

Performance Auditing at PPS: Guidelines and Success Factors

Richard C. Tracy

District Performance Auditor

April 16, 2007

Performance Auditing: Mission and Goals

- Mission of performance auditing:
 - To help improve the accountability and performance of the Portland Public Schools through independent auditing and reporting.

- Goals:
 - To improve program effectiveness and efficiency
 - To provide useful, objective, and timely information
 - To strengthen administrative and management systems and controls

Board of Education Policy

- Position of District Performance Auditor established - reports to Board audit committee
- Authority to conduct audits of all schools, offices, activities, and programs
- Auditor has unrestricted access to employees, records, and property
- Auditor will adhere to Government Auditing Standards

Professional auditing standards*

- ❑ Independence – Report to Board
- ❑ Objectivity – Fair and balanced
- ❑ Competence – Experience/training
- ❑ Planning – Scope, objectives, methods
- ❑ Evidence - Factual support/valid data
- ❑ Reporting – Clear/concise public reports
- ❑ Quality control – Internal/peer review

***Government Auditing Standards – Comptroller General of US**

Methods and approach

- Interviews
- Data analysis
- Best practice reviews
- Surveys and focus groups
- Comparative analysis
- Meta-evaluations
- Observations
- Expert opinions/
reviews



Annual audit planning and selection

- ❑ Purpose: to identify audit topics for the year
- ❑ Method: interviews with Board, leadership, and community partners
- ❑ Criteria for selection: interest, opportunities for change, known problems, “doable”, timely
- ❑ Final selection and approval: Audit Committee

Annual audit plan

- ❑ Propose topics to Board and leadership
- ❑ Identify general scope and objectives
- ❑ Select 3 topics each year
- ❑ Opportunity for modifications

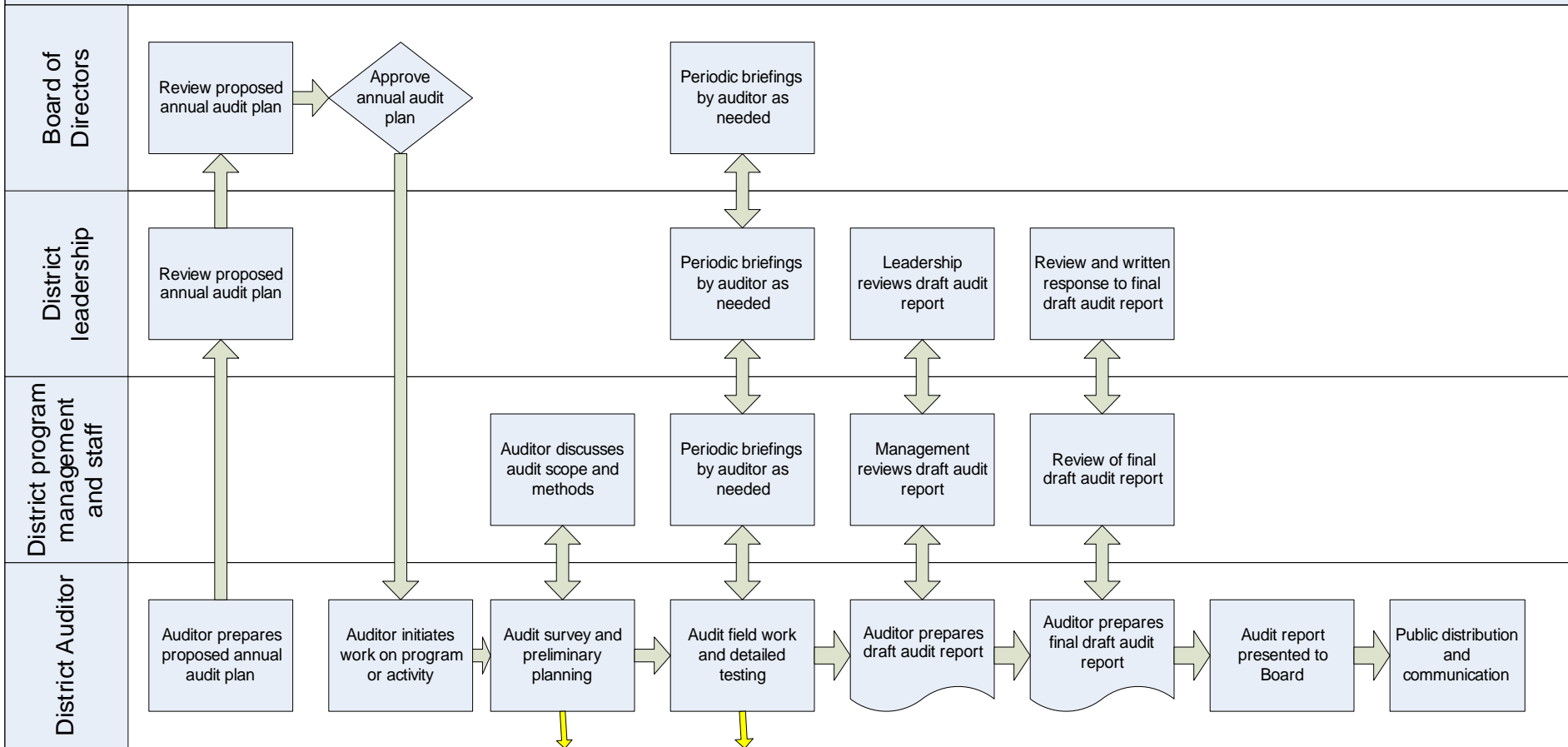


The performance audit cycle



Performance Audit Process

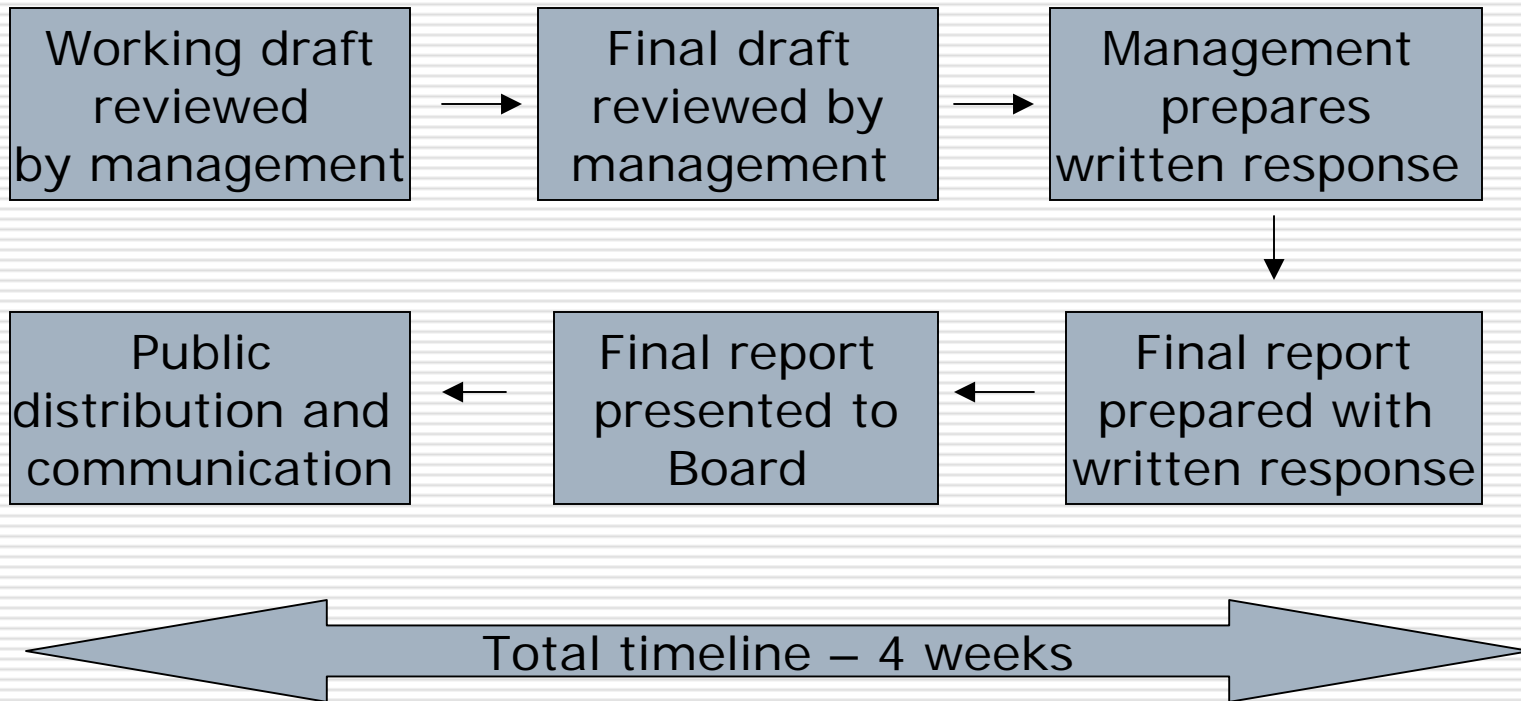
Portland Public School District



- Interview management and staff
- Develop detailed work plan
- Collect data and perform analysis
- Review data quality
- Prepare findings and conclusions

- Write internal draft audit report
- Perform internal quality control review – reference and edit
- Obtain management’s oral comment on working draft
- Obtain management’s written response to final draft
- Prepare and release final report

Public release of audit reports



Performance metrics

- Effectiveness indicators
 - % of recommendations implemented
 - Satisfaction with audit process
 - Financial benefits of audits
- Efficiency indicators
 - Cost per audit hour
 - Completed on time (% of planned hours)

Audit follow-up

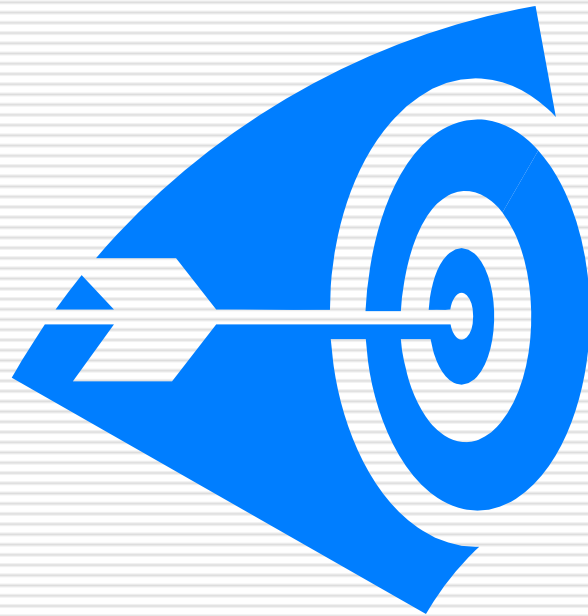
- After 6 months and 12 months
- Actions taken to address recommendations
- Reasons for no action
- Follow-up auditing and reporting if necessary

Frequently asked questions

- What is the difference between a performance audit and a financial audit?
- Who do you report to?
- Who selects your audits? What criteria is used to select audits?
- Who audits the auditor?
- Are the audit reports available to the public?

Success factors

- Trust in the process
- Fairness and objectivity
- Leadership support
- Quality work
- Practical solutions
- Commitment to transparency



Questions or comments?

Contact Information:

Dick Tracy

rctracy@pps.k12.or.us

503-916-3258