

What is a performance audit?

A performance audit is an independent examination of a policy or program. We assess evidence against objective criteria like benchmarks or laws, to develop conclusions and recommendations.

We share our audit results in public reports and presentations. Audits are conducted using nationally recognized standards to ensure accuracy and usefulness.

Why are they important?

Performance audits help ensure accountability by evaluating whether public resources are used efficiently, effectively, and equitably. We evaluate how well the City serves Portlanders through its programs and services. We identify issues and risks, make recommendations to address them, and track whether City managers improved operations.

Our office is organizationally independent of the City, which helps us perform impartial and objective reviews. Our audits help the public and City leaders understand how programs operate and help leaders manage the City better.

How are audit topics chosen?

The elected City Auditor selects our audit topics, taking into consideration:

- Risk to life and safety;
- Public interest;
- Evidence of problems; and/or
- Risk of inequitable services and outcomes.

What are the steps in the audit process?

1) Planning

1st Checkpoint: Initiation meeting

Your Role

You participate in background interviews and provide relevant data and documents to inform development of audit objectives.

Auditor Role

We gather background information on the program, identify criteria, and develop audit objectives.

2nd Checkpoint: Communicate scope and objectives

2) Fieldwork

Your Role

You participate in focused interviews, provide relevant data and documents, and share reactions to initial findings on audit objectives.

Auditor Role

We analyze data and compare evidence against criteria to answer the audit objective.

3rd Checkpoint: Discuss findings

3) Reporting

Your Role

You review the audit draft for factual accuracy and provide evidence to support changes.

You write a response letter that becomes part of the published report.

Auditor Role

We draft a report of audit results and verify against audit evidence.

We share final product and your response with the public.

4th Checkpoint: Review drafts

4) Follow Up

Your Role

After one-year, you report on implementation of audit recommendations.

Auditor Role

We verify implementation and determine if further audit work is needed.

To conduct audit work, auditors need timely access to data, staff, and meetings.

What if your work or data is confidential?

The City Charter and Code grant the Auditor's Office the unique authority to access information held by the City, including confidential and legally privileged information, to conduct audits:

- Charter § 2-508(f) and Code § 3.05.040 require the Auditor's Office to be given timely access to all employees, information, and records required to conduct an audit, including confidential and legally privileged information and records, so long as privilege is not waived as to third parties.
- Code § 3.05.040 requires all City officers and employees to timely furnish requested information and records regarding their powers, duties, activities, organization, property, financial transactions, and methods of business to the Auditor to conduct an audit.

Charter and Code also require us to maintain the confidentiality of all confidential and legally privileged information and records obtained during the audit:

- Code § 3.05.045 prohibits the Auditor from disclosing confidential or legally privileged information and records, and requires the Auditor to be subject to the same penalties as the legal custodian of records for any unlawful or unauthorized disclosure.
- Charter § 2-508(f) requires the Auditor to maintain the confidentiality of all confidential and legally privileged information and records except as required by state law or authorized by the City Council.
- Code § 3.05.045 requires the Auditor to maintain the confidentiality of information submitted in confidence and the identity of the provider of such information to the extent allowed by law, except as directed by the District Attorney pursuant to a public records request or by a court of competent jurisdiction.

How will Audit Services protect confidential data?

Audit Services routinely obtains confidential and sensitive information from the City and has adopted procedures to protect this information. For example:

- We create and use passcode protected files to store confidential information.
- State law protects information related to an audit that is in our custody from disclosure until the audit report is issued or the audit is abandoned.
- At the end of an audit, we will return confidential information to the bureau or destroy those files.
- We do not release records "owned" by other bureaus, but will instead refer public records requests to the bureau.
- If information relevant to an audit is not subject to public disclosure due to its confidential or sensitive nature, we will withhold the information from the report but disclose in the audit that certain information has been omitted and the reason for the omission.
- City Administrators and program managers review draft audits prior to publication. Any concerns regarding the inclusion of confidential or sensitive information may be raised during this process.

Questions or concerns during an audit?

Contact Audit Services

auditservices@portlandoregon.gov



**Portland
City Auditor**
Audit Services