

## Council meeting agenda

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Thursday, January 18, 2018

2:00 PM

Metro Regional Center, Council chamber

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**1. Call to Order and Roll Call**

**2. Public Communication**

**3. Consent Agenda**

- 3.1 Resolution No. 18-4862, For the Purpose of Declaring a [RES 18-4862](#)  
Vacancy in the Office of Metro Councilor for Council  
District No. 2, passed 01/04/18

Errata correcting date applications due

Attachments: [Resolution No. 18-4862 \(Redlined\)](#)  
[Exhibit A to Resolution No. 18-4862](#)

- 3.2 Consideration of the Council Meeting Minutes for January [18-4952](#)  
4, 2018

**4. Presentations**

- 4.1 Payroll Audit [18-4947](#)

Presenter(s): Brian Evans, Metro Auditor

Attachments: [Payroll Audit](#)

- 4.2 Social Media Audit [18-4948](#)

Presenter(s): Brian Evans, Metro Auditor

Attachments: [Social Media Audit](#)

- 4.3 Public Records Request Audit [18-4949](#)

Presenter(s): Brian Evans, Metro Auditor

Attachments: [Public Records Request Audit](#)

**5. Chief Operating Officer Communication**

**6. Councilor Communication**

**7. Adjourn**

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### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការការពារសិទ្ធិពលរដ្ឋរបស់ ១ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬសេចក្តីជូនដំណឹងអំពីការមិនរើសអើងសូមចូលទស្សនាគេហទំព័រ [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក។

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تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

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### Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1700 (8 teev saww ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lwm ua ntej ntawm lub rooj sib tham.

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<b>Gresham</b> Channel 30 - MCTV <i>Web site:</i> <a href="http://www.metroeast.org">www.metroeast.org</a> <i>Ph:</i> 503-491-7636 Call or visit web site for program times.	<b>Washington County and West Linn</b> Channel 30– TVC TV <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a> <i>Ph:</i> 503-629-8534 Call or visit web site for program times.
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**PLEASE NOTE:** Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times. Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site [www.oregonmetro.gov](http://www.oregonmetro.gov) and click on public comment opportunities.

Agenda Item No. 3.1

**Resolution No. 18-4862**, For the Purpose of Declaring a  
Vacancy in the Office of Metro Councilor for Council District  
No. 2 (errata)

*Consent Agenda*

Metro Council Meeting  
Thursday, January 18, 2018  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF DECLARING A ) RESOLUTION NO. 18-4862 *errata*  
VACANCY IN THE OFFICE OF METRO )  
COUNCILOR FOR COUNCIL DISTRICT NO. 2 ) Introduced by Council President Tom Hughes

WHEREAS, Carlotta Collette was appointed as a Metro Councilor for Council District 2 on November 6, 2007; and

WHEREAS, Carlotta Collette was elected as the Metro Councilor for Council District 2 at the May 20, 2008 Primary Election for a four-year term, commencing on January 5, 2009 through January 3, 2011; she served as Deputy Council President in 2010; and acted as Interim Council President from September 2010 until January 2011; and

WHEREAS, Carlotta Collette was re-elected as Metro Councilor for Council District 2 at the May 18, 2010 Primary Election for a four-year term, commencing January 3, 2011 through January 4, 2015; and

WHEREAS, Carlotta Collette was re-elected as Metro Councilor for Council District 2 at the May 20, 2014 Primary Election for a four-year term, commencing January 5, 2015 through January 7, 2019; and

WHEREAS, Carlotta Collette has tendered her resignation as Metro Councilor for Council District No. 2 effective January 2, 2018, pursuant to her letter to the Metro Council President dated November 30, 2017, attached hereto as Exhibit A; and

WHEREAS, Metro Code Section 9.01.050 provides that the vacancy in office shall be filled by the making of an appointment by a majority of the remaining members of the Metro Council; and

WHEREAS, Metro Code Section 9.01.060 provides for the procedures to be followed by the Metro Council in making Metro Council appointments, now therefore,

BE IT RESOLVED:

1. That the Metro Council declares that as of January 2, 2018 a vacancy exists in the Office of Metro Councilor for Council District 2; and
2. That the Metro Council President Tom Hughes has commenced the appointment process for filling the vacancy as provided in Metro Code Section 9.01.060; and
3. That applicants who wish to be appointed to the position of Metro Councilor for Council District 2, and who meet all of the legal requirements for serving such position, including those set forth in the Metro Charter and Metro Code, must submit an application to the Metro Council by ~~February 16,~~ March 1, 2018; and that applications will be available beginning on January 16, 2018 in the Office of Metro Council and online on the Metro website; and

4. That a public hearing will be held on March 8, 2018 at 6:00 p.m. at the Willamette View Terrace Auditorium at 12705 S.E. River Road, Portland, Oregon 97222, at which time and place the qualified applicants will be publicly interviewed and at which hearing the vote making the appointment shall be taken.

ADOPTED by the Metro Council this 4<sup>th</sup> day of January, 2018.

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Tom Hughes, Council President

Approved as to Form:

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Alison R. Kean, Metro Attorney



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736  
oregonmetro.gov

**Councilor Carlotta Collette, District 2**

November 30, 2017

Metro Council President Tom Hughes  
Metro Councilor Shirley Craddick, District 1  
Metro Councilor Craig Dirksen, District 3  
Metro Councilor Kathryn Harrington, District 4  
Metro Councilor Sam Chase, District 5  
Metro Councilor Bob Stacey, District 6

Council President Hughes and Metro Councilors:

I'm writing to resign my Council seat effective January 2<sup>nd</sup>, 2018. It's been an honor representing District 2 on the Metro Council and serving with you over these last several years.

Sincerely,

Carlotta Collette  
Metro Councilor, District 2

Agenda Item No. 3.2

Consideration of the Council Meeting Minutes for January 4,  
2018

*Consent Agenda*

**Metro Council Meeting**

Thursday, January 18, 2018

Metro Regional Center, Council Chamber



Agenda Item No. 4.1

**Payroll Audit**

*Presentations*

Metro Council Meeting  
Thursday, January 18, 2018  
Metro Regional Center, Council Chamber



## Payroll:

*Increased coordination and training needed*

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December 2017

A Report by the Office of the Auditor

**Brian Evans**

*Metro Auditor*

**Angela Owens**

*Senior Management Auditor*

**Zane Potter**

*Senior Management Auditor*



## Knighton Award for Auditing

### **Audit receives recognition**

The Office of the Metro Auditor was the recipient of the “Distinguished Award” for Small Shops by Association of Local Government Auditors (ALGA). The winning audit is entitled “Community Planning and Development Grants: Performance measures and stronger controls needed to ensure results.” Auditors were presented with the award at the ALGA conference in Atlanta, Georgia in May 2017. Knighton Award winners are selected each year by a judging panel of peers and awards are presented at the annual conference.

### **Metro Accountability Hotline**

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The Hotline is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

*To make a report, choose either of the following methods:*

**Dial 888-299-5460 (toll free in the U.S. and Canada)**  
**File an online report at [www.metroaccountability.org](http://www.metroaccountability.org)**



**Brian Evans**

**Metro Auditor**

600 NE Grand Ave  
Portland, OR 97232-2736  
TEL 503 797 1892, FAX 503 797 1831

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**MEMORANDUM**

December 20, 2017

To: Tom Hughes, Council President  
Shirley Craddick, Councilor, District 1  
Carlotta Collette, Councilor, District 2  
Craig Dirksen, Councilor, District 3  
Kathryn Harrington, Councilor, District 4  
Sam Chase, Councilor, District 5  
Bob Stacey, Councilor, District 6

From: Brian Evans, Metro Auditor

BE

**Re: Audit of Payroll**

This report covers our audit of Payroll. Over the last 10 years, the Office of the Auditor has identified payroll weaknesses. Although Metro made efforts to improve, we found many of the findings identified in previous audits remained. The purpose of this audit was to determine if Metro addressed the root causes of ongoing payroll issues. The audit was included in the FY2016-17 Audit Schedule.

Lack of coordination and insufficient training were common root causes of the payroll issues we reviewed. As a result, there were ongoing errors and weak controls. Metro's approach to tracking errors was incomplete. Formal processes are essential for organizational learning and adaptability. In other organizations, payroll has been identified as a potential source of fraud, waste and abuse. A variety of controls are required in the payroll process to reduce the risk.

During our audit, Metro initiated another project focused on improvements. The project brought together the Deputy Chief Operating Officer and Department Directors to get the appropriate level of authority to address issues that cannot be resolved by the employees who process payroll. Moving forward, Metro will have to strengthen management so that the momentum of the latest improvement efforts can be sustained.

We have discussed our findings and recommendations with Scott Robinson, Deputy Chief Operating Officer; Tim Collier, Director of Finance and Regulatory Services; Mary Rowe, Director of Human Resources; and Rachel Coe, Director of Information Services. A formal follow-up to this audit will be scheduled within three years. I would like to acknowledge and thank all of the management and staff who assisted us in completing this audit.

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## Summary

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Over the last 10 years, we identified weaknesses with Metro's payroll processes. A 2006 audit found internal controls could be improved. In 2010, we made recommendations for additional improvements including increasing department coordination, improving the use of software functionality, and implementing stronger controls to ensure data accuracy. In 2016, we were notified of errors related to payroll deductions and leave hours.

Since at least 2009, Metro has started projects to address payroll issues. Although some improvements were made, we found many of the findings identified in our previous audits remained. In February 2017, Metro started another payroll process improvement project. The goal of the project was to eliminate systemic and chronic pay and leave inaccuracies.

Based on the payroll issues we reviewed in this audit, lack of coordination and insufficient training were common root causes. To better understand how and why errors occurred, we reviewed six in depth. Although the total monetary amounts of the errors reviewed was relatively small, they may have had a larger impact on individual employees and trust in the payroll process.

Our 2013 follow-up audit found that Metro's approach to tracking errors was incomplete. The same was true during this audit. Without a formal approach to track errors, it can be difficult to find the source of the error, how it should be corrected, and who should correct it.

In other organizations, payroll has been identified as a considerable source of potentially fraudulent activity. A variety of controls are required to separate duties and limit access to data so that no individual employee can initiate and process payments. We found duties were not properly segregated and employees had access to data that appeared to be more than what they needed to perform their work. We also found that reconciliation of payroll accounts were not done timely last fiscal year, which may have reduced Metro's ability to detect potential fraud and waste.

We recommended Metro improve coordination by creating a formal system to track errors. Initial and ongoing training were also needed to give employees the tools to complete their jobs. Finally, we recommended that Metro implement additional controls to reduce the possibility of fraud, waste, and abuse.

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## Background

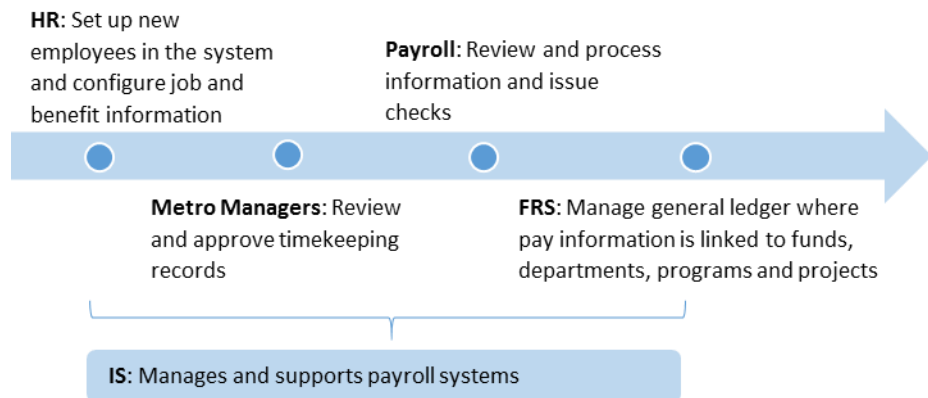
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The payroll process is an important part of Metro's internal business services. It impacts every department and employee. Timeliness and accuracy are key components of effective and efficient payroll administration. In Fiscal Year 2016-17, Metro's expenditures for gross pay totaled about \$68.4 million. A total of 36,612 checks were processed or an average of 1,525 per pay period.

Payroll processing is commonly part of an organization's accounting function. This is to ensure separation between those charged with maintaining employee information and those who issue payments to employees. At Metro, the Payroll division has moved between Human Resources (HR) and Finance and Regulatory Services (FRS). Since 2015, it has been part of FRS.

The Payroll division consists of four employees. Since 2013, it has had four different supervisors. Other departments have a role in the payroll process. Information Services (IS) manages the systems used in the payroll process. HR sets up those systems with information so that employee pay can be calculated correctly. HR staff also manage employee job and benefits information. Timekeeping review and sign-off is done by department managers and Payroll staff.

### Exhibit 1 Many departments have a role in the payroll process



Source: Metro Auditor's Office analysis

There are three software systems used in the payroll process. Kronos is the timekeeping system. PeopleSoft Finance is the accounting system. FRS uses it to manage the general ledger where pay information is linked to funds, departments, programs, and projects. PeopleSoft HRIS is used by HR to manage employee information.

Over the last 10 years, the Office of the Metro Auditor (Office) has identified weaknesses with Metro's payroll processes. A 2006 audit found internal controls could be improved such as the proper segregation of duties. Four years later in 2010, our Office released another report that provided recommendations for additional improvements. These recommendations focused on:

- Increasing department coordination to clarify roles and responsibilities;
- Developing clear policies and procedures;
- Improving the use of software functionality to reduce manual processes; and
- Implementing stronger controls to ensure greater transparency and data accuracy.

In November 2012, Metro's accountability hotline received a report alleging several errors in payroll calculations, such as the amount of deductions taken from employee paychecks for health insurance and union dues. A follow-up audit was started in response to the allegations because the issues raised by the ethics reports were similar to the findings from the 2010 audit. The follow-up audit confirmed that all of the reported errors were valid and stronger controls were needed to ensure timely and accurate pay. In 2016, we were notified of payroll errors related to deductions and leave hours.

Since at least 2009, Metro has started improvement projects to address payroll issues. That year, Metro contracted with a firm who reviewed employee retirement contributions. The following year, Metro contracted with a consultant who made recommendations such as minimizing manual processes, and outlining roles and responsibilities. In 2013, Metro started an in-house project to address inaccuracies related to payroll configurations. The extent to which that project was completed was unclear. In February 2017, Metro started another payroll process improvement project. The goal of the project was to eliminate systemic and chronic pay and leave inaccuracies.

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## Results

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Since 2006, our Office has identified issues with payroll accuracy, timeliness, and controls. Although some improvements were made, most of the payroll related recommendations from previous audits were not implemented. The overall process lacked an owner and the root causes of some reoccurring issues were not addressed. As a result, there were ongoing errors and weak controls.

Moving forward, Metro will have to strengthen management between the three departments involved in the payroll process. To ensure accurate pay, better coordination and training is needed to address the root causes of payroll issues so that the momentum of the latest improvement efforts can be sustained.

### Despite previous efforts, some payroll issues remained

Metro made efforts to improve the payroll process. It changed management structures and moved tasks across and within departments. It also initiated projects that focused on technological and software enhancements to ensure accuracy, and reduce the need for manual changes to data. Positive outcomes included a better understanding of the software systems and some increased automation and efficiency.

During our audit, Metro initiated another project focused on improvements. Metro reported that early phases resulted in increased efficiency, and some technical changes were in process. A limited duration project manager was hired to document the process as a whole and ensure the project's completion. The project brought together the Deputy Chief Operating Officer and Department Directors to get the appropriate level of authority to address issues that cannot be resolved by the employees who process payroll.

We did not evaluate the results of the project as part of this audit. However, some project updates to employees indicated the need for improved communication to strengthen trust. For example, one update noted a part of the project was completed when it was not. Another update promised employees that a question and answer session would be recorded for those that were unable to attend, but it was not.

Even though Metro made efforts to improve the payroll process, we found many of the findings identified in our previous audits remained.



## Exhibit 2 Audits identified ongoing issues

Findings	Previous Audits		
	2006	2010	2013
Payroll errors		X	X
Lack of error tracking		X	X
Duties not adequately segregated	X	X	X
Employees have more access to data than what may be necessary for their job	X	X	X
Untimely reconciliations		X	X

Source: Metro Auditor's Office reports

These issues continued because Metro had not addressed their root causes. For example, a direct cause of an error may be entering incorrect information for a deduction. The root cause could be that training was not in place to help employees understand how the deduction should be calculated. Based on the ongoing payroll issues we reviewed, lack of coordination and insufficient training were common root causes.

## Exhibit 3 Addressing root causes would help resolve issues

Root cause:	Criteria:	Why it is important:	Improvement could:
Lack of coordination	<ul style="list-style-type: none"> <li>• Strong understanding of roles and responsibilities</li> <li>• Good communication within and between departments</li> </ul>	Metro's payroll process doesn't have a single owner, so success depends on employees across multiple departments working together to achieve accurate and timely pay	Help employees understand: <ul style="list-style-type: none"> <li>• Why issues happened</li> <li>• How to resolve them</li> <li>• How to avoid them in the future</li> </ul>
Insufficient training	<ul style="list-style-type: none"> <li>• Initial and ongoing training</li> <li>• Documented policies and procedures</li> </ul>	Employees need to have the tools necessary to be successful at their work	<ul style="list-style-type: none"> <li>• Increase engagement and morale</li> <li>• Provide stability in the event of turnover</li> <li>• Prevent issues from occurring in the first place</li> </ul>

Source: Metro Auditor's Office analysis of management literature

**Case studies show more work was needed to address root causes of errors**

We found errors continued to happen because coordination and training needs were not addressed. Metro is responsible for timely and accurate pay. It must adhere to applicable laws, collective bargaining agreements, and other employment policies. There are several types of payroll errors and several places in the process where they can happen. Some examples include:

- The information in Kronos and PeopleSoft may not be correct and result in inaccurate calculations of time and pay data;
- Supervisors may not provide a thorough review of employee timesheets and employees may not always accurately track their time and leave information; or
- Language in collective bargaining agreements could be ambiguous or not followed exactly, resulting in inaccurate payments or leave hours.

To better understand how and why errors occurred, we reviewed six in depth. We determined that two errors (incorrect sick leave hours and vacation misalignment) were handled together. For the two errors related to union dues, we were only able to get limited information.

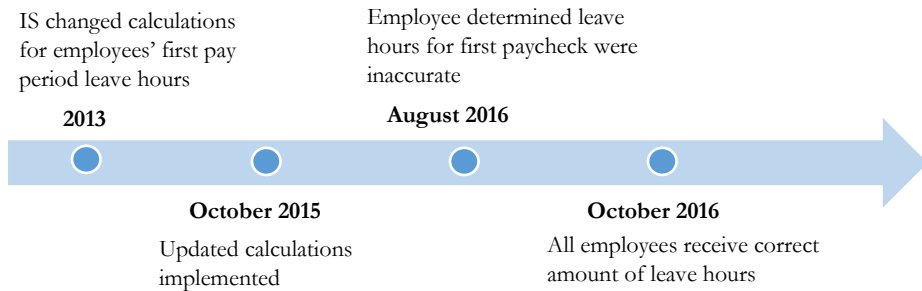
Although the monetary amounts of the errors reviewed was relatively small, they may have had a larger impact on individual employees and trust in the payroll process. The errors demonstrated that Metro's quality control processes were underdeveloped and highlighted the need to address root causes.

**In August 2016, an employee determined that they did not receive vacation or sick leave hours for their first paycheck in 2015.** The following month a union filed a grievance related to this error. After the grievance was filed, HR reviewed vacation and sick leave hours and determined that hours were accurately calculated beginning in October 2015. This meant that prior to October 2015, all employees likely did not get vacation and sick leave hours for their first paycheck unless they started on the first day of the pay period.

Most union contracts required Metro to conduct a look back from when an error was discovered. The look back period was two years. Metro reviewed employees impacted by the error from October 2013 to October 2015. Based on this review, HR determined the error impacted 131 represented and non-represented employees. The amounts were small because the sick leave and vacation hours were only for an employee's first pay period. The error was corrected in September 2016 for non-represented employees, and in October 2016 for union members.

The error was caused by a lack of coordination between Payroll and IS. In 2013, IS changed how an employee's first pay period leave hours were calculated. IS assumed the changes were tested for accuracy by Payroll before being put into use. It took almost two years to ensure employees' first pay period leave hours were accurately calculated.

## Exhibit 4 Almost two years passed before employee first paycheck leave hours were accurate



*Source: Metro Auditor's Office analysis*

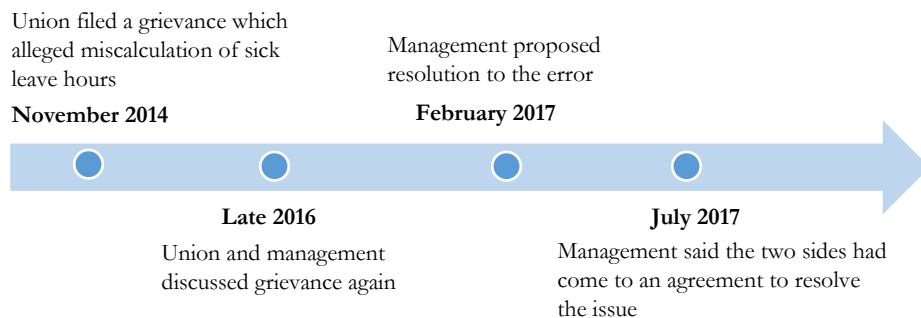
**In November 2014, a union filed a grievance because a member did not receive the correct amount of sick leave hours.** Due to a misalignment between language contained in the bargaining agreement and what was setup in PeopleSoft, some employees were awarded sick hours for time they did not work while others were not awarded sick leave hours for time worked such as overtime. Metro did not know when the incorrect setup began. When the grievance was filed and negotiations to correct the error between management and the union started, management brought up a vacation misalignment related to a separate agreement with union members. This was a misalignment that allowed union members to incorrectly receive additional vacation hours.

Over two years passed and in late 2016 the union and management discussed the grievance again. Management and the union gave different explanations for the delay in resolving the grievance. Management stated that the sick leave misalignment was not addressed because the two sides never came to an agreement. The union stated that in order to reach an agreement management required a resolution for both misalignments.

In February 2017, Metro proposed crediting employees impacted by the error. Based on its review, 53 employees were impacted and were owed a total of 245 sick leave hours. The proposal also allowed employees to retain the sick leave earned for hours they did not work. The proposal made no mention of the misalignment related to vacation hours. In July 2017, management said the two sides agreed to the proposed resolution. In short, almost three years passed until an agreement was reached to correct the sick leave misalignment.

The error was caused by a lack of coordination between HR and Payroll. This was because the language that was agreed to in the contract was not setup correctly in PeopleSoft. Because of the misalignment, some employees did not receive accurate and timely sick leave hours for nearly three years, and some employees received more hours than they should have.

## Exhibit 5 Almost three years passed before an agreement was reached to correct leave hours



*Source: Metro Auditor's office analysis*

### **In July 2016, an employee emailed Payroll staff to tell them there was an error related to a sick leave donation made by the employee.**

Payroll staff determined that sick leave donations were incorrectly calculated for four months. The error caused sick leave hours to be added instead of being deducted from employees making donations. Payroll staff reviewed who was impacted and determined that 24 employees were given a total of 605 additional sick hours in error. Payroll employees were unsure how to address the issue and asked Labor Relations how they wanted to handle it. It was determined that since the amounts of additional sick leave were so high for some employees, a correction should be made.

The error was caused by lack of written procedures and training for Payroll staff. A new employee was hired around the time the initial error occurred and was tasked with calculating sick leave donations. However, the employee was not given training nor were there procedures to follow. This error highlights the importance of ensuring that new staff are given the tools to correctly do their job. Inaccuracies occurred because these tools were not present.

**Metro did not accurately deduct union dues for some employees.** We identified two different errors related to union dues. We were unable to find out how many employees were affected by one of the errors. The error may have impacted any employee that moved from a represented to a non-represented position. For the other error, related to dues for temporary employees, we received limited information.

Dues for temporary employees were deducted when a member turned in their membership card to Metro. Some membership cards were not being turned in, so Metro was not deducting the dues. Metro determined since at least the summer of 2016 that it was legally obligated to deduct dues for temporary employees even if they did not turn in their membership cards. However, we were told in June 2017 that union dues were not deducted for some unions until a membership card was received. In July 2017, Metro staff said that a full review of temporary union dues for one union will be initiated.

## Metro lacks a formal way to track payroll errors

This issue was caused by a lack of coordination between Payroll, Office of the Metro Attorney, and HR. If one department decides a particular change is needed within the payroll process, it is incumbent upon that department to inform the other departments. Errors occurred because this did not happen.

Our Office's 2013 follow-up audit found that Metro's approach to tracking errors was incomplete. The same was true during this audit. Formal processes are essential for organizational learning and adaptability. These processes include gathering and analyzing information. For payroll, this would mean tracking as well as analyzing errors. Without a formal approach to track errors, it can be difficult to find the source of the error, how it should be corrected, and who is responsible for the correction.

Limited information about errors can make it difficult for the departments to have a common understanding of an error and how to correct it. In the past, some new errors occurred because of changes made to correct another error.

The error related to employees' sick leave hours was due to a lack of coordination between departments. This error may have been prevented if Metro had a formal way to track errors. Instead, at least two years passed before the solution was implemented and it was unclear who ultimately implemented it.

Without having a formal process to track payroll errors across departments, Metro may have missed an opportunity to more efficiently determine where challenges occurred during the payroll process. Error tracking could help determine where resources should be directed to improve the process. For

## Underdeveloped controls continued to present an opportunity for fraud, waste, and abuse

In other organizations, payroll has been identified as a considerable source of potentially fraudulent activity. A variety of controls are required at key points in the payroll process. Previous audits consistently identified challenges with ensuring duties were segregated, access to data was appropriate, and reconciliations were timely. Better coordination, and increased training were necessary to manage fraud, waste, and abuse risks at Metro.

Metro made incremental improvements over the years to address some risks. These included increased automation for some data calculations, removing some manual processes, improvements in security monitoring, and reorganizing payroll processing to improve segregation of duties. More recently, Metro was working on a list of potential safeguards to address payroll risks. However, more work was needed to address them.

## Duties were not segregated to fully minimize risk

Segregation of duties ensures that no one person or department can perform the functions needed to carry out the critical processes of a transaction. Increased coordination and training were needed to ensure segregation of duties was maintained across the payroll process as a whole. Without proper segregation of duties, there was an increased risk that Metro

could pay employees who aren't real (ghost employees). There was also a risk Metro could pay for work that was not actually done. These risks increase when there are group timecard signoffs and relaxed reviews of employee timesheets.

For payroll, maintaining personnel data (e.g. adding a new employee, or changing salary information), approving employee time, and processing paychecks should be segregated.

## Exhibit 6 Segregate duties to reduce risks



*Source: Metro Auditor's Office analysis of control best practices*

Duties were not properly segregated. An analysis by IS showed that, of the employees who could create a new employee in PeopleSoft, some could also add to or approve employee timesheets. This increased the risk of creating a ghost employee and approving their time. Additionally, Payroll and HR employees had the ability to add or change some of the same data, even though activities performed by those groups should be segregated.

There were other scenarios we heard of during the audit that increased the risk a terminated employee could be improperly kept on the payroll as their pay is diverted. In one scenario, HR staff responsible for inactivating an employee in the system may not learn about a termination until after a final paycheck is created. In another, HR staff may have to reach out to supervisors about temporary employees who have not worked in a year.

For some parts of the payroll process, duties were not segregated but other safeguards were in place to reduce risk. For example, multiple supervisors or managers were involved in generating the data used to add employees to the system. They could also change employee hours and approve timesheets. Having supervisors and managers in both of these roles likely provided convenience for some new employees, even though ideally these positions should be segregated. HR processed background checks for employees and required a copy of photo identification, which acted as a safeguard. This made it more difficult to create a ghost employee and then approve their time. We reviewed a selection of employee files and found the mitigating controls were being followed.

Because there were three departments involved in setting up payroll information, efforts to ensure certain duties were appropriately segregated needed to be coordinated. Without coordination, there was an increased risk of gaps. Each department brings different expertise and authority to impact

**Metro employees  
had more access to  
data than necessary  
to complete their  
work**

the overall process. Ensuring proper segregation of duties for the payroll process requires stronger understanding of what ought to be, what people across the agency can do in the software, and what role they have in the process. If changes occur in roles or software permissions, they need to be evaluated to determine their effect on segregation of duties.

Employees had access to data that appeared to be more than what they needed to perform their work. In some cases, understanding of the extent of that access was limited. Access should be restricted to only what employees need to complete their jobs. Too much access can impact data integrity and increase the risk for fraud or abuse. Increased coordination between IS, payroll, and HR could improve understanding of staff access. Training could also help employees understand what data they, and their direct reports, can access.

Nine people in HR could add a new employee to the system. We were told there would not be a time when nine people would need to do this. One position had the primary responsibility of entering new employees into the system. Twice a year there may have been a need for others to perform this duty. This meant for the majority of the year, there were up to eight extra people in HR who could add a new employee to the system. It may have been appropriate to increase access, but there should have been a process to ensure that once the business need was met, access aligned with actual responsibilities.

Several employees in HR and Payroll had access to make changes through “correction mode.” This access overwrites data when it is changed. Its use is discouraged because of the risk it presents to data accuracy. We were told that correction mode was mostly used to make certain changes or fix data entry errors. We were also told that a report existed that could show some changes made in correction mode, but it was not regularly used. Even though previous audit recommendation identified the need to properly define the function and educate users on its use, there were no formal guidelines or policies in place on how to use correction mode, or other ways to evaluate or approve its use.

There was also overlap in access to data among HR employees. For example, employees that could enter employee job and salary information also had access to employee benefit data, even though a different unit in HR handled benefit information. Likewise, employees in Benefits had access to other, unrelated, employee personnel data. In some cases there may not have been a business need for this access. In others, access may not have been updated as employees moved between different units in HR. As access expands over time there is a risk it could negate other controls in place, such as segregation of duties. It could also provide unnecessary access to personal information.

Payroll staff had access to a large amount of timesheet and payroll data. Some of this access was required to process payroll. Some was needed because of limitations in software or Metro’s payroll process. Information

was transferred from Kronos in a text file that could be changed manually. Changes to data were made in PeopleSoft throughout payroll processing. High levels of access to manually change data was necessary to ensure accurate pay, but increased the risk of fraud and abuse.

In payroll processing, some controls were in place to mitigate high levels of access. For example, Payroll ran reports that would show large adjustments to employee pay. We were told that all changes made during the payroll process were reviewed and approved. However, we found reviews of changes and reports were inconsistently documented and therefore could not conclude on their effectiveness.

Employee direct deposit data also existed in a file that was editable, and there was a group login to access the payroll bank account. According to management, the bank did not allow more than one login for the account. Monthly bank reconciliations were in place to ensure there were no inappropriate edits to direct deposit information. However, shared login access posed a risk. It reduced Metro's ability to determine who logged in to the bank account and tie transactions to the individual who carried them out. It should be avoided when possible.

Regular security reviews were cited as ensuring employee access to data was appropriate. However, our observations showed it may not have provided the assurance people believed it did. The annual security reviews did not always give the information necessary for managers and lead employees to make informed decisions about the access their employees had. In some cases, employees continued to have high levels of access to data because efforts were not coordinated to limit it. We were told that, in one department, it was not on anyone's radar to alert IS to change access levels when employees change roles.

The timeliness of reviews was also an issue. When we first began the audit, there had not been a security review of PeopleSoft HRIS access for two years. A review was supposed to take place annually. Management stated this was due to a software upgrade. There were no formal reviews of access to Kronos, the time keeping system.

## Reconciliations were not timely

Metro did not reconcile some payroll accounts in a timely manner. Reconciliation is the process of matching one set of records with another set of records and identifying, explaining, and correcting any difference. For example, matching the total amount withheld for taxes with the individual amounts withheld from each paycheck. Reconciliations serve as a key element of internal control and should be done on a timely and routine basis.

Payroll staff were responsible for reconciling 14 accounts related to employee deductions such as income tax withholdings, union dues, payroll taxes, and garnishment deductions. These accounts totaled about \$23.3 million reconciled in FY 2016-17. Of the 14 accounts, 12 were supposed to



be completed on a monthly basis. According to FRS data, these were only completed about 50 percent of the time from July 2016 through April 2017. These accounts represented about 98 percent of the total amount that is reconciled by Payroll staff. Two accounts (the remaining two percent) were supposed to be done on a quarterly basis. These were only completed a third of the time during the same time period.

**Exhibit 7 Timeliness of reconciliation varied from July 2016 through April 2017**

Account	FY 2016-17 amount	Percent completed on time (July 2016 - April 2017)
Federal income tax withholding	\$7,682,538	60%
Federal Insurance Contributions Act tax withholding	\$5,058,223	20%
Federal Insurance Contributions Act tax payable	\$5,058,223	60%
State income tax withholding	\$4,114,864	60%
Tri-Met payroll tax	\$491,174	33%
Union dues	\$331,759	30%
Garnishment deductions	\$185,114	50%
Union dues	\$182,697	70%
Union dues	\$66,960	20%
Parking deduction	\$52,183	60%
Worker's compensation	\$32,005	33%
Union dues	\$30,218	60%
Union dues	\$28,896	70%
Union dues	\$9,083	70%

*Source: Metro Auditor's Office analysis of FRS and PeopleSoft data*

This may have been caused, in part, by turnover within Payroll. We were told Payroll staff who were hired within the last year were not trained to complete reconciliations and may not have had time to complete them. By not completing the reconciliations, Metro may have reduced its ability to detect potential fraud and waste.

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## Scope and methodology

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The purpose of this audit was to determine if Metro addressed the root causes of ongoing payroll issues. The audit had two objectives:

- Determine reasons for continued errors in the payroll process.
- Determine if adequate controls were in place to reduce the potential for fraud, waste, and abuse.

To accomplish our objectives, we interviewed Metro management and employees involved in the payroll process. Those included employees from Human Resources, Finance and Regulatory Services (FRS), and Information Services. We observed many tasks of the payroll process, including changes to set-up tables, timekeeping, payroll calculation and payments. We also observed some quality control procedures, such as completion of end-of-year checklists and reports that checked for errors or anomalies.

We reviewed previous Metro audits related to payroll, as well as audits of other agencies. To better understand the topic of payroll and internal controls, we reviewed literature from various sources, including, American Payroll Association, ISACA (previously the Information Systems Audit and Control Association), the Institute of Internal Auditors, and the Association of Certified Fraud Examiners.

A payroll process improvement project was initiated during our audit. We reviewed that project's charter, objectives, and communication to employees, as well as its planned tasks and deliverables. We also reviewed documentation related to Metro's previous improvement efforts, annual budgets, and Council meeting minutes.

To determine the reason for continued payroll errors, we reviewed case study literature about the design and selection of case studies. Based on this review, we selected six payroll errors to understand what caused them.

To determine whether adequate controls were in place, we conducted additional interviews with employees throughout the payroll process. To select which controls to review, we conducted a risk assessment using guidelines from best practices, previous payroll challenges, current processes, and the potential for the current improvement project to address the risk area. Specific risk areas we chose to review included segregation of duties, access to data, and reconciliations.

We reviewed PeopleSoft and Kronos security settings and roles to identify issues related to data access and segregation of duties. To review reconciliations, we conducted additional interviews with employees and reviewed account tracking information from FRS employees.

This audit was included in the FY 2016-17 audit schedule. We conducted this performance 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.

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# Recommendations

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To improve coordination, Metro should:

1. Create a formal system for tracking errors that:
  - a. involves each department in the payroll process,
  - b. tracks the source of the error,
  - c. how it should be corrected; and
  - d. who is responsible for the correction.

To ensure employees have the tools necessary to do their job, Metro should:

2. Provide timely initial training;
3. Assess training needs, and provide ongoing training as necessary.

To better align the payroll process with best practices to reduce the risks of fraud, waste, and abuse, Metro should:

4. Segregate duties across all aspects of the payroll process. When not possible, ensure mitigating controls are in place, used, and documented.
5. Limit employee access to only data necessary to perform job duties. When high levels of access are necessary, establish safeguards to ensure proper use.
6. Assign roles, responsibilities, and authority for ensuring proper access and segregation of duties across the payroll process.
7. Conduct regular reviews of employee access to Kronos and PeopleSoft. Ensure reviews provide the information necessary to make informed decisions about employee access.

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# Management response

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## Memo



Date: December 19, 2017

To: Brian Evans, Metro Auditor

From: Tim Collier, Director, Finance and Regulatory Services  
Rachel Coe, Director, Information Services  
Mary Rowe, Director, Human Resources  
Scott Robinson, Deputy Chief Operating Officer

Subject: Management Response – 2017 Payroll Audit

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Thank you for the opportunity to respond to your audit of Metro's payroll process. Ensuring that our employees are paid timely and accurately is Metro's highest priority. Your recap and summary of previous audits and recommendations reinforce the important work that is already underway as part of the agency payroll process improvement project that started in January of 2017. While the current work effort was not reviewed or included in the current audit, management believes that significant progress has been made in the areas you have recommended.

The payroll project includes membership from all three departments (IS, HR, FRS) involved in the processing of payroll and a formal steering committee that is made up of the three department directors and the Deputy Chief Operating Officer. With the help of external consultants, the project team has extensively reviewed pay rules, system configurations, and processes in both PeopleSoft and Kronos. We have developed a priority list from those reviews and from issues found in previous payroll runs. Many improvements have already been completed as part of that project.

To address earlier, outstanding audit issues and other improvements identified from the payroll project work, the team has put together a formal list of changes and are systematically working to complete that project list. A measured approach to implementing changes is necessary to avoid creating new issues and other unintended consequences. The payroll project team has now been chartered and formally charged as an ongoing team with the Payroll Supervisor being the business process owner and team lead. The steering committee remains in place to support the improvement process, provide project prioritization, and policy guidance.

We also believe that context is important. Payroll is an extremely complicated process, particularly with eight different unions and non-represented employees. The few errors that have been found have been corrected as quickly as possible and impacted employees have been notified. Again, ensuring the timeliness and accuracy of employee's payroll is of extreme importance for our agency and we will continue to improve to meet our high standards.

## Recommendations:

*To improve coordination, Metro should:*

1. *Create a formal system for tracking errors that:*
  - a. *involves each department in the payroll process,*
  - b. *tracks the source of the error,*
  - c. *how it should be corrected; and*
  - d. *who is responsible for the correction.*

We agree that a more formal process should be developed. The payroll project team, which is made up of individuals across all three departments, will be the place that these systemic errors are discussed, correction assigned, and resolution reported and documented.

*To ensure employees have the tools necessary to do their job, Metro should:*

2. *Provide timely initial training;*

We believe this was a temporary issue due to the change of payroll from HR to FRS and personnel turnover. Even so, we have worked to document all of our processes and brought in external consultants and trainers to work with staff to improve knowledge of the system. We agree that training is important and continues to be a primary focus of the current payroll supervisor. With the new position in payroll that was approved in November, we will ensure that this emphasis on training and documentation continues. In addition, a training program has been developed to improve the consistency and accuracy of the timekeeping process across the agency. This program will be deployed in the next couple months.

3. *Assess training needs, and provide ongoing training as necessary.*

As part of our current payroll process improvement project, employee training needs were surveyed, and training materials are in the final stage of development. In addition, as we continue to improve our documentation and review current responsibilities, we will assess our payroll training needs. One area of particular focus will be cross-training staff on the roles across payroll, ensuring Metro will always be able to deliver paychecks on payday regardless of the circumstances (building closure, employee sickness, etc.). We have dedicated funding for training in the payroll area to ensure staff will continue to be updated on the newest issues in payroll and have the skills necessary to be successful.

*To better align the payroll process with best practices to reduce the risks of fraud, waste, and abuse, Metro should:*

4. *Segregate duties across all aspects of the payroll process. When not possible, ensure mitigating controls are in place, used, and documented.*

Segregation of duties is of the utmost importance in any payroll operation. However, in a payroll shop the size of ours it is difficult to have total segregation of roles. People must cover for other people on extremely short notice and we have seasonal hiring that requires additional assistance. Metro's external auditors review system security, including in the payroll area, during their annual review; we have not had an external auditor comment that this is an issue. However, as a result of the audit, we have reviewed the

security roles of HR and Payroll staff and have made some adjustments. We have also made some changes in the way security is granted. Exceptions will be completed in writing and accompanied by a start and end date. We will continue to review our processes and duties on an ongoing basis.

*5. Limit employee access to only data necessary to perform job duties. When high levels of access are necessary, establish safeguards to ensure proper use.*

We agree, access for job duties is a key to segregation of duties and ensuring proper use. However, being a smaller payroll shop multiple people, at times, must be able to have access to the data to ensure that jobs can be completed in a timely manner (especially around the beginning of the year and with large projects). We do currently have internal controls that help mitigate risk and we will continue to ensure that we only allow access to those that it is necessary to complete all of the work.

*6. Assign roles, responsibilities, and authority for ensuring proper access and segregation of duties across the payroll process.*

We agree, with the new payroll position being hired we are doing a detailed review of current responsibilities and how the roles in payroll are distributed. As we review that work, we will look at access and additional documentation.

*7. Conduct regular reviews of employee access to Kronos and PeopleSoft. Ensure reviews provide the information necessary to make informed decisions about employee access.*

We agree, timely reviews of employee access are a necessary action for strong internal controls. We currently do this annually in all systems. When individuals leave employment, automatic notifications to terminate access to the network, email, and software systems are distributed from the HRMS system. We will continue to document accordingly.



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Agenda Item No. 4.2

**Social Media Audit**

*Presentations*

Metro Council Meeting  
Thursday, January 18, 2018  
Metro Regional Center, Council Chamber





## Social Media:

*Manage risks and increase engagement*

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January 2018

A Report by the Office of the Auditor

**Brian Evans**

*Metro Auditor*

**Simone Rede**

*Senior Management Auditor*



## Knighton Award for Auditing

### **Audit receives recognition**

The Office of the Metro Auditor was the recipient of the “Distinguished Award” for Small Shops by Association of Local Government Auditors (ALGA). The winning audit is entitled “Community Planning and Development Grants: Performance measures and stronger controls needed to ensure results.” Auditors were presented with the award at the ALGA conference in Atlanta, Georgia in May 2017. Knighton Award winners are selected each year by a judging panel of peers and awards are presented at the annual conference.

### **Metro Accountability Hotline**

The Metro Accountability Hotline gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metro Exposition Recreation Commission (MERC) facility or department.

The Hotline is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

*To make a report, choose either of the following methods:*

**Dial 888-299-5460 (toll free in the U.S. and Canada)**

**File an online report at [www.metroaccountability.org](http://www.metroaccountability.org)**



**Brian Evans**  
**Metro Auditor**

600 NE Grand Ave  
Portland, OR 97232-2736  
TEL 503 797 1892, FAX 503 797 1831

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**MEMORANDUM**

January 10, 2018

To: Tom Hughes, Council President  
Shirley Craddick, Councilor, District 1  
Carlotta Collette, Councilor, District 2  
Craig Dirksen, Councilor, District 3  
Kathryn Harrington, Councilor, District 4  
Sam Chase, Councilor, District 5  
Bob Stacey, Councilor, District 6

From: Brian Evans, Metro Auditor

BE

**Re: Audit of Social Media**

This report covers the audit of social media usage. The growing number of people who use social media allows governments to connect with more people in more ways. The purpose of this audit was to determine if Metro was managing social media risks effectively and using it to achieve its communication goals. The audit was included in the FY2016-17 Audit Schedule.

We found that stronger management of social media was needed to address risks. Social media brings inherent risk to any organization, and because it is constantly evolving, it can be difficult to stay current with the latest trends and features. An underlying cause was unclear responsibility for security and training. More guidance was also needed to help employees respond to comments and address the challenges that social media presents for public records law.

We also found Metro could do more to engage and develop new audiences through social media. Social media was being used to inform (provide information) more than it was being used to engage the public (get information back). Targeting audiences more broadly through paid advertising could help Metro find people on Facebook with whom it would not otherwise connect. Collaborating internally and externally could help inform its strategy, and create new ideas for social media use.

We have discussed our findings and recommendations with Scott Robinson, Deputy COO; Scott Cruickshank, General Manager of Visitor Venues; Jim Middaugh, Communication Director; and Rachel Coe, Information Services Director. A formal follow-up to this audit will be scheduled within three years. We would like to acknowledge and thank all of the management and staff who assisted us in completing this audit.

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## Summary

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Social media presents risks and opportunities to any organization. The growing number of people who use social media gives governments and businesses a good reason to use it.

The purpose of this audit was to determine if Metro was managing social media risks effectively and using it to achieve its communication goals. We found Metro could manage risks more effectively by:

- Controlling access
- Addressing challenges social media presents to public records requirements
- Clarifying expectations for monitoring and responding to comments
- Training employees

Opportunities existed to increase engagement and develop new audiences through social media. The Metro Regional Center Social Media group (MRC Group) was using social media more to inform (provide information) than engage (get information back). This use of social media was driven by Metro's Communications strategy. The primary goal of that strategy was to increase awareness of Metro.

We found these priorities reflected in MRC's Facebook ads. Over two-thirds of ad campaigns we analyzed provided the community with information. Less than one-third of campaigns sought information from the community. We focused on Facebook because it was used by most parts of the organization and was the most popular platform among American internet users.

Public engagement was a priority for the agency. Metro may not meet its engagement goal via social media if representative voices are not heard. People who "liked" MRC's Facebook page did not reflect the regional population. MRC also took a narrow approach to targeting audiences on Facebook. Targeting broadly can help governments find new audiences that they would otherwise be unaware of.

We found more collaboration was needed to help MRC make use of the opportunities social media can provide. The dynamic nature of these tools makes it difficult to stay current with the latest trends and features. Broader perspectives would ensure all parts of Metro have a chance to be represented on social media, and allow the organization to learn from internal and external experts to inform its strategy.

Our recommendations focused on assigning responsibility, developing policies and procedures, increasing two-way communication, broadening audiences, and collaborating internally and externally.

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## Background

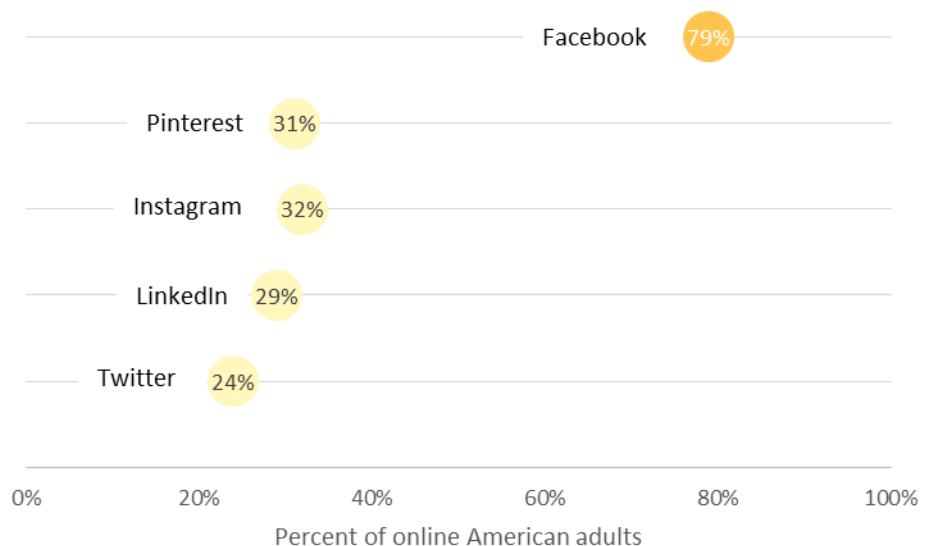
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Social media is loosely defined as a set of technologies with community and social dimensions. It is interactive, dynamic, and collaborative. Social media includes networks (Facebook), blogs, and micro blogs (Twitter). It features content such as photos and videos (Flickr and YouTube). It also includes podcasts, wikis, email lists, and message boards. Social media are openly accessible, and used by individuals and organizations alike.

Social media can help governments connect with more people in more ways. It can increase community feedback and engagement. It can also enhance customer interaction, increase brand recognition, and improve employee recruitment. The growing number of people who use social media gives governments and businesses a good reason to use it.

This audit focused on Metro's use of Facebook. We chose Facebook because it was used by most parts of the organization and remains the most popular platform. A national survey found that, of the Americans who used the internet, nearly eight-in-ten (79%) used Facebook, more than double the share that uses Twitter, Pinterest, Instagram, or LinkedIn. That means 68% of all U.S. adults are Facebook users. The share of online adults who reported using Facebook increased by seven percent from 2015. Young adults continue to report using Facebook at high rates, but older adults are joining in increasing numbers. And, women continue to use Facebook at higher rates than men.

### Exhibit 1 Facebook is the most popular social media platform among American internet users








Source: Pew Research Center (2016)

Time spent on social media has also grown, with heavy users spending over three hours per day. The increase in devices and channels has led to an increase in overall time spent on media among consumers. The share of total media time spent on social media varies by demographic.

Metro used many platforms, including those designed for general content sharing (social networking), as well as sharing images and videos. Facebook and Twitter were the most common. Oregon Zoo used more platforms than any area of the organization.

## Exhibit 2 Metro mostly used social networking platforms

Type	Platform	Metro Regional Center 	Portland Expo Center 	Oregon Convention Center 	Oregon Zoo 	Portland's Centers for the Arts 
Social networking	Facebook	✓	✓	✓	✓	✓
	Twitter	✓	✓	✓	✓	✓
Photo & video sharing	Instagram	✓		✓	✓	
	YouTube			✓	✓	✓
	Pinterest			✓	✓	
	Flickr	✓		✓		
	Snapchat				✓	
	Vimeo	✓				
	Vine				✓	

*Source: Metro Auditor's Office summary of active social media profiles listed by Communications staff as of January 24, 2017*

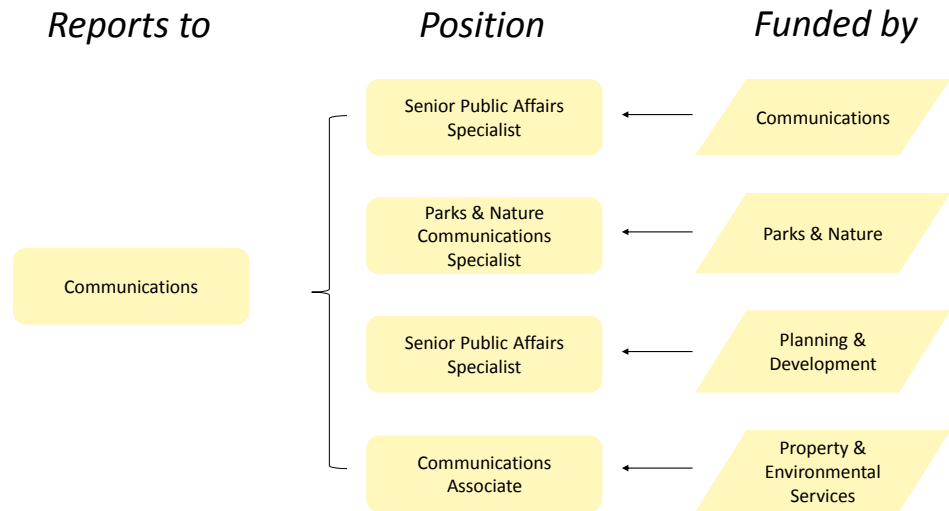
Parts of Metro also appeared on social media sites like Yelp, where their presence could be established by customers, instead of employees acting on behalf of the agency. Sites like this consist of user-generated content, like photos and reviews. Some Metro venues had claimed their presence on Yelp, which allowed them to provide additional information, such as business hours, and communicate with customers.

Metro used a combination of internal and external resources to staff social media. At least 10 current employees, or about two FTE, had used social media for Metro business. For most, it was a small part of their jobs. Some parts of Metro's social media presence were managed separately, while others were managed together. For example, each venue managed their own social media profiles. Metro Regional Center profiles were managed by the MRC Social Media Group (MRC Group).

Most of the information contained in this report is about the profiles managed by the MRC Group. Members of the group reported to the

Communications department. However, their positions were funded by the departments they served: Parks and Nature, Planning and Development, and Property and Environmental Services. This meant some positions were informed by two departments.

**Exhibit 3    The MRC Group reported to Communications but was funded by other departments**



*Source: Metro Auditor's Office analysis of organizational charts and budget documents*

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## Results

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Social media is constantly evolving which makes it difficult to stay current with the latest trends and features. While the use of social media introduces many potential opportunities, it also presents risks. We found that stronger management of social media was needed to address the risks. Access to social media sites was inadequately controlled, and expectations were unclear for monitoring and responding to comments on social media. Metro was in the process of addressing challenges social media can create for public records requirements and needed to develop training to align with changing policies and procedures.

MRC's approach to social media was focused on brand awareness rather than initiating two-way communication. This may keep Metro from meeting its engagement and inclusion goals. MRC could increase public engagement via social media by changing how it reaches people on Facebook and using it to get information from the community. Collaborating with other departments, agencies and the public could help MRC broaden its approach.

### Exhibit 4 Social media presented risks and opportunities

Risks	Opportunities
<ul style="list-style-type: none"><li>• Reputational damage</li><li>• Service interruption</li><li>• Non-compliance with public records law</li><li>• Loss of customers</li></ul>	<ul style="list-style-type: none"><li>• Stronger relationships and trust</li><li>• Better decisions</li><li>• New customers</li></ul>

*Source: Metro Auditor's Office analysis*

### Risks presented by social media were unaddressed

Social media brings inherent risk to any organization. There are two general areas of risk: reputational and operational. Reputational risk is about protecting an entity's public image. Anyone with access to a social media site can post something negative or false. Operational risk has to do with meeting an entity's goals—it can harm its ability to raise revenue or communicate with customers.

These risks can have multiple impacts on an organization. For example, when social media sites are not adequately secured, they can get hacked and defaced, and site activity can be blocked altogether. A unique aspect of social media is the speed at which information spreads. "Going viral" is an extreme example of how quickly content can be shared. This underlines the importance of being prepared to deal with the adverse effects of social media, and having clear plans to recover before things go wrong.

We found Metro could manage social media risks more effectively by:

- Controlling access
- Addressing challenges social media presents to public records requirements
- Clarifying expectations for monitoring and responding to comments
- Training employees



An underlying cause of Metro's approach to addressing the risks was unclear responsibility for governing social media. Different departments bring unique strengths to the table. Casting a wide net can help Metro prepare for potential pitfalls. We found some departments could have been more involved in certain aspects.

We were told the Communications department developed Metro's social media policy with help from the Office of the Metro Attorney (OMA) and Human Resources (HR). Information Services (IS) was said to have provided limited input.

Responsibility for securing access to agency social media sites was unclear. Metro's information security policy stated that IS was responsible for working with departments to prevent and resolve information systems security problems. Involving IS to develop policies and procedures for social media access could help Metro manage access risks.

IS also includes Records and Information Management (RIM). RIM staff have expertise in managing Metro's information assets that could help Metro employees maintain social media records according to state law. We received inconsistent information about how much RIM staff were involved in reviewing Metro's social media policy.

Responsibility for training employees was also unclear. Metro's social media policy specified that Communications, in consultation with OMA, was responsible for providing guidance to employees as needed. But the policy did not clearly identify who was responsible for training employees.

The need for social media training was recognized. RIM saw IS as a potential partner in developing training. We heard employees in that program were eager to see staff trained to manage social media records, and had drafted guidance for that purpose. However, they considered training a function of Communications.

Other departments can also lend their expertise. If Metro wishes to use social media for responsive communication, including employees who work directly with customers in developing the agency's approach could help Metro engage with on social media. The Council Office and the Office of the Chief Operating Officer also have priorities that may influence Metro's approach. Their involvement could help broaden social media coverage of Metro services, and lend support for new ideas.

## **Metro did not know who had access to its social media sites**

We found the policy for granting access to Metro's social media sites was not being followed. According to the policy, the Communications department was responsible for approving or denying social media access requests. To request permission for access, employees were expected to fill out a social media request form and submit it to the Communications Director.

Communications was not using request forms to grant access. Not following

the policy limited management's awareness of who had access to Metro's sites. A list of employees with authorized access could not be produced. Former and current employees who were no longer responsible for managing MRC profiles could still access them. In addition, the list we received of platforms Metro used was not accurate. As a result, there was no comprehensive list of the agency's social media presence.

Employees responsible for managing MRC's Facebook page shared one username and password. Login information provided administrator-level access, which allowed employees to manage all aspects of the page, including managing roles, creating posts, and buying ads. Anyone with access could enable or prevent others from working on the page, or hide it from the public. Without unique logins, it was difficult to determine who performed which tasks because nearly all posts and ads appeared to be created by one person.

We also found login information was inadequately restricted. The information was stored in a secured document. However, according to management, more employees than necessary could access it.

Best practices for controlling access include minimizing the number of employees with broad access rights and limiting employee access to "need to know." Employees should only have access to applications and data necessary to do their jobs. Facebook offered a variety of page roles, but the MRC Group did not use them.

When an employee is hired, transferred, or leaves an organization, procedures should include changes to that employee's access rights. Access rights were not included on departing employee checklists, and were not terminated for employees who left the organization, or changed jobs. Management understood the threat departing employees posed to the agency's public image, but was unsure if there was a process to terminate employee access.

A tool that secured access to other Metro systems was said to have been identified, but had not been used, to protect Metro's social media sites. A social media archiving tool was expected to help control access, but that tool had not been implemented. IS was aware of social media access risks and related tools, but its authority to develop procedures to address them was unclear.

## Social media use brings challenges related to public records requirements

Metro is responsible for maintaining public records, regardless of physical form, under Oregon law. Public records include any electronic writing or photography that relates to the public's business.

Metro's policy required employees to manage social media content in compliance with the law. It specified that:

- original social media content that is not officially maintained elsewhere requires retention, and
- public comments on Metro's social media sites may constitute a public record.

While the policy referenced Oregon public records law, Metro's ability to implement it presented challenges. Metro's policy left some content requiring retention open to interpretation. For example, photos or videos captured and uploaded to social media sites from personal devices may require retention, but were not explicitly outlined in the policy. It was unclear which public comments needed to be retained.

There were also technical challenges to ensure social media content that required retention was preserved. Information created or stored on social media sites is not controlled by Metro, so the agency needed a way to copy what was maintained by third-party providers like Facebook and Twitter.

During the audit, Metro was in the process of addressing both challenges. New guidance was drafted to help employees retain social media posts in compliance with public records law. In June 2017, Metro contracted with an archiving service to address the technical challenges.

However, Metro had not determined whether the archived information would be stored by the contractor or within Metro's systems. Depending on how the agreement was structured, Metro could still be at risk of losing control of the archived information.

Metro's revised policy was expected to be finalized after the archiving tool was installed. At the time of this report, those services had not been put into use. Management planned to finalize guidelines and initiate training in early 2018.

While the draft policy revisions appeared to address the retention of social media records, we found some ambiguity about how social media records should be disposed. Most public records are only required to be held for a specified number of years and then destroyed. Metro did not have guidance for disposal of social media records. We were told the State did not provide direction and Metro had not developed its own plan.

Information governance standards for records management include getting rid of information that no longer needs to be retained by law. According to these standards, organizations need consistent ways to dispose and document disposition of information. There may not be an immediate need to address this issue, but over time, the volume and size of archived content may pose a challenge.

## Expectations for monitoring and responding to comments were unclear

Metro's policy did not set expectations for monitoring posts or responding to comments on social media. That meant negative comments and posts could go unnoticed or unanswered, and result in damage to Metro's public image. Without guidance, employees made their own decisions. Some employees were more actively engaged than others in responding to comments. For example, comments on some posts were monitored several times a day, and on weekends to determine if a response was needed. For other posts, monitoring was less intensive, and responses were only made when a commenter requested one.

Some employees would ask others to help respond to comments on their posts. In some cases, they declined. In other cases, they were only asked to help respond to negative comments. Not responding may be appropriate, but it could reduce the potential to build relationships via social media. It may be easier to ignore the social aspect of this technology, but that may keep Metro from achieving its communication goals.

Best practices suggest organizations establish policies that address all aspects of social media use, including monitoring and follow-up processes. Organizations should set clear expectations for responsiveness and ensure they can handle the volume of comments that may result from social media use. Having a plan for how to respond to positive and negative comments, and true or false comments, can help organizations control social media risks.

In addition to outlining expectations in Metro's policy, there may be a need for more specific guidance for various parts of the organization. For example, employees responsible for posts about Metro parks and venues may need more clarity about how to respond to customer service-related comments. Conversely, employees responsible for posts about solid waste, transportation, and land use planning may need more guidance to respond to comments related to policy decisions. Establishing more detailed guidelines regarding when, how, and who should monitor and respond to customers on social media is critical for staff who are managing Metro profiles.

## Develop training to align with evolving policies and procedures

According to Metro policy, all employees authorized to post, publish, or moderate public comments should be trained on appropriate and effective use of social media. Only those who were both authorized and trained to use social media should have engaged in social media activities on Metro's behalf. The policy required employees to fill out a request form, which was designed to verify they had been trained on social media.

We could not determine whether employees responsible for managing Metro's social media profiles had been trained because training records were not kept. Some said they had not received any social media training.

Best practices for addressing social media risks include regular training that focuses on the benefits and opportunities, as well as the dangers of social media. Training should also ensure full understanding of the policies and

procedures governing acceptable use and behavior on social media sites.

Employees with access to Metro sites may not understand social media risks. Employees were encouraged to stay informed of social media trends. Some had participated in design and photography workshops, but they were not tailored to Metro's use of social media, or focused on the dangers.

Changes in policy and technology were in process. This presented Metro with opportunities to develop training that aligned with those changes. For example, Metro's social media policy was being revised to include the archiving tool. Employees will need training to support its use, once those revisions are adopted. Additional policy changes may also require employee training.

## Opportunities exist to increase engagement and inclusion through social media

Metro missed opportunities to engage and develop new audiences through social media. There were several ways Metro could change its approach. Combining understanding of its social media audience demographics and the demographics of social media users across platforms could help MRC Group reach new audiences. Targeting audiences more broadly through paid advertising could also help MRC find people on Facebook it would not otherwise connect with. Collaborating internally and externally could help MRC build its social media presence and create new ideas for social media use.

Metro aspires to be a leader in civic innovation and services at a regional scale. Innovation and teamwork are core values that are intended to guide Metro's day-to-day actions. The agency takes pride in coming up with innovative solutions and engaging others in ways that foster respect. Engaging with the public and collaborating to solve problems are ways the agency can build trust in Metro, so that it can generate resources to fulfill its mission.

### Exhibit 5 Engagement is in Metro's mission

*We inspire, engage, teach and invite people to preserve and enhance the quality of life and the environment for current and future generations.*

*Source: FY 2017-18 Adopted Metro Budget*

## MRC's primary reason for using social media was brand awareness

MRC was using social media more to inform (provide information) than engage (get information back). This use of social media was driven by Metro's Communications strategy. The primary goal of that strategy was to increase awareness of Metro. The strategy identified several ways to raise awareness, including creating content, setting editorial and design standards, and managing Metro's online presence.

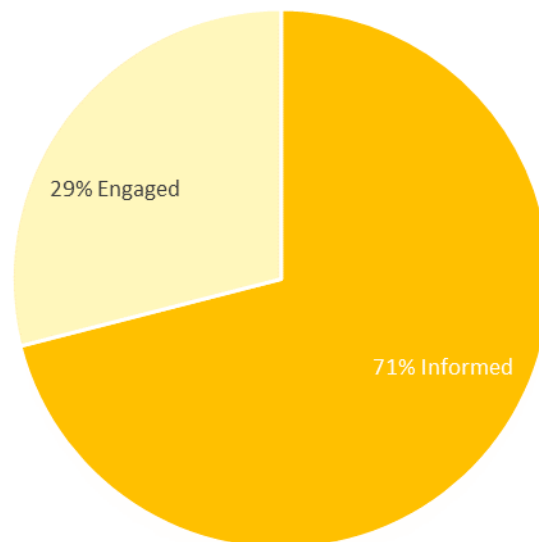
To fulfill this strategy, Metro's social media presence was consolidated. In 2014, individual department profiles were discontinued and followers were

redirected to MRC profiles, whose usernames and logos were aligned with Metro’s website.

The use of social media to inform was also supported by management’s point of view. They thought social media could help MRC increase awareness, and considered it especially useful to increase Metro’s website traffic. Website analytics indicated this was true.

We found these priorities reflected in MRC’s Facebook ads. Over two-thirds of ad campaigns we analyzed provided the community with information (informed). They primarily consisted of sharing information from Metro’s website, including news articles written by Metro staff. Less than one-third of campaigns sought information from the community (engaged).

## **Exhibit 6 MRC’s Facebook ad campaigns mainly informed audiences**



*Source: Metro Auditor's Office analysis of a sample of campaigns from July 1, 2014 to June 30, 2017*

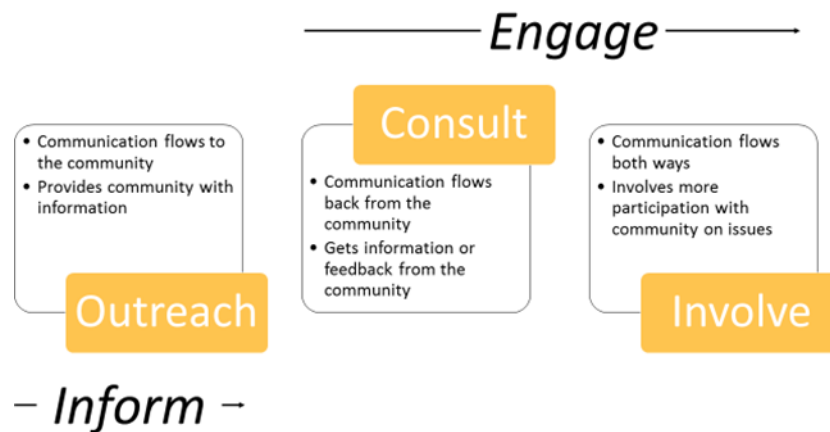
Social media can be used to meet different goals and objectives. For example, Metro venues considered social media useful to hire employees, generate revenue, and improve customer satisfaction. They used social media to engage attendees during events and monitored conversations on social media to resolve customer issues. One venue helped a customer find a lost item via social media.

There was potential for MRC to use social media more to engage. Public engagement was a priority for the agency. Metro Charter and Code highlighted the commitment to aiding communication between citizens and Metro Council. Communication goals included improving engagement. One performance measure focused on the quantity of customers relative to the regional population. It sought to grow Metro’s readership faster than the region’s population growth. Another focused on the qualities of customers. It encouraged participation in communication activities to reflect the region’s diversity.

Employees were interested in using social media for engagement. Some of those responsible for managing MRC's social media content considered social media useful for informing *and* engaging. However, more guidance was needed for them to use it to exchange information with the public.

Social media are designed for sharing and discussing information. Best practices suggest they can be used by local governments to inform, engage, or both. When organizations inform audiences, they conduct outreach. At this stage, communication flows one way, to the community. When organizations engage, they consult or involve communities to get information or participation from the community. During these stages, communication flows back and forth, which can build community partnership and public trust.

## Exhibit 7 Engagement increases across a continuum



*Source: Metro Auditor's Office adaptation of International Association for Public Participation diagram modified by Clinical and Translational Science Awards Consortium Community Engagement Key Function Committee Task Force on the Principles of Community Engagement*

Local government experts say the goal of social media should be to increase citizen engagement, government accountability, and responsive and cost-efficient communication. To drive discussion on social media, they recommend asking and responding to questions.

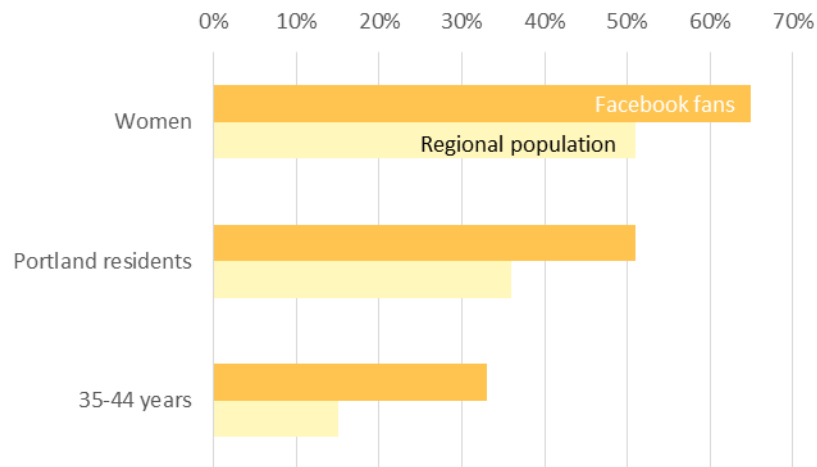
## Social media can be used to reach new audiences

Facebook remains the most popular social media platform. Among all adults online, 83 percent of women and 75 percent of men are Facebook users. The heaviest social media user group is not Millennials (ages 18-36 in 2017). New research shows Generation X (ages 37-52 in 2017) spends the most time on social media. Urban and rural Americans use Facebook at the same rates.

Understanding MRC's social media audience demographics, and the demographics of social media users across platforms is key to successfully reaching new audiences. Some technologies are better suited for certain audiences and they are evolving. Available tools and the demographics of those who use them are constantly changing, so making the best use of new applications requires ongoing refinement.

MRC's Facebook fans (people who have "liked" the page) did not reflect the regional population. MRC's fans included more women and people between 35 and 44 years. Portland residents were also overrepresented. They made up over half of MRC's fans, but were only about one-third of the regional population. Surprisingly, some cities outside the region were among the top 10 cities where MRC's fans resided.

## Exhibit 8 Women, Portland residents, and 35-44 year-olds were overrepresented among MRC's Facebook fans



Source: Metro Auditor's Office analysis of Facebook and American Community Survey data

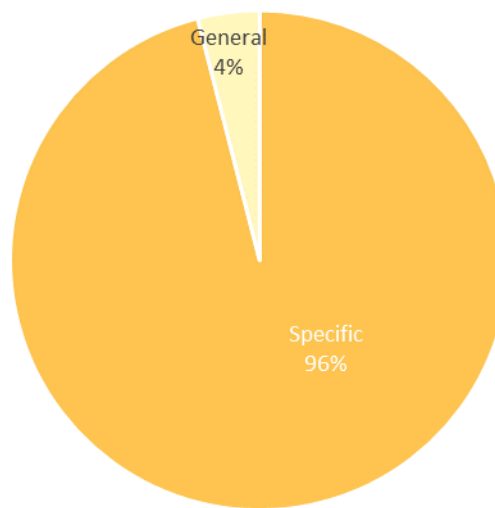
Metro may not meet its engagement goal via social media if representative voices are not heard. Advertising on Facebook allows governments to reach new audiences, beyond their fans. Facebook ads can target people they want to reach. There are two general approaches to creating a target audience on Facebook.

- Targeting **specifically** gives Facebook well-defined groups of people to show Metro's ads to.
- Targeting **broadly** relies more on Facebook to find otherwise unknown people to show Metro's ads to.

The majority of MRC's Facebook ads targeted specifically. Ninety-six percent (67 out of 70) of the ad campaigns we analyzed targeted specific audiences. Specific audiences included people of a particular age, gender, or location within the region, or with particular interests and behaviors.



## Exhibit 9 MRC's Facebook ad campaigns mainly targeted specific audiences



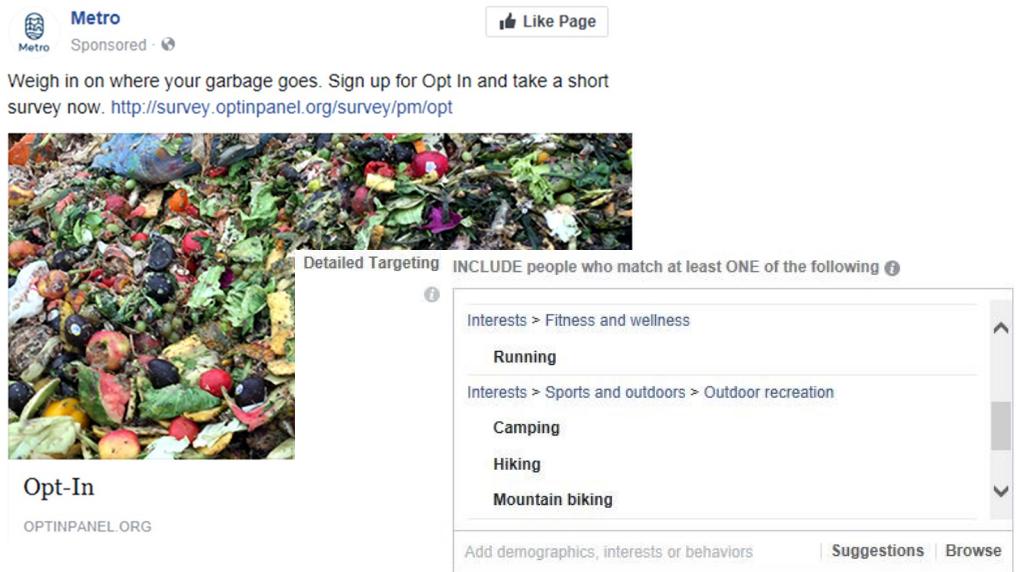
*Source: Metro Auditor's Office analysis of a sample of campaigns from July 1, 2014 to June 30, 2017*

Neither approach is better than the other—the approach taken depends on what an organization is trying to accomplish and what resources are available. Targeting specifically excludes some people, which can result in some audiences receiving more information than others. Overexposure to content can make some people less likely to take action. Conversely, underexposure could result in missed opportunities to participate. Either outcome can impact the quality and quantity of public engagement.

The audiences MRC targeted may lead to a potential audience that is more interested in what MRC is advertising, but also one that is smaller and narrower. Defining an audience by interests and behaviors may be more appropriate for some content, such as behavioral change campaigns, or engagement opportunities in languages other than English. Those types of campaigns require detailed knowledge of the target audience.

Some of the ads we reviewed seemed to define the audience too narrowly. For example, Exhibit 10 shows a Facebook ad that targeted people interested in sports and recreation, but sought public opinions about solid waste. The same ad was also sent to other specific audiences in an effort to get input about the solid waste system. Defining an audience too narrowly for public participation, project updates, or free parking announcements can exclude people who are otherwise eligible or affected.

## Exhibit 10 This opportunity to share opinions with Metro leaders targeted people who are interested in sports and recreation



Source: Metro's Facebook Ads Manager; accessed July 5, 2017

Targeting broadly can help governments find new audiences that they would otherwise be unaware of. This approach is more appropriate for large-scale awareness campaigns. It makes sense when organizations are unsure of who they want to target or want to learn how different types of people react to their ads. Facebook and other platforms provide immediate feedback to refine ad content and audiences.

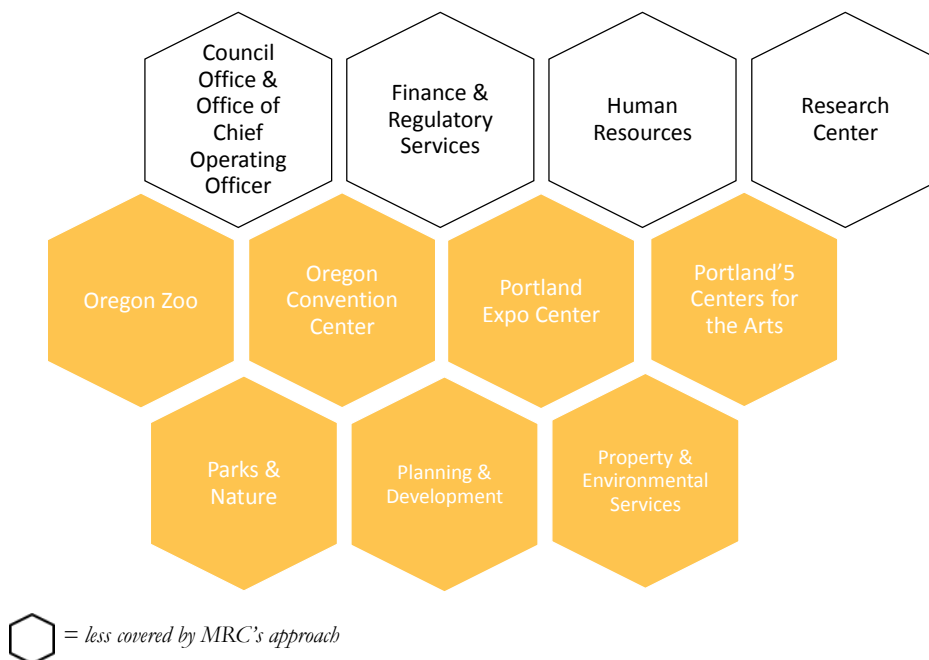
When MRC targeted its general audience, we found it was defined inconsistently. That meant the number and diversity of people MRC could reach varied, even when it was trying to reach all the region's residents on Facebook. Sometimes those under 18 were excluded, other times they were included. Without a stable baseline for comparison, less could be gained from reviewing ad results.

### Collaboration needed to broaden MRC's perspective

We found more collaboration was needed to help MRC make use of the opportunities social media can provide. The dynamic nature of these tools makes it difficult to stay current with the latest trends and features. Broader perspectives would ensure all parts of Metro have a chance to be represented on social media, and allow the organization to learn from internal and external experts to inform its strategy.

Some parts of the organization received less social media coverage because the Communications department was focused on four storylines: garbage and recycling; land and transportation; parks and nature; and venues. As a result, Metro missed opportunities to promote budgeting, research, and public meetings, as well as employment opportunities, via social media.

## Exhibit 11 MRC's approach to social media limited coverage of some departments



Source: Metro Auditor's Office analysis of offices, departments and venues

To generate new followers, and avoid losing current ones, MRC needed a way to ensure it posted frequently enough. This meant it had to consider the volume of content available and also the employee time needed to manage it before starting a site. It can be difficult to determine if there would be enough content to justify a content-specific platform, or if a more general social networking site would be a better option. For example, Instagram is primarily used for photos and YouTube is entirely videos. But, both photos and videos can be posted to Facebook.

During the audit, we saw MRC try to address these challenges when new ideas or platforms became available. For example, a 2016 pilot project identified the need to include photos of more diverse activities and events in MRC's Instagram posts. However, a method for gathering content across departments had not been established. Soliciting other parts of the organization to provide ideas or content for existing sites is one way governments have overcome this challenge.

Coordinating social media activities more closely with the Office of Citizen Involvement could improve Metro's ability to meet its public engagement goals. The office was created to develop and maintain programs and procedures to aid communication between citizens and the Metro Council. It was required to prepare an annual report evaluating Metro's public engagement efforts with input from the Public Engagement Review Committee. The Committee included representatives from the community who were required to have relevant experience, and reflect the diversity of the region. Annual reports were intended to be presented to Council to

share best practices and upcoming plans for public engagement, but they rarely addressed social media.

Metro's equity strategy also presented an opportunity to take advantage of community expertise so that diverse groups of people could communicate with Metro via social media. The strategy was developed with input from community members and organizations. It would inform Metro's public engagement guide, a document that outlined best practices, including the use of social media.

MRC could learn from other governments to stay up to date on social media activities. Connecting with other governments could help MRC get more ideas on how to use social media in the public sector.

We found support for the MRC Group's connections to its private sector, but not public sector peers. Some group members went to a marketing conference in 2017. The conference was designed for marketers who work for small businesses. By contrast, they did not attend a conference for government social media managers.

Connecting with other public agencies via social media could also help MRC get new ideas. Documenting what types of activities are being deployed by other agencies could facilitate sharing of insights gained from monitoring their social media presence. Some members of the MRC Social Media Group informally kept track of what other agencies were doing on social media. They used their personal accounts to monitor those agencies.

MRC could also learn from other departments. Metro venues were experimenting with social media in different ways. Oregon Convention Center held live Twitter conversations. Oregon Zoo was trying out new video sharing platforms. Including representatives from Metro venues in regular meetings could help MRC brainstorm different ways to use social media. New ideas were discussed at quarterly meetings of Communications managers and staff, but they did not regularly include venue representatives.

Learning from the public could enhance MRC's social media activities. Social media applications are a great way to solicit feedback directly from constituents. Documenting what they would like to see on social media can help transfer knowledge across departments.

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# Recommendations

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To better manage the risks presented by social media, Metro should:

1. Assign responsibility for social media governance, security, and training.
2. Develop policies and procedures to:
  - a. increase security and limit administrative rights;
  - b. monitor content and respond to comments;
  - c. retain public records; and
  - d. train employees.

To increase engagement and inclusion through social media, Metro should:

3. Increase two-way communication.
4. Broaden the audiences it seeks to engage.
5. Collaborate with internal and external experts to diversify perspectives about social media.

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## Scope and methodology

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Our audit objectives were to determine if Metro was managing the risks of social media effectively and using social media to achieve its communication goals. The scope of the audit was the agency's current social media presence, use of social media by the MRC Social Media Group, and MRC Facebook advertising from FY 2014-15 to 2016-17.

To gain an understanding of the agency's social media use, we reviewed budget documents, social media sites, and public engagement activities. We interviewed managers and staff, and observed meetings and use of social media. We also analyzed social media staffing and expenditures levels and tested the Communications departments inventory of platforms.

To gain an understanding of the regulatory environment, we reviewed Oregon laws and Metro requirements for social media, citizen involvement, and public records. We also reviewed Metro's vision, mission, and values, communication goals and measures, and organizational charts, in addition to written guides to social media use and records management.

To identify best practices for using social media and engaging citizens, we reviewed relevant management studies and audit reports from other jurisdictions, as well as professional literature. Sources included:

- Government Finance Officers Association
- International City/County Management Association
- Social Media Examiner
- International Association on Public Participation
- Facebook
- GovLoop
- Sprout Social

We analyzed American Community Survey results for the three counties served by Metro and compared them to demographic information reported by people who liked MRC's Facebook page to determine if there were differences between Metro's regional population and MRC Facebook fans.

We selected a simple random sample of MRC's Facebook ad campaigns to draw conclusions about the characteristics of campaign data. We analyzed the sampled campaigns to determine whether they were used to inform or engage the community and target broad or specific audiences.

This audit was included in the FY 2016-17 audit schedule. We conducted this performance 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.

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# Management response

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## Memo

Date: Tuesday, January 9, 2018  
To: Brian Evans, Metro Auditor  
From: Jim Middaugh, Communications Director  
Subject: Management response to social media audit

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Auditor Evans,

Metro is using social media, and Facebook in particular, effectively. Facebook is contributing both a greater absolute and greater relative share of traffic to Metro's website traffic every year:

- During 2014, 54 percent of social, or 15,134 sessions came from Facebook
- During 2015, 70 percent of social, or 34,516 sessions came from Facebook
- During 2016, 75 percent of social, or 61,809 sessions came from Facebook
- During 2017 about 85 percent of social, or about 78,000 sessions came from Facebook

Below please find a discussion of the three major recommendations management agrees with:

### **Access and security**

Like many cloud-based services, Facebook only allows one login ID and password for Metro's page. As the audit notes, management has purchased software that will improve security when multiple people require access to a single login. That software currently is being deployed on other Metro systems and will be deployed on social media channels based on resource availability.

### **Public records**

Management believes Metro is in compliance with public records laws. As the audit notes, management also is taking additional steps to streamline the agency's ability to respond to records requests by implementing a new software tool and updated social media policies. Metro remains committed to addressing new guidance, public records rules and regulations as they are developed.

### **Engagement and awareness**

The audit hit the nail on the head on one of the key questions Metro is looking to address: how to turn social media commentary into useful feedback for decision-makers.

Management believes staff currently is using social media effectively to increase engagement. Specifically, it is important to note that the advertisement highlighted in the audit as an example of narrow targeting was part of an overall campaign designed to test different methods of improving awareness and engagement. The ad was not run in isolation.

It is important to note that different social media platforms resonate with different demographic audiences but the majority of each of the audiences is white. Specific targeting of audiences has significantly improved the diversity of Metro's Facebook fans and Instagram followers.

Every Metro social media campaign is part of a larger engagement campaign that attempts to ensure communities of color in the Portland region have a voice. While the audit addresses Facebook, it by necessity does not include analysis of the range of other tools and tactics Metro uses to improve the representativeness of public engagement.

While social media engagement definitely offers benefits, management is also aware of its inherent limits. Most successful social media posts need to be short, which creates disadvantages when engaging on complex projects and plans. For example, there could be instances where social media posts are more effective in raising awareness and driving readers to the Metro website to comment on interactive maps with photos and text, rather than engaging solely on the social media platform.

The audit makes reference to the percentage of Metro posts that "inform" vs. "engage." Metro staff are using a ladder of engagement model that recognizes engagement is a continuum that begins with awareness. Depending on the project or public input desired, different amounts of informing and engaging are appropriate. Management believes Metro is implementing an appropriate balance of awareness and engagement but welcomes examples of different approaches and examples of best practices.

## **Conclusion**

Management agrees that application of additional security measures for accessing social media sites is in order. As resources become available, an existing tool will be implemented.

Management believes Metro is in compliance with public records law and will continue to monitor developments as they relate to social media; and that staff understand expectations related to monitoring and responding to comments on social media.

Management agrees Facebook should be used to broaden engagement and believes staff have an effective strategy in place for moving forward.

Management will reiterate the importance and value of ongoing collaboration and training to staff who have social media as part of their job descriptions and will continue to work with internal and external experts to maintain current perspectives about social media.





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Agenda Item No. 4.3

**Public Records Request Audit**

*Presentations*

Metro Council Meeting  
Thursday, January 18, 2018  
Metro Regional Center, Council Chamber



## Public Records Requests:

*Build on foundation to further align with best practices*

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January 2018

A Report by the Office of the Auditor

**Brian Evans**

*Metro Auditor*

**Elliot Shuford**

*Senior Management Auditor*



## Knighton Award for Auditing

### **Audit receives recognition**

The Office of the Metro Auditor was the recipient of the “Distinguished Award” for Small Shops by Association of Local Government Auditors (ALGA). The winning audit is entitled “Community Planning and Development Grants: Performance measures and stronger controls needed to ensure results.” Auditors were presented with the award at the ALGA conference in Atlanta, Georgia in May 2017. Knighton Award winners are selected each year by a judging panel of peers and awards are presented at the annual conference.

### **Metro Accountability Hotline**

The Metro Accountability Hotline gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metro Exposition Recreation Commission (MERC) facility or department.

The Hotline is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

*To make a report, choose either of the following methods:*

**Dial 888-299-5460 (toll free in the U.S. and Canada)**

**File an online report at [www.metroaccountability.org](http://www.metroaccountability.org)**



**Brian Evans**  
**Metro Auditor**

600 NE Grand Ave  
Portland, OR 97232-2736  
TEL 503 797 1892, FAX 503 797 1831

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## MEMORANDUM

January 10, 2018

To: Tom Hughes, Council President  
Shirley Craddick, Councilor, District 1  
Carlotta Collette, Councilor, District 2  
Craig Dirksen, Councilor, District 3  
Kathryn Harrington, Councilor, District 4  
Sam Chase, Councilor, District 5  
Bob Stacey, Councilor, District 6

From: Brian Evans, Metro Auditor

BE

### **Re: Audit of Public Records Requests**

This report covers the audit of public records requests. Access to public records is an important part of government transparency and accountability. The purpose of the audit was to determine if the records request process followed best practices in the areas of proactive disclosure, request tracking, timeliness, fee assessment, and training. The audit was included in the FY2016-17 Audit Schedule.

We found both Metro's initial acknowledgement and completion of public records requests fit within current state requirements for timeliness. Most of the responses we reviewed also fit within new requirements that went into effect in 2018. Since costs could be a barrier for the public to access records, there is a need for consistency and accuracy when it comes to estimates, fees, and waivers. We noted inconsistencies in these areas in a sample of requests we reviewed.

One way Metro could ensure public access and reduce the complications of fulfilling requests is through more proactive disclosure. Proactive disclosure is when a government makes records available before they are requested. We found examples where Metro was already doing this, as well as ways it could expand the practice. For records that were not disclosed proactively, there were other ways to increase efficiency.

We have discussed our findings and recommendations with Scott Robinson, Deputy COO; Rachel Coe, Information Services Director; Becky Shoemaker, Records Officer; Michelle Bellia, Legal Counsel; Ken Begley, Records and Information Analyst; and Pam Welch, Records and Information Analyst. A formal follow-up to this audit will be scheduled within three years. We would like to acknowledge and thank all of the management and staff who assisted us in completing this audit.

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## Summary

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Oregon law requires governments to provide the public access to records and allows agencies to charge fees to requesters. The Secretary of State maintains rules for which records should be kept and for how long. The Legislature passed a bill in 2017 that created new requirements for Metro and other local governments.

Metro's process to handle requests was generally effective and provided a foundation to comply with new regulations. We found both Metro's initial acknowledgement and completion of public records requests fit within current state requirements for timeliness. Most of the responses we reviewed also fit within new requirements that went into effect in 2018.

To identify risk during our audit planning, we recruited volunteers to be "secret shoppers" and make requests to eight Metro departments. This was similar to the tests our office conducted in 2010. While we noted some improvement, there were some potential limitations to the public's access to records. In two cases, the requests were not filled completely. We did not determine why the requests were not fulfilled.

Since costs could be a barrier for the public to access records, there is a need for consistency and accuracy when it comes to estimates, fees, and waivers. We noted inconsistencies in these areas in a sample of requests we reviewed. In a few cases, requesters may have been dissuaded from following through on their requests because of high initial estimates. In other cases, inconsistencies may have resulted in lost revenue. Gaps in Metro's policy and limited training caused the inconsistencies.

One way Metro could ensure public access and avoid the complications of fulfilling records requests is through more proactive disclosure. Proactive disclosure is when a government makes records and information available before it is requested. We found examples where Metro was already doing this, as well as ways it could expand the practice.

For records that were not disclosed proactively, there were other ways Metro could have improved efficiency when responding to requests. Any additional procedures or tasks that were not essential to fulfilling a request meant more hours were spent. These additional hours would have been either an expense to Metro, or to requesters in the form of fees.

Our recommendations focused on updating Metro's policy to: align with changes to state law; designate lead employees to handle requests; increase consistency of estimates, fees and waivers; and provide initial and ongoing training. We also recommended gradually increasing proactive disclosure and evaluating other potential process efficiencies.

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## Background

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In the early 1970s Oregon joined other states to pass laws ensuring public access to government records. States passed these laws in part to rebuild public trust in government following the Watergate scandal. Access to public records is still seen as an important way people can hold their governments accountable.

Given this expectation, it is perhaps not surprising that requests for public records are often linked to controversy. Members of the media may seek public records as they work on an investigative piece or report on a breaking story that could be critical of a public agency. Interested citizens or advocacy groups may request documents as well. For instance, when a popular elephant at the Oregon Zoo died, Metro received more than 10 requests for records from journalists and members of the public.

State rules and regulations control many aspects of how government agencies manage public records and make them available to the public. The Secretary of State maintains rules for which records should be kept and for how long. These rules are codified in what is called a retention schedule.

Oregon requires governments to provide the public access to records and allows agencies to charge fees to requesters. Fees cannot exceed the actual costs incurred by the agency to provide the records. Requesters may ask for a waiver or reductions of fees. To waive fees, agencies must consider whether granting the waiver would serve the public interest. This is called the public interest test.

Following allegations of wrongdoing and the resignation of Oregon's governor in 2015, there were efforts to reform parts of the state's public records law. The Legislature passed several bills related to public records during the 2017 legislative session. One bill created new requirements for Metro and other local governments. Among other things, it set definitive timelines for governments to acknowledge and respond to public records requests. That law went into effect in 2018.

At Metro, responsibility for managing public records and responding to requests is shared among departments. Within the Information Services Department, the Records and Information Management (RIM) program provides training, guidance, and consultation to Metro departments for managing public records. The manager of the RIM program also serves as Metro's Records Officer and is Metro's liaison to the Secretary of State's Archives Division.

RIM developed Metro's public records request policy. The policy requires Metro staff within individual departments to handle requests and notify the Records Officer that a request is underway. Typically this means acknowledging a request, clarifying its scope, and providing the records. In some cases, staff may need to estimate how much time it will take to fulfill the request, collect a deposit, and bill for the request prior to providing the records.

Metro uses electronic records management software. Some of the records in the system are available through a public-facing records portal on Metro's website. The portal allows members of the public to search and find records directly, without assistance from Metro employees.

Metro received about 100 requests per year in fiscal years 2015 and 2016. According to financial data, Metro collected a total of about \$6,000 from fees for public records requests between 2013 and 2016 (about \$1,500 average per year). Metro's goal for public records requests is to "...ensure that all requests for public records are responded to in a timely, thorough, and accurate manner that honors the rights and obligations of Metro and the public." RIM tracks most of Metro's requests, but does not have any performance measures related to public records requests.

As part of an audit of public engagement in 2010, the Office of the Auditor recruited volunteers to make public records requests to five Metro departments. Four of the five departments made an attempt to comply with the request, while one did not. Two of the five requests were not filled. Our office issued a memo to management about these issues at that time. This audit sought to evaluate compliance risks in more detail and see if Metro was prepared for new public records legislation.



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## Results

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### Most of Metro's responses were timely

Metro's process to handle requests was generally effective and provided a foundation to comply with new regulations. In all of the cases we reviewed, Metro made attempts to fulfill records requests and in most cases did so in a timely fashion.

However, there were some inconsistencies in how Metro estimated fees and provided waivers to requesters. Inconsistencies could impact people's access to records or negatively affect the agency's reputation. In some cases there could also be a financial impact. By increasing its use of proactive disclosure, Metro could avoid the complications of the records request process. This would increase transparency and save staff time. We also identified other ways to provide records more efficiently.

Quick completion of requests for public records can build public trust since it means the public has been given easier access. We found both Metro's initial acknowledgement and completion of public records requests fit within current state requirements for timeliness.

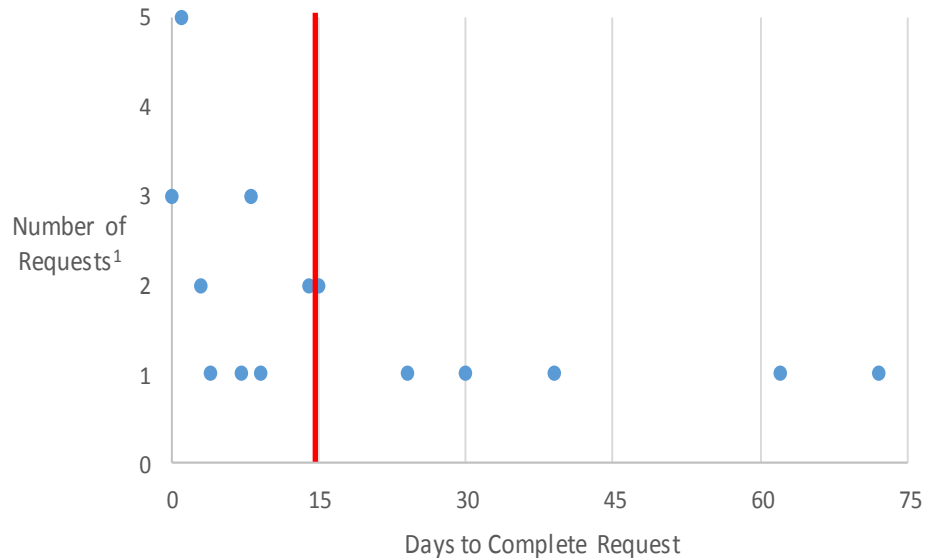
State law in effect during the audit specified governments must acknowledge and complete a written request "as soon as practicable and without unreasonable delay." Completion generally meant providing the records. A request could also be considered complete if the government provided a written cost estimate and a timeline to fulfill the request, if the requester then decided not to pursue the records.

New requirements went into effect in 2018. State law now requires an initial acknowledgement of written requests within five business days and completion of requests within 15 days. Most of the responses we reviewed for this audit also fit within these requirements.

We reviewed a sample of 26 requests from fiscal years 2015 through 2017. Metro gave an initial acknowledgment to almost all of the requests within five business days. In one case, the file did not contain a clear indication of when the request was made, so we could not determine the timeliness of the acknowledgement.

We also assessed how quickly Metro completed requests. Twenty of the 26 requests (80%) were completed within 15 business days. In most cases, this was the time between when Metro received a written request and when Metro provided the records. In four cases, the requester did not follow through on their request, so we measured the time it took Metro to provide a written estimate to fulfill the request.

## Exhibit 1 Most requests were completed within the new 15 day requirement



Source: Metro Auditor's Office analysis of a sample public records requests (July 1, 2014 - May 1, 2017)

<sup>1</sup> Totals do not include one of the 26 requests because the file did not contain a request date.

Eleven requests (44%) were fulfilled in five days or less. These requests could be described as “routine.” They were fairly narrow and some were for similar records that had been requested before. Many of the records were also available in Metro’s electronic record system. All of these factors appeared to help provide the records quickly.

It took Metro longer to complete five (20%) of the requests in the sample. These timelines ranged from 24 to 72 business days. The average response time for these requests was 41 days. Reasons appeared to vary. Two requests included reports that had not been finalized yet. In other cases, the requests seemed fairly broad. The quality of records management practices could have played a role for some departments. For example, if records were not well organized or paper-based, it may have taken employees more time to find them.

Metro’s policy did not set a target for timeliness. It stated that acknowledgements should be prompt and responses should be timely. Given the new requirements for timeliness, Metro’s policy may need to be updated to align with state law.

**Tests showed some limitations to the public’s access to records**

To identify risk during our audit planning, we recruited volunteers to be “secret shoppers” and make requests to eight Metro departments. This was similar to the tests our office conducted in 2010. While we noted some improvement, there were some potential limitations to the public’s access to records.

We asked volunteers to request documents we selected from Metro's record retention schedule. In all cases, the requests were acknowledged, but the tests revealed compliance risks for some departments. In two cases, the requests were not filled completely. This did not appear to comply with state law. We did not determine why the requests were not fulfilled. For instance, it could have been records did not exist, employees could not find them, or some other reason.

In three of the eight secret shopper tests, employees did not follow Metro's procedure to notify the Records Officer when responding or to have the requester fill out a request form. One request was not documented in writing. In these cases, Metro was at higher risk of being out of compliance with its policy.

Using the request form or notifying the Records Officer ensured that requesters were made aware of possible fees. It also alerted the Records Officer that a request was underway. This enabled Metro to monitor compliance with policy and state regulations. The Records Officer also coordinated electronic searches for some records requests. This was intended to ensure Metro provided all relevant records.

## Inconsistent estimates and waivers could impact access or Metro's reputation

Since costs could be a barrier for the public to access records, there is a need for consistency and accuracy when it comes to estimates, fees, and waivers. We noted inconsistencies in these areas in the sample of 26 requests we reviewed. Where Metro was inconsistent with waivers or estimates, it could be accused of favoritism. In a few cases, requesters may have been dissuaded from following through on their requests because of high initial estimates. In other cases, inconsistencies may have resulted in lost revenue.

Metro's policy required employees to estimate how much time a request would take to fulfill. If employees thought a request was going to take more than 15 minutes, they were expected to estimate the total amount of time. They then developed a cost estimate to fulfill the request. If that estimate was greater than \$25, Metro needed to inform the requester. The requester needed to agree to pay the final cost before employees could start to fulfill those requests. The policy also allowed Metro to collect a 50% deposit for requests over \$100.

The policy required final fee amounts to be based on the actual amount of time Metro employees spent to fulfill the request. Department directors could waive fees if they determined it was in the public interest to do so.

## Estimates and fees

Metro was inconsistent in how it handled some cost estimates. These inconsistencies could have affected the public's access to records. Three of the 26 requests had final fees over \$25, but Metro did not provide initial estimates prior to fulfilling the request. Two of these fees were less than \$50 and did not appear to have an impact on the requesters. However, one was about \$1,200.

In that case, employees searched for and compiled the records after receiving the request. Metro then presented the \$1,200 fee to the requester. The requester was surprised by the fee, and subsequently requested a waiver, which Metro granted.

Initial cost estimates were developed differently in some parts of the organization. The Records Officer or RIM employees prepared estimates for some departments. These estimates were based on individual employees forecasting how much time it would take them to fulfill a particular request. The Oregon Zoo used a different method. It prepared its own estimate from a “fee menu” that may not have taken into account differences between individual requests.

The menu used default amounts based on different aspects of requests. For instance, one manager’s time was added at three hours per animal per year, regardless of the nature of the request. If the request included emails related to animal acquisition, the email portion of the requests was automatically estimated to take four and a half hours per animal. Also in these requests, attorneys, high-level managers, and employees were automatically assigned hours as well. Without the specific parameters of an individual request, it was unclear if this work would be necessary. These default amounts could have increased cost estimates, even if a request was fairly narrow.

In two cases, requesters did not follow through on requests after receiving initial estimates from the Zoo. We did not determine why this was. However, it is possible high initial estimates dissuaded the requesters from continuing to pursue the records. For instance, in one case the estimate was in excess of \$5,000.

It is important that estimates are developed consistently and final fees do not exceed actual costs. Two final fees appeared to be based only on the initial estimate rather than the actual hours spent fulfilling the request. In these cases, the fees were less than \$100. Fees of this size are probably unlikely to dissuade requesters. Nevertheless, it is important to ensure the fees charges are based on actual costs to meet the requirements in state law.

## Waivers

Without documentation of its decisions, Metro appeared inconsistent when waiving or reducing fees in several cases. In eight of the 26 requests (31%), Metro appeared to waive some or all of the costs associated with a request. None of the files showed Metro had considered the public interest when granting waivers. In five cases, Metro waived some fees, but there was not documentation showing the requester had asked Metro to do so. In another case, a waiver was requested, but there was not documentation indicating Metro had considered it.

It was unclear exactly why Metro granted the waiver for the \$1,200 fee. In that case, Metro reversed an earlier decision to charge for the request. The reason cited in the file was that Metro had not prepared the requester for the fees. We were later told the waiver was granted because of the delay in

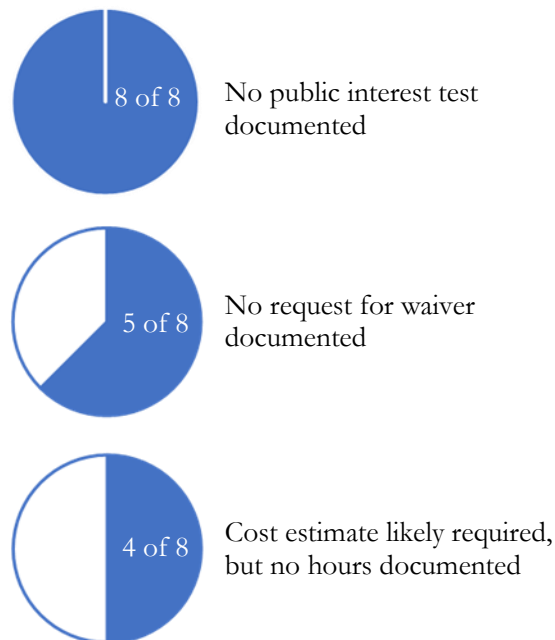
getting the records to the requester. Neither reason would indicate the public interest was a consideration in the decision to waive fees.

Four requests lacked estimations of employee time, but they indicated more than Metro's 15-minute threshold may have been required to fulfill them. For instance, a custom report was prepared or an attorney reviewed several documents.

Per policy, Metro should have developed initial cost estimates for these requests if they took more than 15 minutes to fulfill. In these cases, Metro provided the additional employee time for free. Without estimates, it was unclear how much time or potential fee revenue this would have represented. If Metro chose to offer employee time for free for one requester, but not another, it could be accused of favoritism.

Two of the requests without estimates of employee time were from members of the media. We were told that Metro usually grants fee waivers to the media. This could be because reporters are able to share the information widely, which might satisfy the public interest test. Metro did not charge fees for any of the three media requests we reviewed. However, an initial cost estimate was only given in these cases. The file did not indicate why this request received an estimate.

## **Exhibit 2 All eight requests involving waivers lacked documentation about Metro's decisions**



*Source: Metro Auditor's Office analysis of a sample public records requests (July 1, 2014 - May 1, 2017)*

## Policy gaps and limited training contributed to inconsistencies

Some governments had a structured process for granting waivers and said they retained more documentation of the waiver decisions. Some reported they rarely granted waivers, even when the request came from a member of the media. Guidance from the Oregon Attorney General indicated members of the media were not automatically entitled to fee waivers.

The issues we noted with estimates, fees, and waivers had possible reputational or, in some cases, financial impacts. Where Metro waived fees without a request or did not estimate costs, it could be accused of favoritism. Metro may have also forgone revenue that could have offset its costs to fulfill the requests. Finally, in the two cases where the fees appeared to be based only on estimates, Metro may have overcharged or undercharged requesters, though these were for small amounts.

Gaps in Metro's policy and limited training caused the inconsistencies we identified. The policy allowed department directors to waive fees if they determined it was in the public interest. However, the policy was unclear about how this should be done or what needed to be documented. The policy generally indicated any and all Metro employees were responsible to fulfill requests. It did not specify who should have provided the requester with estimates or calculated final bills.

Metro's practice of fulfilling requests did not align with its policy in some ways. In many of the cases we reviewed, the Records Officer carried out duties assigned to other employees in policy. It is possible that employees did not understand Metro's policy and what it expected of them. Some people we interviewed said employees may not think handling public records requests was part of their job. We heard this was an issue at other local governments as well.

Metro used to have a policy requiring each department to designate lead employees or coordinators to handle records requests. Current policy lacks this requirement. During the audit, we learned some departments had designated employees to handle record requests, while others had not. One of the departments without a clear lead employee did not provide an initial cost estimate when needed. Two other departments without leads did not completely fulfill secret shopper requests.

Designating employees to handle requests is a best practice that other local governments use. In some cases, lead employees were also the primary records employees for their departments or business units. Most of the local governments we reviewed provided ongoing training for lead employees as well as all other employees.

We estimated at least 34 employees were involved in fulfilling requests from the secret shopper tests and the requests in our sample. Less than a third of these employees attended Metro's public records request training. The RIM program offered the training, but Metro's policy did not require employees to attend.

Best practices indicate a need for ongoing training for employees involved in handling public records requests. However, we found only two employees involved in the requests had received training more than once. Ongoing training helps ensure employees stay current on changes to legal and policy requirements.

Finally, Metro's time threshold that required estimates was lower than some other local governments. Fifteen minutes may have been too low to be practical for smaller requests. For instance, some requests could have taken 30 to 45 minutes to fulfill. In these cases, the costs to prepare an estimate, track time, and bill for the request might have outweighed the revenue that could be collected. Given the potential administrative burden, the threshold may have been applied inconsistently for smaller requests. This could have meant some requesters were treated differently than others.

## **Build on foundation to improve efficiency**

Metro had the essential elements in place to handle public records requests. There were ways it could build on this foundation and improve efficiency. Proactively disclosing more records was one such way. There were examples where Metro did this. For records that were not proactively disclosed, there were other ways Metro could fulfill requests more quickly. This could reduce the hours and overall cost of providing public access to records.

## **More proactive disclosure could increase transparency and reduce workload**

One way Metro could ensure public access and avoid the complications of fulfilling records requests is through more proactive disclosure. Proactive disclosure is when a government makes records and information available before it is requested. Since members of the public can find records themselves, it lessens the need to file requests. This increased transparency can help build public trust. Proactive disclosure also eliminates the administrative costs to review requests, determine cost estimates, and bill requesters. We found examples where Metro was already doing this, as well as ways it could expand the practice.

Metro proactively provided similar information as other governments. However, RIM estimated that only about 10 percent of Metro's electronic records were available to the public through its online records portal. The main reason was the security settings in the electronic records system prevented most of them from being accessible. In some cases, this was necessary because some records contained sensitive or confidential information exempt from public disclosure. We did not determine what percentage of Metro's records were exempt.

Metro employees specified the security levels based on their needs when setting up the electronic records in the system. In order to be available to the public, the records needed to be classified as "public" with no additional security settings. Security settings also restricted access for some Metro employees. During the audit, we were told of one example where a set of records was made private in the past due to a concern that may no longer be relevant. Reevaluating these types of decisions may allow Metro to increase public access to records without additional work.

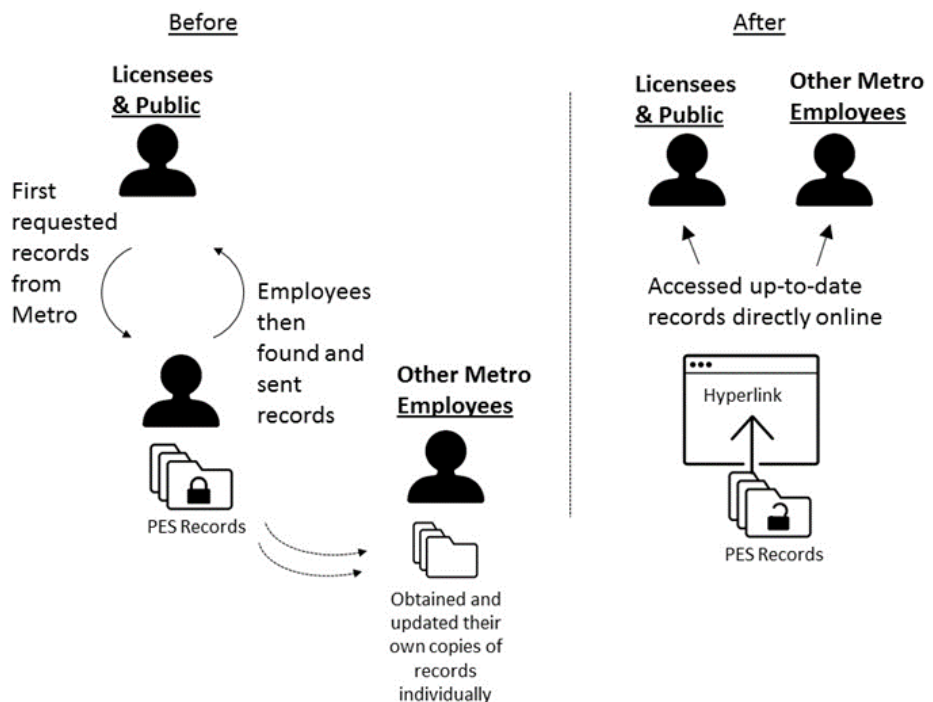
Some departments collaborated with RIM staff to proactively disclose some records through Metro’s website. This made good use of Metro’s investment in the records system. It made records directly available to the public as well as Metro employees. It also meant that when records were updated in the system, they were automatically updated and available on the website.

One example of collaboration was employees from Human Resources working with RIM employees to put job classification records into the system. Once the records were in the system, Metro published hyperlinks to the records on the website. This made the official records easier to find for potential job applicants and other governments.

Another example was a collaboration was between Property and Environmental Services (PES) and RIM. This was related to electronic records of solid waste licenses. Employees made the records public and removed the security settings. They then published links to the records on Metro’s website.

Before this effort, employees had to find the records, and then send them to requesters. PES employees also maintained their own copies of the records for their reference. After the change, the most up to date records were immediately available to solid waste licensees, members of the public, and other Metro employees.

### **Exhibit 3 Proactive disclosure of PES records simplified access for several stakeholders**



*Source: Metro Auditor's Office*



Metro could anticipate public interest in major events or decisions and proactively disclose records. For instance, following the death of popular animals, Metro is likely to receive requests for reports about the animal's care and health. Similarly, following a land purchase or sale, or the awarding of a large contract, Metro is likely to receive public records requests. Posting such records as a matter of course would increase transparency and could avoid the cost of fulfilling records requests.

Metro provided budgets and quarterly financial reports online. We found other governments provided financial information in more accessible formats. For instance, the City of Portland made detailed expenditure data available on its website. This allowed the public to search down to the level of some individual transactions. Other governments had similar interactive modules for budgets and expenditures. This could have increased transparency and accessibility.

Metro did not regularly use available data to analyze records that had been requested or identify records of interest to the public. Such information could have helped Metro prioritize what information to disclose since posting everything may not be feasible. For instance, data from the online records portal could be analyzed to determine what records had been accessed through it. RIM obtained the data during the audit, but had not analyzed it. Posting frequently-accessed records more directly online would make it easier for the public and Metro employees to find the information.

RIM had also expressed interest in, but had not obtained analytics from Metro's website. An analysis of that information could have helped determine what information or records were sought by members of the public. Frequently searched records could be good candidates for Metro to review security settings and consider proactively disclosing.

The public could get quicker and easier access through proactive disclosure, but Metro employees could also benefit from the practice as well. Instead of having to search for records or maintain their own copies, employees could find them quickly online. Through prioritizing and proactively disclosing records of high interest to the public or employees, Metro can save time and public resources.

**Process  
improvement and  
clarified  
expectations could  
increase efficiency**

For records that were not disclosed proactively, there were other ways Metro could have improved efficiency when responding to requests. Any non-essential procedures or tasks meant more hours. These additional hours would be an expense to Metro, or to requesters in the form of fees. Non-essential work also had the potential to slow Metro's response time. Increased fees or slower response times both reduce the public's access to records.

Metro started, but did not finish, an effort aimed in part at improving the public records request process. The effort documented Metro departments' approaches to fulfilling requests. It also identified key questions to resolve.

Since the project was not completed, it may have left inefficiencies in place.

In our audit, we noted variations in how departments handled requests. Some may have involved employees or procedures that were not essential. Either could add employee hours to a request. In one of the 26 requests we reviewed, 13 employees were involved. In another case, seven were involved.

Similarly, best practices state that requesters should not have to communicate with several employees to obtain records. In a few cases from our sample and the secret shopper tests, we noted three or more Metro employees communicated with requesters.

Two local governments that received more requests than Metro used specialized systems to track and coordinate requests. Those systems automatically assigned employees and captured information for handling requests. Such information included all communications with a requester.

These systems also populated data in the tracking system based on each request. An example was response time goals. These were automatically calculated based on the date the request was submitted. The goals helped ensure employees had a deadline to finish their work.

Metro's tracking of requests and its internal coordination used slower methods. The tracking system did not measure how quickly a request was fulfilled. However, a date field was added during the audit which could be used to do so. The tracking system also was not used by most employees involved in records requests. This meant that coordination happened over email or through conversations. This took extra time. There were also redundancies in request tracking and the record keeping was largely paper-based. These factors also added work and may have meant more time than necessary was devoted to fulfilling requests.

As was the case with timeliness, Metro had not fully developed expectations for efficiency or controlling costs when fulfilling public records requests. The policy did not outline expectations in these areas. RIM had goals related to efficiency, but no related performance measures.

One local government policy specified that the lowest wage employee that could fill a request should be the one to do so. While such an approach could have risks, it set a clear expectation related to costs. Similarly, a court ruling questioned the appropriateness of a state agency using high level employees to review requested records for redaction. The court said temporary employees could have been hired to lower the cost to fulfill the records request.

Clarifying expectations related to cost and efficiency as well as finishing the process improvement effort could help Metro ensure the process is efficient. Along with proactive disclosure, being efficient when fulfilling public records requests has dual benefits. It ensures the public access to records at a lower overall cost.

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# Recommendations

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To further align its public records request process with best practices, Metro should:

1. Update its policy to:
  - a. Set expectations for timely responses required by new state law.
  - b. Clarify the criteria and process for determining whether a fee waiver is appropriate.
  - c. Determine whether variations in the methodologies used to calculate fee estimates are appropriate.
  - d. Require each department or program to designate one or more lead employees for public records requests.
  - e. Establish initial and ongoing training requirements.
2. Gradually increase proactive disclosure of public records by:
  - a. Collecting and reviewing information about what records are frequently requested or of high public interest.
  - b. Establishing a process for departments or programs to collaborate with Records and Information Management to periodically assess opportunities to make additional records directly available to the public online.
3. Evaluate potential process efficiencies, including the remaining tasks from the previous process improvement effort.

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## Scope and methodology

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This audit was initiated to see if Metro's process for handling public records requests was effective. The objective was to determine if Metro's public records request process followed best practices in the areas of proactive disclosure, request tracking, timeliness, fee assessment, and training.

To plan the audit, we reviewed state law and administrative rules for public records. We also reviewed Metro's policies and procedures and attended Metro trainings. We reviewed other audits and best practices for handling public records requests. In order to identify areas of risk, we recruited volunteers to make record requests to eight Metro departments. The records requested were selected from Metro's record retention schedule. During the audit, we interviewed employees involved in public records requests from several Metro departments. We also observed parts of the request process.

To evaluate Metro's responses to public records requests, we reviewed a sample of records requests. We analyzed the timeliness of Metro's response and whether Metro's process followed best practices. We also evaluated some aspects of efficiency.

For the review, we randomly selected five percent of requests made each fiscal year between July 1, 2014 and May 1, 2017. We supplemented this with a judgmental sample to include requests with fees, estimates, and waivers as well as requests made to Metro's visitor venues other than the Zoo. The sample included 26 requests.

We also reviewed how other governments handled aspects of the records request process. As part of that work, we interviewed employees who handled public records requests at six other local governments. We also reviewed those and other government websites to identify their proactive disclosure practices.

This audit was included in the FY 2016-17 audit schedule. We conducted this performance 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.

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# Management response

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## Memo



Date: Tuesday, January 9, 2018  
To: Brian Evans, Metro Auditor  
From: Rachel Coe, Director, Information Services  
Jim Middaugh, Director, Communications  
Becky Shoemaker, Records Officer, Information Services  
Scott Robinson, Deputy Chief Operating Officer  
Subject: Management Response - 2017 Public Records Audit

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We would like to thank the Metro Auditor for reviewing Metro's public record request process. Transparency and public trust are at the heart of Metro's core values. Metro not only supports the notion of transparency, but believes it is of the utmost importance as part of our service to the public. As the audit points out, at the time of the review, Metro's practices exceeded the existing standard for providing records to the public. In fact, many of our practices already met the much higher standards for timeliness set forth by the State of Oregon beginning January 1, 2018. However, we recognize that despite well-intentioned efforts to provide information to the public with as much a focus on customer service as possible, a greater degree of consistency remains possible.

### Recommendations

*To further align its public records request processes with best practices, Metro should:*

1. *Update its policy to:*
  - a. *Set expectations for timely responses required by new state law.*
  - b. *Clarify the criteria and process for determining whether a fee waiver is appropriate.*
  - c. *Determine whether variations in the methodologies used to calculate fee estimates are appropriate.*
  - d. *Require each department or program to designate one or more lead employees for public records requests.*
  - e. *Establish initial and ongoing training requirements.*

Management agrees with the first recommendation. During the audit, the policy was already in the process of being updated to reflect the new state requirements effective January 2018. We agree that the process for waiving fees should be more clearly stated and that the reason for waiving the fee should be documented. Management will also review the methodologies for calculating fee estimates. Finally, we will review the structure for fulfilling public record requests and whether identifying a lead employee will provide more responsive and consistent service. Training requirements can then be better determined.

2. *Gradually increase proactive disclosure of public records by:*
  - a. *Collecting and reviewing information about what records are frequently requested or of high public interest.*
  - b. *Establishing a process for departments or programs to collaborate with Records and Information Management to periodically assess opportunities to make additional records directly available to the public online.*

Management agrees with the second recommendation. Metro has been providing an increased number of records on line each year and will continue to look for opportunities to provide an even greater level of transparency.

3. *Evaluate potential process efficiencies, including the remaining tasks from the previous process improvement effort.*

Although Metro's earlier process improvement effort was not yielding the desired results, we will continue to review the overall process to find efficiencies and to better provide information to the public. Again, thank you for reviewing Metro's public record request process. We make every effort to provide timely and accurate information to the public and welcome the opportunity to make that process even better.



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