average Rating



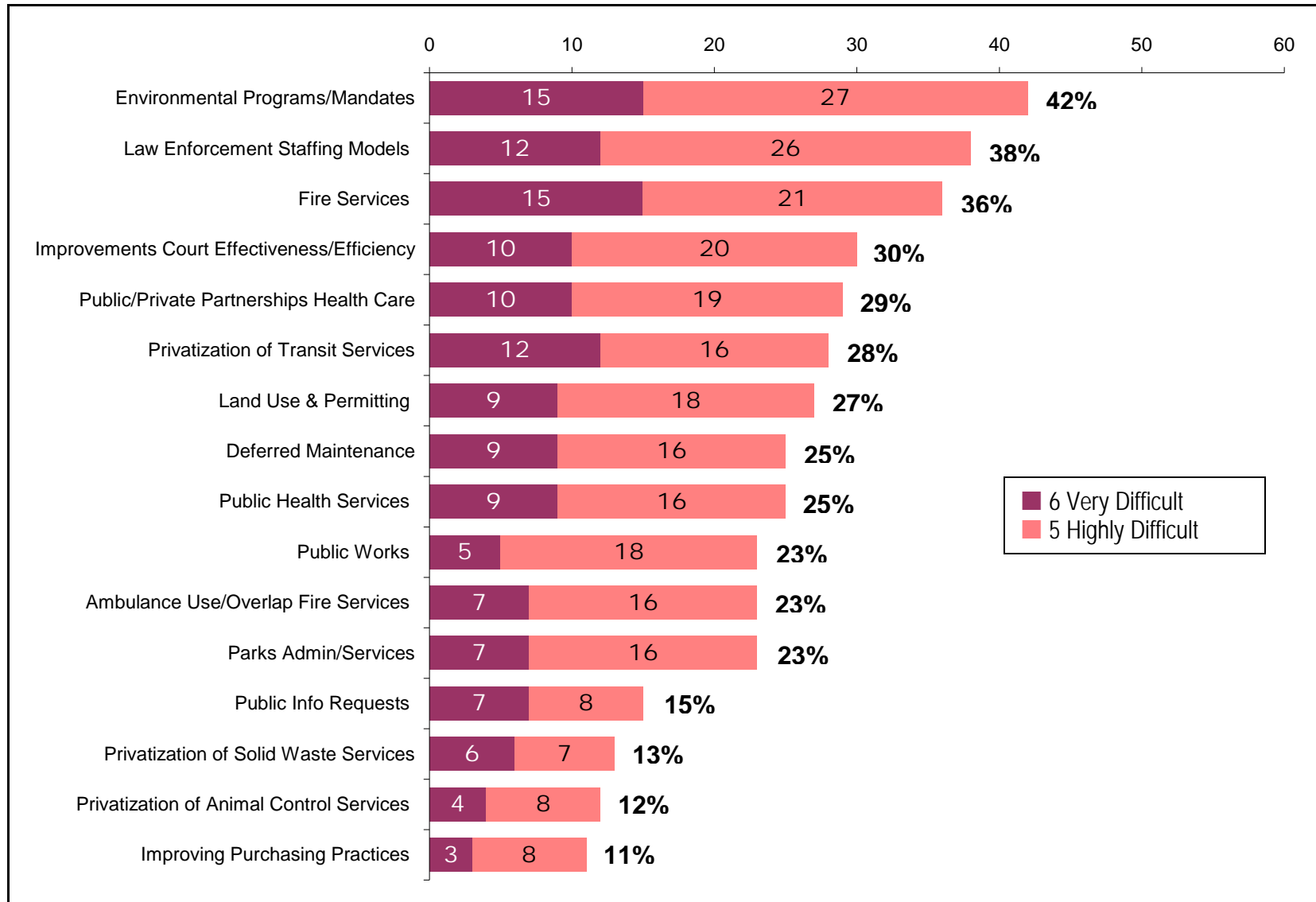
### % who said performance audit would be “highly valuable”

The percentage who rated each item a [6] or [5] on the 1-6 scale, with 6 = “Very Valuable”



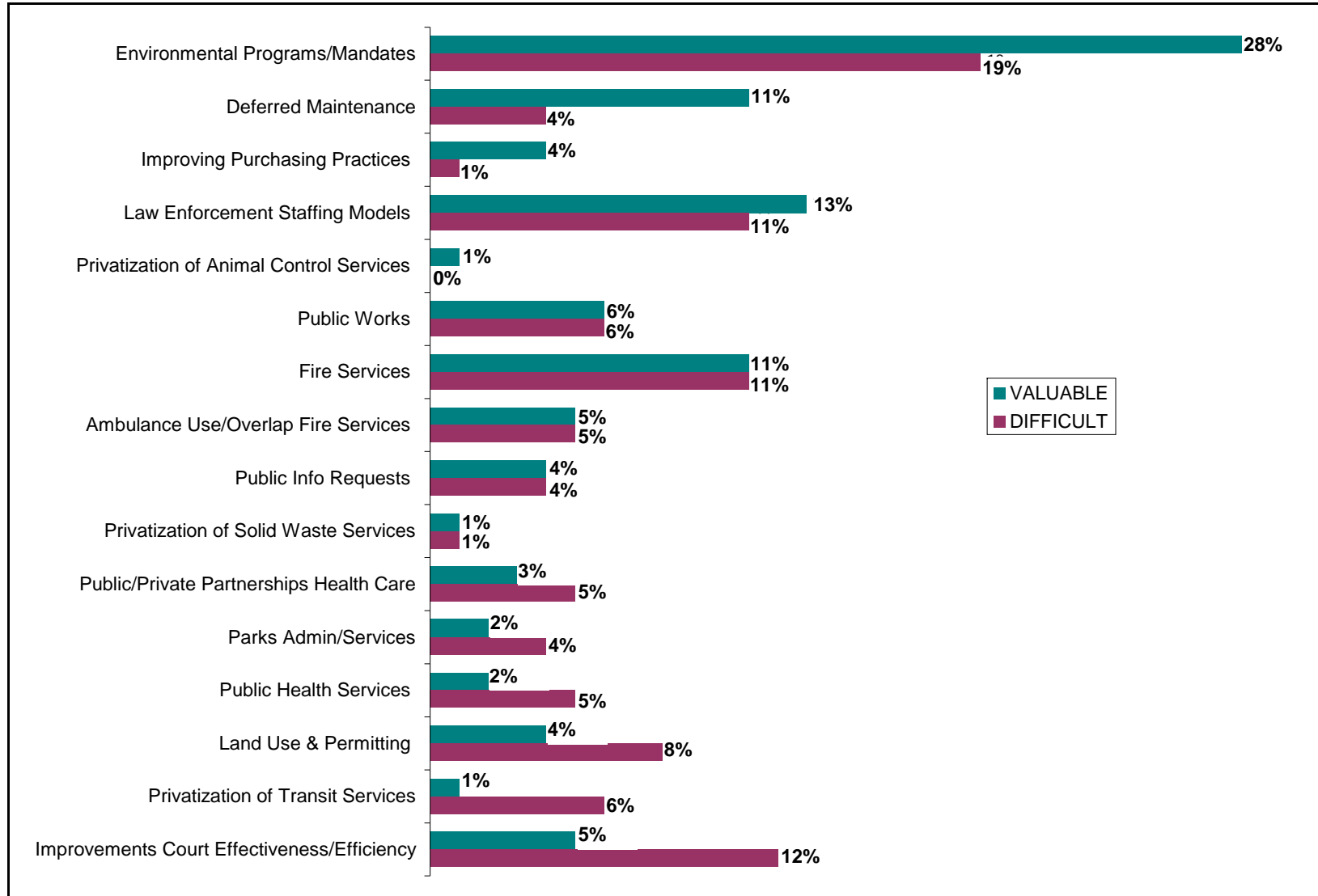
### % who said performance audit would be “highly difficult”

The percentage who rated each item a [6] or [5] on the 1-6 scale, with 6 = “Very Difficult”



## “Most Valuable” and “Most Difficult” Performance Audit

Percent who named each topic as the “most valuable” and “most difficult.” Ranked in order of Differential: Value - Difficulty



## City – County Responses Compared

City and county officials tended to rate the topics somewhat differently. The table below indicates the average rating for each topic on both criteria. Ratings for which city and county officials were in agreement (the difference between ratings was not statistically significant) are shown in **bold** type. This indicates that city and county officials rated the item virtually the same.

	VALUE		DIFFICULTY	
	CITY	CNTY	CITY	CNTY
<b>Environmental Programs/Mandates</b>	<b>4.60</b>	<b>4.66</b>	<b>4.11</b>	<b>4.09</b>
Deferred Maintenance	4.52	4.19	3.68	3.53
Law Enforcement Staffing Models	3.99	4.49	3.79	4.18
<b>Public Info Requests</b>	3.93	4.38	<b>3.09</b>	<b>3.19</b>
Land Use and Permitting	3.67	4.22	3.69	3.84
<b>Fire Services Consolidation</b>	3.85	3.63	<b>3.81</b>	<b>3.83</b>
Improvements Court Effectiveness/Efficiency	3.37	4.43	3.55	4.01
<b>Improving Purchasing Practices</b>	3.63	3.94	<b>2.94</b>	<b>2.96</b>
Public Works	3.53	3.92	3.55	3.68
Parks Admin/Services	3.31	3.71	3.63	3.35
<b>Ambulance Use/Overlap Fire Services</b>	<b>3.33</b>	<b>3.43</b>	<b>3.43</b>	<b>3.49</b>
Public/Private Partnerships Health Care	2.73	4.00	3.60	3.84
Public Health Services	2.54	3.84	3.42	3.88
<b>Privatization of Animal Control Services</b>	<b>2.90</b>	<b>3.03</b>	<b>2.78</b>	<b>2.81</b>
Privatization of Solid Waste Services	2.33	3.09	2.80	3.15
<b>Privatization of Transit Services</b>	2.24	2.85	<b>3.40</b>	<b>3.49</b>