



July 22, 2014

TO: Board of County Commissioners

FROM: John Hutzler, County Auditor

SUBJECT: Final Follow-Up of Review of Sustainability Practices and Initiatives

On July 13, 2010 the Washington County Auditor delivered his report titled “Review of Sustainability Practices and Initiatives” to the County Administrator. The report contained ten recommendations. The County Administrator submitted a formal response on October 19, 2010 describing the progress that County Administration expected to make over the next six months, over the next year, or beginning in the fall or early next year.

In 2011 I conducted a follow-up review to determine whether the report’s recommendations had been implemented and to request completion dates for those that had not. I reported to the Board of Commissioners that two of the Auditor’s recommendations had been fully implemented, seven were in-process, and one was on-hold.

In 2012 I conducted a second follow-up review. At that time the County Administrator had fully implemented five of the auditor’s recommendations, and partially implemented one recommendation. Four recommendations were still in-process.

This is the third and final follow-up review on the Auditor’s recommendations. In summary, the County Administrator has fully implemented seven of the auditor’s ten recommendations, and partially implemented two recommendations. One recommendation was not implemented.

I would like to thank Senior Deputy County Administrator Sia Lindstrom and Sustainability Coordinator Robin Straughan for their assistance with this follow-up audit.



Washington County Auditor's Office

Third and Final Follow Up Report

Review of Sustainability Practices and Initiatives

Final Report
July 22, 2014



John Hutzler, CIA, CGAP, CCSA

I. Background and Summary

On November 3, 2009 the Board of County Commissioners adopted a Resolution and Order (R&O) formalizing the County’s commitment to sustainability and establishing a sustainability program framework. The Resolution and Order defined sustainability for the County as “meeting current economic, social, and environmental needs while ensuring that future generations can meet their needs.” The R&O was accompanied by a 2009-2011 Internal Sustainability Workplan submitted by the County Administrative Office (CAO).

On July 13, 2010 the Washington County Auditor delivered his report titled “Review of Sustainability Practices and Initiatives” to the County Administrator. The report contained ten recommendations. The County Administrator submitted a formal response on October 19, 2010 describing the progress that County Administration expected to make over the next six months, over the next year, or beginning in the fall or early next year.

In 2011 we conducted a follow-up review to determine whether the report’s recommendations had been implemented and to request completion dates for those that had not. We reported to the Board of Commissioners that two of the Auditor’s recommendations had been fully implemented, seven were in-process, and one was on-hold.

In 2012 we conducted a second follow-up review. At that time the County Administrator had fully implemented five of the auditor’s recommendations, and partially implemented one recommendation. Four recommendations were still in-process.

The present report describes findings from a third and final follow-up review on implementation of recommendations from the 2010 audit. We found that the County Administrator had fully implemented two of the remaining four recommendations, and had partially implemented one recommendation. One recommendation had not been implemented.

In summary, the County Administrator has fully implemented seven of the auditor’s ten recommendations, and partially implemented two recommendations. One recommendation was not implemented.

II. Overview of the Original Evaluation and Follow-up

Study Objectives, Findings, and Recommendations

On November 3, 2009 the Board of County Commissioners adopted a Resolution and Order formalizing the County’s commitment to sustainability and establishing a sustainability program framework, principles, and objectives. During 2010, the County Auditor contracted with Framework, LLC for a study designed to compare Washington County’s sustainability program with those of other local governments; and determine how other local governments’ methods for evaluating their sustainability programs might inform Washington County’s program.

The Auditor found that the County had been pursuing green and sustainable strategies prior to the Board's adoption of the current sustainability program. He found that the County had only recently begun to evaluate progress toward sustainability objectives. The Auditor made ten recommendations designed to promote achievement of the sustainability objectives set forth in the adopted Resolution and Order, and to improve program performance measurement and reporting.

In 2011 we performed a one-year follow-up review to determine the extent to which the Auditor's recommendations had been implemented. This review concluded that County Administration had fully implemented two recommendations:

- *Consider identifying, for Washington County's sustainability efforts, one or more primary outcomes applicable to both internal (operational) activities and to community needs and interests. Link resolution objectives to these outcomes.*
- *Continue to identify potential benchmark partners and begin to collect and share data.*

Seven recommendations were in-process with full implementation anticipated before the end of 2011, and no action had been taken on one recommendation. Progress reported by the County Administrator was generally consistent with his two-year plan and his response to the original audit report.

In November 2012 we conducted further follow-up to report to the Board on the current status of the eight recommendations that remained open from the 2011 follow-up. We found that the County had fully implemented three more of the Auditor's recommendations:

- *Develop a comprehensive sustainability plan that includes objectives, activities/strategies, expected outcomes, and measures for all Resolution Objectives.* In May 2012 the County completed the 2012-13 Sustainability Plan. This plan included objectives, activities, outcomes, and measures for all Resolution Objectives.
- *Design and develop annual performance reports for both the Board of County Commissioners and the general public.* In December 2011, the County Administrator presented a performance report to the Board of Commissioners. That report was available to the general public on the County's Sustainability website. The second annual report was scheduled for February 2013.
- *Work with community partners and stakeholders to identify sustainability indicators that can be used to monitor Washington County's primary outcomes and to report progress to the community.* The County is a member of the Partners for a Sustainable Washington County Community (PSWCC), an organization of local governments and private partners. The Partnership had identified sustainability indicators that can be used to monitor Washington County's primary outcomes and to report progress to the community.

One recommendation had been partially-implemented:

- *Establish baseline (current or historical) performance, performance targets, and expected performance time frames for each desired outcome.* The County had identified as a primary outcome reducing greenhouse gas emissions from County operations. The County Administrator did not plan to establish a target for reduction of greenhouse gas emissions. Performance targets and expected performance time frames had been established for other desired outcomes.

Four recommendations remained in-process.

In 2014, we conducted a third and final follow-up review to determine the status of the four recommendations that remained in process. We found that the County Administrator had fully implemented two of the remaining recommendations. Because it is nearly four years since the original report and the CAO has no specific plans for further implementation of the two remaining recommendations, we are closing one as partially implemented, and one as not implemented.

- *Emphasize efficiency in every reporting category, where appropriate.* Cost savings associated with implementation of sustainability measures are detailed in the Sustainability Program's annual progress presentation to the Board and in its published progress report. **Closed as Fully Implemented.**
- *Fully define performance measures for each desired outcome. Normalize data where possible (per FTE position, per dollar spent, per square foot), and describe calculation methods.* Measures are defined in program planning and reporting documents. Data is normalized per full time equivalent employee (FTE) in the annual progress report. A comprehensive data dictionary of data sources and calculations was completed in 2013 and is updated. **Closed as Fully Implemented.**
- *Reference the County's relevant economic and social equity activities in sustainability plans, evaluations, and reports. Find ways to demonstrate that the County is addressing these elements of Washington County's definition of sustainability.* The Sustainability Program reports that it is working to integrate social equity and economic aspects into its program work by considering a triple bottom line approach to new projects, plans and reports and developing an expanded definition of what sustainability means to the County. **Closed as Partially Implemented.**
- *As soon as basic program implementation is stable and baseline data are in place, conduct a performance evaluation of sustainability management, programs and functions using topics and questions that have been extracted from other jurisdiction's reports, good practices, and the County's objectives and expected outcomes as a guide.* Implementation of this recommendation was targeted for December 2013. Although the Sustainability Program has conducted an internal assessment of its progress, the CAO does not feel the program is yet mature enough to warrant a performance evaluation of sustainability management, programs

and functions. **Closed as Not Implemented.**

In summary, the County Administrator fully implemented seven of the ten recommendations in the Auditor's 2010 report, and partially implemented two recommendations. One recommendation was not implemented.

IV. About this Review

In February 2014 we initiated this review to determine the current status of those recommendations from the July 13, 2010 auditor's report that remained open following my December 2012 follow-up. This follow-up review was included in the FY 2013-14 Audit Plan.

We asked the County Administrator's Office (CAO) to describe actions taken since the report was published, to provide a status for each recommendation, and an actual or projected implementation date. We reviewed the response submitted by the County Administrator, and interviewed CAO staff and the Sustainability Coordinator to obtain more information about implementation status.

We concluded that a recommendation had been **Fully Implemented** if we found that the recommended actions had been completed or that the County has adequately addressed the issues identified by the Auditor by alternative means. We concluded that a recommendation had been **Partially Implemented** if we found that some, but not all, actions had been completed and no further action on the recommendation was planned. We concluded that a recommendation was **Not Implemented**, if we found that no action had been to implement the recommendation.

We invited the County Administrator to respond to our report, but he chose not to file a response.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Signed:



John Hutzler, CIA, CGAP, CCSA
Washington County Auditor

