

MWESB Procurement Program Follow-Up Audit

Why this audit is important

Metro is among several governments in Oregon with a program designed to increase equity in contracting for minority-owned, woman-owned, service-disabled veteran-owned, and emerging small businesses. A March 2014 audit found weaknesses in the program's design and implementation. There was confusion and disagreement about what the program was supposed to accomplish and the level of effort it required. The audit made five recommendations. This follow-up audit was conducted to determine if recommendations from the 2014 audit were implemented.



What we found

Metro made progress on all audit recommendations and fully implemented two. The program more clearly defined its goal and aligned it with program activities. Adoption of administrative rules formalized the program and strengthened the authority of Metro's procurement function. During our review, Metro was still in the process of clarifying some requirements and ensuring their consistent application. Although improvements were made to strengthen the program's performance measurement system, challenges remained. Stronger quality control reviews were necessary to ensure consistency and accuracy in the information reported. Without reliable data, Metro cannot track program performance and assess progress over time.

2014 Audit Recommendations	Status
1. In order to strengthen the MWESB program and the procurement function, Metro should:	
a) More clearly define the goals for the program	Implemented
b) Strengthen Procurement's ability to review and ensure compliance with policies and procedures for all contract types and values	In process
2. To improve management of the MWESB program and procurement generally, the department should:	
a) Align program activities with goals	Implemented
b) Strengthen performance measurement by developing and implementing:	In process
• performance measures that more accurately assess expected program performance	(Implemented)
• a methodology for calculating performance measures and to ensure consistency over time	(Implemented)
• a process to check and ensure data accuracy	(In process)
c) Improve consistency by ensuring that procedures are in agreement and clearly communicate program requirements	In process

Source: Auditor's office analysis

Areas for further consideration

The follow-up audit included areas for further consideration. Program performance expectations were still unclear in terms of agency-wide targets. This could make it difficult to determine if the program was on track or if additional efforts were needed. As Metro considers whether additional efforts to ensure equity in contracting are needed, it will be important to assess tradeoffs. Stronger targets among certified firms may increase performance if a disparity is identified, but could require further investment and time to reduce the potential of challenges to the program.