

What is a performance audit?

A performance audit is *an independent examination of how the government is operating.*

We assess evidence against objective criteria to conclude on the performance and management of government and develop recommendations for improvement. Our audits result in a report to the public. Audits are conducted using nationally recognized standards to ensure accuracy and usefulness.

We provide decision-makers with findings and recommendations aimed to improve the City's objectives.

Why are they important?

Performance audits can introduce new perspectives, tools, and approaches to deal with challenges. Objective feedback on performance may support a new course of action, recognize achievement, and identify opportunities for improvement.

How are audit topics determined?

The City Auditor selects our audit topics, evaluating:

- The potential for cost savings or service improvements;
- Public and Council interest;
- Evidence of problems or wrongdoing; and/or
- Risk of inequitable outcomes.

What are the steps in the audit process?

1) Planning

1st Checkpoint: Initiation meeting	
Your Role	Auditor Role
You participate in background interviews and provide relevant data and documents to inform development of audit objectives.	We gather background information on the program, identify criteria, and develop audit objectives.
2nd Checkpoint: Communicate scope and objectives	

2) Fieldwork

Your Role	Auditor Role
You participate in focused interviews, provide relevant data and documents, and share reactions to initial findings on audit objectives.	We analyze data and compare evidence against criteria to answer the audit objective.
3rd Checkpoint: Discuss findings	

3) Reporting

Your Role	Auditor Role
You review the audit draft for factual accuracy and provide evidence to support changes.	We draft a report of audit results and verify against audit evidence.
You write a response letter that becomes part of the published report.	We share final product and your response with the public.
4th Checkpoint: Review drafts	

4) Follow Up

Your Role	Auditor Role
After the one and two-year marks, you report on implementation of audit recommendations.	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 the bureau's 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 City bureaus 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.
- Bureaus 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

