

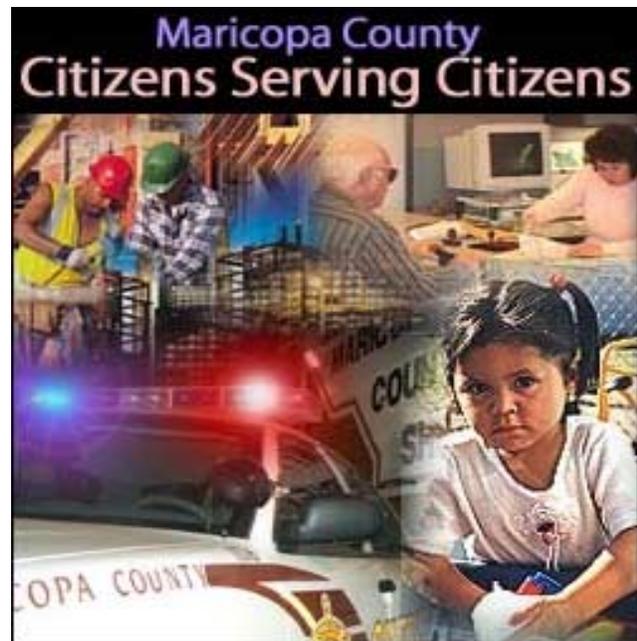


# Internal Audit Report

## Managing for Results

Performance Measure Certification

July 2003



# Performance Measure Certification Program



**Government Finance Officers Association**  
2002 Award for Excellence in Government Finance



**National Association of Counties**  
2002 Achievement Award



**National Assoc. of Local Government Auditors**  
2002 Special Project Award

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**TO:** Fulton Brock, Chairman, Board of Supervisors  
 Don Stapley, Supervisor, District II  
 Andrew Kunasek, Supervisor, District III  
 Max W. Wilson, Supervisor, District IV  
 Mary Rose Wilcox, Supervisor, District V

**FROM:** Ross L. Tate, County Auditor

**DATE:** July 14, 2003



## EXECUTIVE SUMMARY

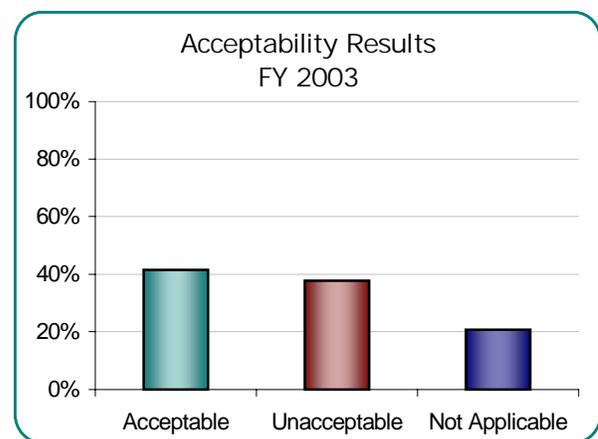
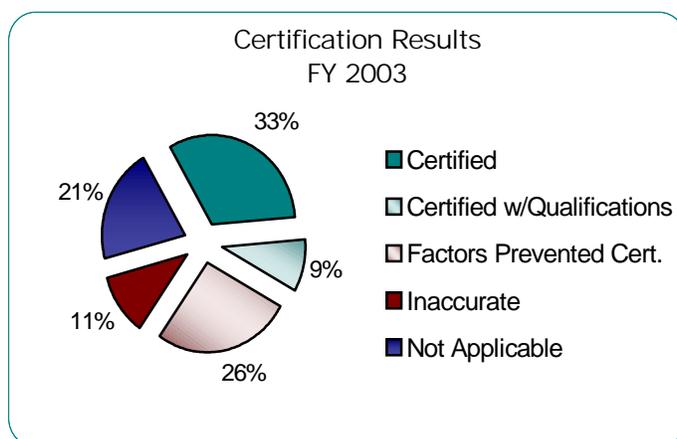
Certification of FY 2003 Managing for Results Performance Measures in ten departments found that only 42% of the reviewed measures were accurate. Among the measures that did have available data, only 52% had reliable data collection procedures.

FY 2003 was our second year of conducting Performance Measure Certifications (PMC) in accordance with the Board-approved audit plan and the County’s Managing for Results policy. Internal Audit was budgeted to review 6% of the County’s 600 key measures for FY 2003; however, with adequate funding our goal is to review 35% of all performance measures by FY 2005.

## FY 2003 Measure Certification (ACCURACY)

We reviewed 53 key measures from ten departments in FY 2003 and determined that 42% of the key measures were accurate.

Performance measures designated “Certified” or “Certified with Qualifications” are considered acceptable, whereas designations of “Factors Prevented Certification” and “Inaccurate” are unacceptable. For detailed category definitions, please see page four.

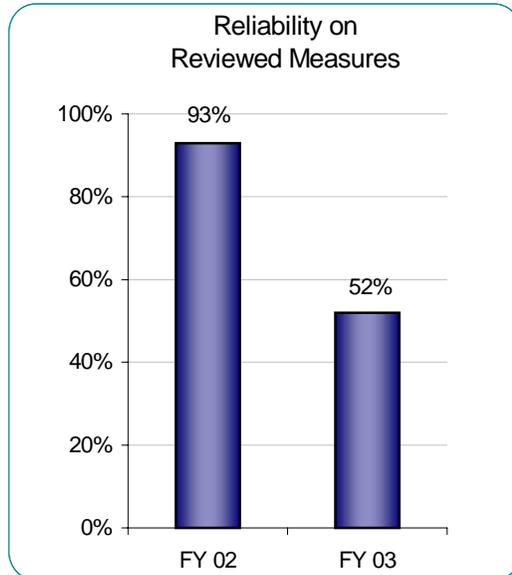


## FY 2003 Measure Certification (RELIABILITY)

Out of 53 reviewed key performance measures, 42 had available data. Of these 42, we determined that only 52% had adequate data collection procedures and were therefore reliable. Many departments do not have well-documented procedures in place to ensure that data collection is reliable and that reporting of measurement data is accurate.

Last year's reliability results were more favorable than this year because FY 2002 was a start-up year and only data from volunteer departments were used.

A summary of department's performance measure certification results is shown on page three. For detailed department results, please see pages five through fourteen.



## Why Certify Performance Measures?

Our certification program enables County leaders to rely upon reported performance measures to make informed decisions concerning government resources. PMC reviews determine:

- ◆ The accuracy of reported measures
- ◆ The reliability of data collection procedures

## Managing For Results (MFR) Cycle

The Performance Measure Certification process falls within the MFR cycle's "Evaluating Results" step:



## Department Key Measure Certification Results

Department	ACCEPTABLE		UNACCEPTABLE		N/A	Total
	Certified	Certified With Qualifications	Factors Prevented Certification	Inaccurate		
Assessor <i>page 5</i>		1	4			5
Clerk of the Superior Court <i>page 6</i>					5	5
Environmental Services <i>page 7</i>	5					5
Flood Control District <i>page 8</i>	3	1	1	1		6
Health Care Mandates <i>page 9</i>	1				2	3
Justice Courts <i>page 10</i>				3	2	5
Public Health <i>page 11</i>	3	1	1			5
Risk Management <i>page 12</i>		2	7		1	10
Solid Waste <i>page 13</i>			1	2	1	4
Transportation <i>page 14</i>	5					5
<b>Total</b>	17	5	14	6	11	53

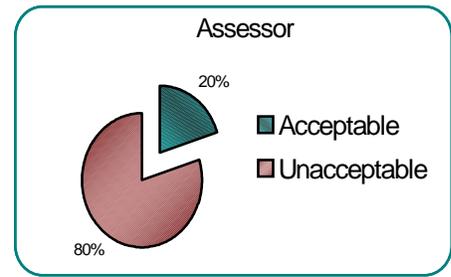
## Certification Scope & Methodology

For each department reviewed, we judgmentally select three or more key measures, test the accuracy of the measures, determine the reliability of the procedures used to collect data, and report the results using one of five certification ratings:

Certification Definitions	
<b>Certified</b>	Reported performance measurement is accurate (+/-5%) <b>And,</b> Adequate procedures are in place for collecting and reporting performance data.
<b>Certified with Qualifications</b>	Reported performance measurement is accurate (+/-5%) <b>But,</b> Adequate procedures are not in place for collecting and reporting performance data.
<b>Factors Prevented Certification</b>	Actual performance measurement data could not be verified due to inadequate procedures or insufficient documentation.  <i>This rating is used when there is a deviation from the department's definition, preventing the auditor from accurately determining the performance measure result.</i>
<b>Inaccurate</b>	Actual performance is not within 5% of reported performance <b>And/Or,</b> The error rate of tested documents is greater than 5%.
<b>Not Applicable</b>	Performance measurement data is not yet available.

# Assessor

## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of public and other government agencies that rate the quality of our customer services as "more than satisfies"			✓		
2. Percent of satisfied data distribution customers			✓		
3. Percent of fair and equitable valuations that meet or exceed Arizona Department of Revenue guidelines		✓			
4. Percent of accurate and informative notifications			✓		
5. Percent of property assessment services reviewed within a two-year cycle			✓		

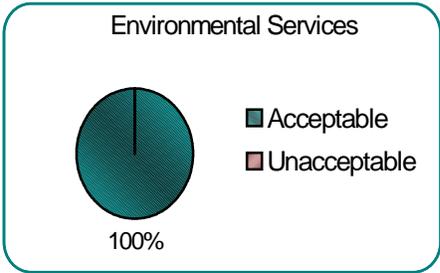
# Clerk of the Superior Court

## Performance Measures Summary

Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of documents filed within established time frames					✓
2. Percent of docketed and indexed documents processed within set time frames					✓
3. Percent of appeals processed within set time frames					✓
4. Percent of remittances processed within established time standards					✓
5. Percent of reconciliations completed within established time standards					✓

# Environmental Services

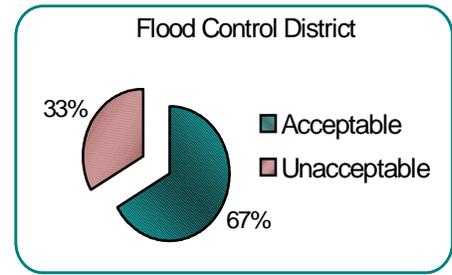
## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	Not Applicable
1. Percent of Air Quality Industrial Sources in compliance	✓				
2. Percent of permitted water facilities operating in compliance	✓				
3. Percent of environmental health inspections in compliance with Environmental Health Code	✓				
4. Number of initial comprehensive inspections required	✓				
5. Number of Foodborne Illness Investigations (FBIs) and complaints in a County fiscal year	✓				

# Flood Control District

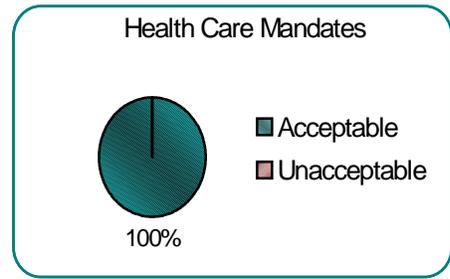
## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of capital projects requested, prioritized, and recommended on the current list that are completed in that year	✓				
2. Percent of dams receiving routine maintenance to state and sponsoring agency specifications		✓			
3. Percent of available lease property parcels leased			✓		
4. Percent of cumulative linear miles of Zone A watercourses requiring delineation that were delineated and submitted to FEMA	✓				
5. Percent of dollar value of positive media attention received at a rating of five or above (on a scale of one to nine)				✓	
6. Percent of cumulative square miles of watershed identified for Area Drainage Master Plan study where study was completed	✓				

# Health Care Mandates

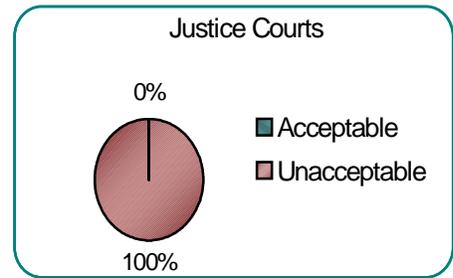
## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of billed charges paid in ancillary fund claims processing activity	✓				
2. Percent of fully billed charges paid in litigation activity					✓
3. Percent of fully billed charges paid in claims resolution activity					✓

# Justice Courts

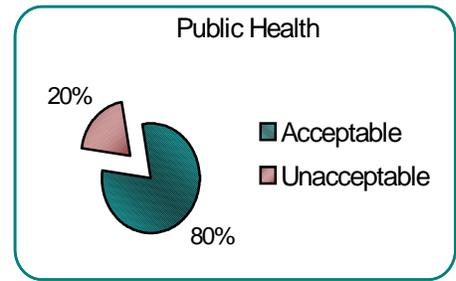
## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of DUI cases resolved within established limited jurisdiction court standards				✓	
2. Percent of Criminal Traffic cases resolved within established limited jurisdiction court standards				✓	
3. Percent of Misdemeanor cases resolved within established limited jurisdiction court standards				✓	
4. Percent of Civil Traffic cases resolved within established limited jurisdiction court standards					✓
5. Percent of Civil (non-traffic) cases resolved within established limited jurisdiction court standards					✓

# Public Health

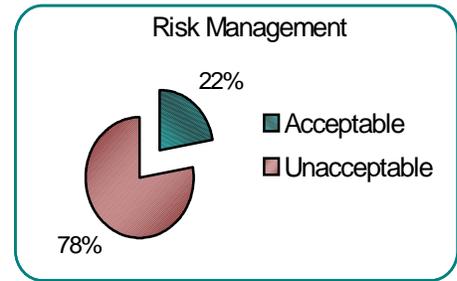
## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of adult clients quitting tobacco use			✓		
2. Percent of homeless in Phoenix metropolitan area seen at least once at clinic	✓				
3. Percent of children 0-2 years old receiving full complement of immunizations		✓			
4. Accuracy score on CAP inter-laboratory comparison program (established by an external auditor)	✓				
5. Percent of babies referred from the Newborn Intensive Care Unit that receive a home visit	✓				

# Risk Management

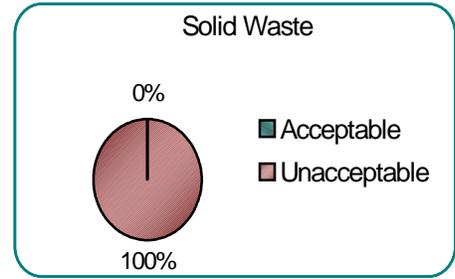
## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent increase of collections (subrogation) of available funds			✓		
2. Percent of maximum litigation costs versus claims costs annually			✓		
3. Percent of maximum pay out costs against the demand annually			✓		
4. Percent of reduction in losses where claims consultations have occurred			✓		
5. Percent of reduction in losses where safety consultations have occurred			✓		
6. Percent of reduction in losses where training has occurred			✓		
7. Percent of reduction in environmental liability exposures		✓			
8. Percent of maximum deviation from trust funding plan		✓			
9. Percent of decrease in adverse actions where County contracts were reviewed by Risk Management			✓		
10. Percent of users who report documents helped them make better decisions					✓

# Solid Waste

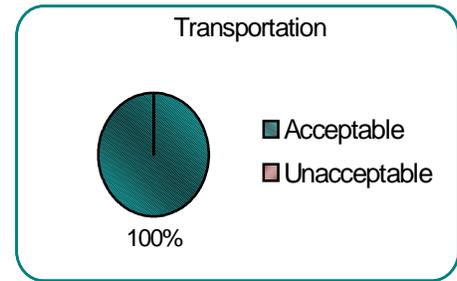
## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of tire tonnage properly disposed				✓	
2. Percent of satisfied customers					✓
3. Percent of illegal dumping cleanups completed			✓		
4. Percent of groundwater wells monitored				✓	

# Transportation

## Performance Measures Summary



Key Measures	ACCEPTABLE		UNACCEPTABLE		Not Applicable
	Certified	Certified with Qualifications	Factors Prevented Certification	Inaccurate	
1. Percent of particulate matter roads paved per County Air Quality regulations for dust suppression and mitigation	✓				
2. Percent of MCDOT projects that go to bid, are eligible for partnerships, and have partnership in place	✓				
3. Percent of total road mileage with pavement condition rating of "good" or better	✓				
4. Percent of bridges with sufficiency rating of "good" or better	✓				
5. Percent reduction in accidents per intersection or roadway segment	✓				