Audit of Department Performance Measurement Controls

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City Comptroller

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City of Milwaukee, Wisconsin

May 2016

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Office of the Comptroller

May 16, 2016

Honorable Tom Barrett, Mayor
The Members of the Common Council
City of Milwaukee
Milwaukee, WI 53202

Dear Mayor and Council Members:

The attached report summarizes the results of our audit of department performance measurement controls. The scope of the audit included performance measures used for the calendar years 2013 through 2015 for the Health Department, Public Works Operations Division, and the Assessor's Office. The audit scope also included the development of performance measures and targets, compilation of data, and the timely reporting of performance measures. The objectives of the audit were to: 1) evaluate the internal controls over the processes used to create, monitor, and report on performance measures and targets; and 2) assess the reported performance metrics and targets against best practice criteria.

The audit concluded that the internal controls in place over the departments' performance measurement processes are well designed, operating effectively, and promote the development and timely publication of accurate performance information. The audit procedures confirmed that the performance measures respond to public need, reflect the technical and operational aspects of the applicable processes, and meet appropriate best practice criteria. The audit report includes two recommendations for further enhancement, and one observation.

Audit findings are discussed in the Audit Conclusions and Recommendations section of this report, which is followed by management's responses.

Appreciation is expressed for the cooperation extended to the auditors by staff at the Milwaukee Health Department, Department of Public Works Operations Division, and the Assessor's Office.

Sincerely,

Stacey Mazmanian, CIA, CGAP
Audit Manager

SM:acf

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I. Audit Scope and Objectives

Performance measurement allows management to evaluate and monitor the quality of its operations and services. This audit examined the processes and controls for the City's performance measures.[1] Due to time and resource constraints, audit conclusions were determined using a sample of City agencies that included the Milwaukee Health Department, the Department of Public Works Operations Division, and the Assessor's Office. The sample selection criteria used were size and the diversity of services provided. When applicable, performance measures for auditable units (i.e., departments, divisions, functions) not included in this review will be evaluated as their respected audits are scheduled.

The audit scope included performance measures for the calendar years 2013 through 2015. Some of these measures were published in the annual City of Milwaukee 2015 Plan and Budget Summary, while other metric samples came from the Legislative Reference Bureau Proposed Plan and Executive Budget Review for 2015. These two reports include performance measure information from years 2013 through 2015. The audit scope excluded City departments and divisions not listed above.

The objectives of the audit were:

1. To evaluate the internal controls over the processes used to create, monitor, and report on performance measures and targets.
2. To assess the reported performance metrics and targets against best practice criteria.

The audit objectives were satisfied through assessment of: applicable policies and procedures, training and contingencies, change management, metric calculations, authorizations, metric publications; and comparisons to best practice.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS). Those standards require that the audit obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives.

[1] See Appendix 1: Key Performance Measures–Sample and Appendix 2: Performance Measures Best Practice

Internal Audit believes that the evidence obtained provides a reasonable basis for the audit's findings and conclusions based on the audit objectives.

Methodology

Audit methodology included developing an understanding of processes and controls for the development, approval, and use of annual performance measures. The audit procedures, which were developed to evaluate the processes and controls to meet the audit objectives, included process walk-throughs, inspection of relevant support documentation and system information, and the testing of controls as follows:

- Reviewed internal policies, procedures, and guidelines
- Assessed cross-training and performance measure process contingencies
- Determined the accuracy of performance measures through recalculation, using actual operational data for 2013 and available projected or estimated data for the years 2014 and 2015
- Assessed the metric change management processes and authorizations, where applicable
- Assessed metric source documents and supporting data retention processes
- Confirmed consistent use of standard budget templates for metric reporting
- Assessed relevancy of performance measures in relation to accomplishing management objectives and mission through the application of best practice criteria
- Confirmed the use of performance measures for decision making and reporting purposes
- Verified managerial approval and timely publication of performance measures for internal and public use

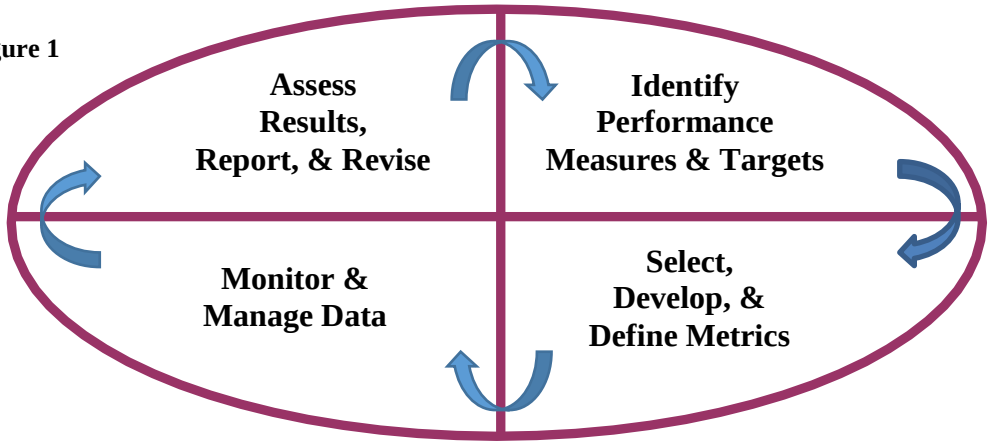
II. Organization and Fiscal Impact

Performance measures provide transparency in the management of public resources and should be based on program objectives and mission. When combined with operational information and data, performance measures allow the public to make a connection between government services and the resources used to provide those services. Performance measures are used by

policymakers, managers, and citizens to evaluate and facilitate improvements in programs, resource allocations, operations, and service delivery decisions, both departmentally and on an organization-wide basis. This ongoing, performance measure management framework (see Figure 1)[2] is a systematic approach to improving organizational results through evidence-based decision making and continuous learning, with a focus on accountability.

The Performance Measure Management Framework

Figure 1



Examples of performance measures tested during this audit have been provided in Appendix 1: Key Performance Measures–Sample.

Milwaukee Health Department

The mission of the Health Department[3] is to ensure that services are available to enhance the health of individuals and families, promote healthy neighborhoods, and safeguard the health of the Milwaukee community. In addition to an administration group, four multidisciplinary divisions within the Health Department (Disease Control and Environmental Health, Family and Community Health, Health Laboratory Services and Consumer Environmental Health) are dedicated to improving and accomplishing specific, community health outcomes by the following means:

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[2] Adapted from: O'Brien, John, et al. 2012. *Guide to Performance Measure Management.* No. 12-333, 4th ed.

[3] Specific divisional and operational information relating to various City of Milwaukee departments can be referenced at:

- City of Milwaukee–*2015 Plan and Budget Summary,* Various pages as applicable to each department.
- http://city.milwaukee.gov/home

- Assess public health needs
- Develop strong, public health policy
- Assure collaboration among the public, non-profit, and private sectors to advance public health initiatives
- Provide direct services

The Department of Public Works–Operations Division (Fleet, Forestry, Parking, and Sanitation)

The mission of the Department of Public Works–Operations Division[3] is to improve the safety, cleanliness, and sustainability of Milwaukee neighborhoods and the environment. The Operations Division is dedicated to accomplishing its mission by achievement of the following operations and services:

- Fleet Services schedules approximately 400 operators, staff, and laborers on a daily basis for environmental services and street and sewer maintenance, as well as maintains the Milwaukee Police Department's 679 vehicles and the Department of Public Works' fleet of approximately 3,400 pieces of equipment and components.
- Forestry Services is responsible for the design, planning, planting, and management of approximately 200,000 street trees, 121.8 miles of boulevards, 57 tot-lots, 59 greenspaces, 20 municipal properties, and 20 downtown planters.
- Parking Services uses revenue from various parking activities to finance the City's on and off street parking operations, while administering the Overnight Parking Permit Program, Towing Program, and Parking Enforcement Operations.
- Sanitation Services maintains the collection and disposal of residential solid waste for approximately 190,000 households. Sanitation also operates recycling and waste reduction programs, and manages snow and ice control, leaf collection, and street and alley cleaning.

The Assessor's Office

The mission of the Assessor's Office[3] is to assure public confidence in the accuracy, efficiency, and fairness of the assessment process and ensure the equitable distribution of the City's property

tax levy. The Assessor's Office is dedicated to accomplishing its mission by performing the following major functions:

- Find, list, and value uniformly all taxable property in the City, as required by law
- Produce an annual assessment roll, listing taxable properties, as of every January 1st
- Comply with the legal requirements for processing assessment objections
- Determine eligibility for property tax exemptions
- Provide service/information to the public, other City departments, and public agencies

III. Audit Conclusions and Recommendations

The audit evaluated the internal controls over the processes used to create, monitor, and report on performance measures and targets and assessed the reported performance metrics and targets against best practice criteria.

The audit concluded that the internal controls in place over the departments' performance measurement processes are well designed, operating effectively, and promote the development and timely publication of accurate performance information. The audit procedures confirmed that the performance measures respond to public need, reflect the technical and operational aspects of the applicable processes, and meet appropriate best practice criteria. Opportunities to further enhance this controlled environment are presented with respect to the three departments. The audit report includes two recommendations aimed at improving internal controls, and one observation.

It is noted that for certain controls identified within this report, management initiated actions to address the issues both prior to and during the performance of the audit.

The audit makes two recommendations:

1. Develop and document policies and procedures for performance measurement controls and implement cross-training for contingency purposes.
2. Develop and implement a process for reassessing and enhancing published performance measures.

This report includes one observation related to the retention of performance measures supporting information and data. An observation may not constitute a recommendation, but its implementation is advised for alignment with best practice. Additional details regarding the recommendations are provided in the following sections of this report.

A. Internal Controls

In accordance with the best practice requirement, *2013 COSO Framework–Principle 12*[4], management should implement control activities through policies that establish what is expected and through procedures that put policies into action.

Principle 12 Points of Focus:

- Policies and procedures are established to support the deployment of Management's directives and ensure that routines and tasks are implemented as expected, in an effective, efficient, and consistent manner.
- Controls are to be performed in a timely manner by those who possess sufficient authority and training.

Audit procedures were designed to confirm the departments' documentation of comprehensive policies and procedures for performance measurement processes and controls. Audit testing identified that, for the Milwaukee Health Department (MHD), Department of Public Works (DPW), and Assessor's Office, the following statements applied:

- There are no documented policies and procedures specific to performance measurement processes and controls.
- Formal, comprehensive backup training has yet to be provided, regarding both performance measure data collection and recalculation processes and controls.

Recommendation 1: Develop and document policies and procedures for performance measurement controls and implement cross-training for contingency purposes.

Management should develop and document formal, comprehensive policies and procedures for performance measurement processes and controls, and implement cross-training for contingency

[4] Committee of Sponsoring Organizations of the Treadway Commission (COSO), the 2013 Internal Control Framework.

purposes. Management action steps should consider the Key Performance Measures reported in the City of Milwaukee–2015 Plan and Budget Summary and the other metrics noted in the Legislative Reference Bureau–Proposed Plan and Executive Budget Review for 2015. The documented policies and procedures should be based upon best practice and include:

- Performance metric definitions
- Required processing, calculations, data sources, data collection, data entry, and creation of data records
- Data and calculation verifications, requiring approvals as necessary
- Data and publication timelines and requirements
- Retention of appropriate supporting information, documentation, and reporting
- Cross-training

The policies and procedures should be readily accessible and updated as necessary.

B. Performance Measuring Framework

Relevance of Performance Measures

In accordance with best practice (see Appendix 2 and Appendix 3), performance measures should be based on organizational objectives that link to a mission statement. If performance measures are irrelevant to program outcomes, they will not be useful or meaningful to management or their intended audience. In order to maintain relevancy, performance measures need to be reviewed regularly and modified or replaced, as needed, to reflect changes in circumstances or operations.

Audit procedures were performed to assess the relevancy of the departments' key performance measures in accordance with best practice. Management indicated that some of the Key Performance Measures[1] reported in the City of Milwaukee–2015 Plan and Budget Summary were not always directly relevant to the accomplishment of their objectives and organizational mission. Management noted that, due to the recent timing of the initial publication of the "Key Performance Measure" tables (in 2014), standard and controlled intradepartmental processes, used to reassess and enhance these historically established metrics, had not yet been

implemented. Audit testing procedures confirmed that management identified programs and opportunities for improvement regarding published performance measures, as shown below.

Milwaukee Health Department

Prior to the start of this audit, MHD initiated the development of a Performance Management and Quality Improvement (PM/QI) Plan[5] to aid in realizing national Public Health Accreditation Board standards. The PM/QI Plan provides a framework for performance management and quality improvement activities at the MHD. The PM/QI Plan supports the systematic evaluation and improvement in the quality of programs, processes, and services with the goal of achieving a high level of efficiency, effectiveness, and customer satisfaction.

This systematic evaluation process involves the development and use of performance measures and data to assess how MHD is meeting its standards and goals. These standards are what will be used to assess and define performance expectations. The MHD has adopted the Public Health Accreditation Board's standards and measures, set forth in the Wisconsin Division of Public Health 140 Administrative Rule. This strategic plan provides the framework for MHD goals.

Additionally, the MHD is developing a process to document and report progress of meeting performance standards. Reporting will be designed to provide accountability on performance measures, while quality improvement will provide a platform and process for structured improvements to all MHD programs, policies, and procedures.

The audit confirmed that the published performance measures of the MHD are relevant to the accomplishment of management's objectives and mission.

Department of Public Works Operations Division

During initial audit discussions, DPW management identified the ongoing planning and development of a dashboard approach to performance measurement which will enable the provision of timely data to management and decision makers. The defining characteristic of dashboard systems is that performance information is reviewed, analyzed, and simplified to

[5] City of Milwaukee Health Department–*Performance Management and Quality Improvement Plan*.

provide or report only the most relevant data. DPW's management identified opportunities for enhancement regarding its published performance measures as follows:

- In September 2015, the historical performance measures used by Parking Services were under review. Management indicated and demonstrated during the audit walkthrough that opportunity exists to better reflect industry standards and department objectives by updating the measures.
- Additionally, during our walkthrough of the Sanitation Division, management indicated opportunity existed to enhance reported key performance measures (see Appendix 1) to better reflect industry standards and departmental objectives. However, audit testing and management discussions demonstrated that the current measures being utilized are viable.
- Assessment of the Fleet and Forestry divisions' published performance measures also demonstrated viability; yet, management indicated that potential opportunities for enhancement may be considered on an as-needed basis.

Assessor's Office

The audit procedures confirmed that the Assessor's Office performance metrics respond to the public need, reflect the technical aspects of the assessment processes and correlate to industry standards. However, management stated that while the performance measures are viable, additional opportunities for enhancement are currently under development.

Recommendation 2: Develop and implement a process for reassessing and enhancing published performance measures.

Management should develop, document, and implement processes to periodically reassess and enhance their applicable performance measures. The process should include:

- The utilization of best practice to develop, select, and assess performance measures (See Appendix 2 and Appendix 3)
- The update and enhancement of performance measures as necessary

Data Retention

In accordance with best practice,[6] performance measures and performance data management should assure data availability via mechanisms for collecting, validating, organizing, and storing summary documentation and data that supports the measure reported.

Audit procedures included the recalculation of the performance measures for the representative departments, as designated in the City of Milwaukee–2015 Plan and Budget Summary**,** while other metric samples came from the Legislative Reference Bureau–Proposed Plan and Executive Budget Review for 2015 (see Appendix 1). Though performance metrics recalculation testing determined that the metric values for the MHD, DPW, and Assessor's Office were accurate, initial metric source documents, supporting data, information, and reports are not consistently retained within each department.

Observation 1: Retain performance measurement source documents and supporting data for performance metric recalculation.

To increase the expediency of the performance metric recalculation processes, management should implement a process based on best practice for the retention of source documents, supporting data, information, and reports. The process should include:

- Electronic retention of data and supporting information whenever possible
- A minimum retention period of two budget reporting cycles

[6] Performance Measures–Best Practice:

- National Performance Management Advisory Commission (2010). *A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving*.
- Probst, Alan, et al. (2009). *Performance Measurement, Benchmarking & Outcome-Based Budgeting for Wisconsin Local Government* (2nd ed., Vol. 2, Publication). WI: Local Government Center, University of Wisconsin–Extension.
- Government Finance Officers Association Best Practices (various from 2001–2013). *Performance Management: Using Performance Measurement for Decision Making.*

City of Milwaukee
Tom Barrett
Mayor

Bevan K. Baker, FACHE
Commissioner of Health

Health Department Office of the Commissioner

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April 29, 2016

Stacey Mazmanian, CIA, CGAP
Audit Manager, City of Milwaukee
200 East Wells Street, Room 404
Milwaukee, WI 53202

Dear Ms. Mazmanian:

The Milwaukee Health Department (MHD) has reviewed the Comptroller's Office "Audit of Department Performance Measures and Controls" report and offers the following response to its recommendations:

Recommendation 1: Develop and document policies and procedures for performance measurement controls and implement cross-training for contingency purposes.

The MHD shares the concern regarding the ability to consistently reproduce data and recognizes the need for written policies and procedures for the generation of reports. The department is currently working towards Public Health department accreditation, and one of the key requirements of this process is the development of a Performance Management Plan. The plan, which is currently being written, requires that all community health indicators and performance measures tracked and reported by the department have written policies and procedures.

The accreditation process also requires that all policies and procedures be reviewed and updated every five years and made easily accessible to employees. The department intends to accomplish this by placing all policies and procedures on a shared network drive which all MHD employees can access.

In the summer of 2016, a baseline department-wide audit will be conducted by the MHD Compliance Analyst to compile a master listing of the policies and procedures that need to be created. Based on this assessment, all identified policies and procedures will be completed and posted to the MHD shared network drive. All staff having primary and secondary responsibility for implementing the policies and procedures will be appropriately trained.

Implementation date (anticipated): March 31, 2017

Recommendation 2: Develop and implement a process for reassessing and enhancing published performance measures.

The periodic assessment of performance measures is a basic requirement of Public Health performance management and is a current MHD practice.

In general, the activities the department undertakes are influenced by regulatory mandates and grant deliverables/objectives. Department management routinely reviews trends, evidence-based outcomes and emerging public health practices for implementation by its programs.

Based upon this information, the department may alter the service delivery model of programs and adjust the performance measures tracked and reported. In terms of the City's annual budget document, the department does have the ability to discuss performance measure changes with the Budget Office. However, the decision regarding what is published remains the purview of that office. As part of the implementation of policies and procedures around reporting performance metrics, the MHD will include procedures to retain source documentation in accordance with City record retention policies.

Implementation date (anticipated): As stated above, the periodic assessment of program performance and adjustment of performance measures is common practice within the department. This activity is conducted by the Public Health Research & Policy Director, Compliance Analyst and the program manager. The performance review schedule is based upon grantor and City requirements. Regarding the City of Milwaukee budget document, the department will commence discussions with the Budget Office as part of the 2017 budget process (May-November, 2016).

In conclusion, the Milwaukee Health Department is currently pursuing several strategies to develop more meaningful performance measures, implement cross-training of staff and provide access to the department's performance measure policies and procedures. I believe successful implementation of these initiatives will satisfy the intent of the audit's recommendation.

If you have any further questions regarding this matter, please contact me.

Sincerely,

Bevan K. Baker, FACHE
Commissioner of Health

City of Milwaukee

Department of Public Works

Ghassan Korban
Commissioner of Public Works

Preston D. Cole
Director of Operations

May 9, 2016

Stacey Mazmanian, CIA, CGAP
Audit Manager, City of Milwaukee
200 East Wells Street, Room 404
Milwaukee, WI 53202

Dear Ms. Mazmanian:

The Department of Public Works, Operations division has reviewed the Audit report titled Audit of Department Performance Measurement Controls, which was drafted by auditing staff in the Comptroller's office. The Department of Public Works respectfully submits this response to the two Recommendations noted in the report:

Recommendation 1: Develop and document policies and procedures for performance measurement controls and implement cross-training for contingency purposes.

The Department of Public Works agrees with this recommendation. The performance metrics identified in the audit report are those found in annually published Budget and Legislative Reference Bureau documents such as the 2015 Plan Budget Summary. DPW will continue the current practice of supplying the Budget office with requested data for purposes of developing and publishing the annual Plan Budget Summary; this information will continue to funnel through the Administrative Services Manager. This data comes from a variety of sources such as contracts, field operations reports, and electronic field work-order systems. To ensure continued consistency in reporting, a checklist will be developed for each metric specifying the source documentation for a given metric, and where it can be found. This, along with the existing hard-copy files, will provide a centralized location for the source data, which will make further cross-training easier. The department will fine-tune administration of this recommendation over the coming budget cycle to be complete by January of 2017.

Implementation Date: January 31, 2017

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Recommendation 2: Develop and implement a process for reassessing and enhancing published performance measures.

The Department of Public Works agrees with this recommendation. The performance measures identified in the Audit are those published in the annual Plan Budget Summary, and are decided upon collaboratively by DPW and the Budget Office. Each year, through the process of creating the Budget Summary, both offices assess the metrics for publication. DPW will continue this practice, and to ensure that the published metrics are viable, the Administrative Services Manager will review metrics listed in the 2016 Plan Summary Budget for purposes of determining the most appropriate and meaningful metrics to be included in the 2017 Summary Budget and beyond.

Implementation Date: January 31, 2017

Very truly yours,

Ghassan Korban, P.E.
Commissioner of Public Works

GK:CS:ejg

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City of Milwaukee

ASSESSOR'S OFFICE

Steven A. Miner
Assessment Commissioner

Peter Bronek
Chief Assessor

May 9, 2016

Stacey Mazmanian, CIA, CGAP
Audit Manager, City of Milwaukee
200 East Wells Street, Room 404
Milwaukee, WI 53202

Dear Ms. Mazmanian:

The Milwaukee Assessor's Office has reviewed the Comptroller's Office "Audit of Department Performance Measures and Controls" and offers the following response to its recommendations:

Recommendation 1: Develop and document policies and procedures for performance measurement controls and implement cross-training for contingency purposes.

The Assessor's Office is focusing on creating new workflows which will provide improved efficiencies and increased transparency. These new work processes are being influenced by the greater availability of technology. These new workflows are also being driven by the need to do more with less and recent external demands that have been placed on assessor's offices by the Wisconsin Department of Revenue. Meeting the Wisconsin statutory requirements and the DOR assessment manual directives are priorities for the Milwaukee Assessor's Office. Technology improvements within the Milwaukee office have not kept pace with the staff reductions that have taken place over the last few decades.

The new mandates from DOR and multiple retirements have created opportunities for change within the office. These retirements and the successful implementation of new technologies by other large cities are causing the Milwaukee Assessor's Office to re-think its operations as new people are brought in. Training has become a focus within the office, as has tapping these new technology focused employees for suggestions for improvements. The office has established a training calendar and opportunities were made available to appraisers and administrative staff members in 9 out of 12 months in 2015. We have developed a process for cross-training which ensures knowledge transfer from senior employees to those with less experience. Standardizing documentation and operational work processes has also improved training and enabled the department to bring new employees up to speed quickly thereby saving costs and downtime between

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appraisers.

Implementation date: February 28, 2017

Recommendation 2: Develop and implement a process for reassessing and enhancing published performance measures.

Redefining work processes started in 2014 when the new Chief Assessor was hired. The Commissioner at the time directed the new Chief to research and implement new technologies that would help the Office meet the increasing demands of accuracy, public relations, and data quality while considering important budgetary constraints. This multiyear project includes documenting critical tasks and outputs. Documenting this information was needed in order to have a clear understanding of the office operations prior to the issuance of the RFP for purchase of the new Computer Assisted Mass Appraisal (CAMA) system.

The workflow of the department is highly dependent on the CAMA system that is used within the office. The purchase of a new CAMA system and other new technologies that will implemented on top of the CAMA system will help the office meet the increasing demands for accuracy of results, while restraining operational costs. Documenting office workflows and processes was required so the vendor responses could be judged again the current standards. The RFP document detailed all requirements of the software and the outcomes that were required by the Milwaukee Assessor's Office. The implementation phase for this upgrade is January 2016 to December 2017.

A second phase of office upgrades (beyond the CAMA system) will be implemented when funding is approved for the desktop review appraisal process. The funding for this is being requested as part of the ITMD 2016, 2017 and 2018 capital plans. This phase of upgrades will enable the Assessor's Office to meet the recent DOR requirements including having an ongoing cycle of inspections and provide better service to property owners. It will also enable the staff to have much better data. Large cities all over the county have implemented the technologies that are required for this function. This phase of upgrades includes the implementation of several new data sources, new software and control applications. This phase will be implemented between 2017 and 2018.

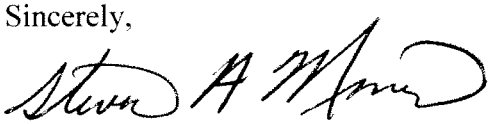
Many of the functions within the office are dependent on multiple people. Therefore, staff members have recently implemented new ways of sharing control documents, guidelines, tutorials and manuals. The use of shared drives and data sources is enabling multiple people to have access to documents that were previously handled manually.

Additional documents that further explain the new processes that are being implemented were provided to Internal Audit. The significant multi-year upgrades noted above will provide the Assessor's Office with the appropriate metric information to enable the Commissioner to develop and implement the process of reassessing and enhancing future performance measures.

Implementation date: March 31, 2018

The Recommendations and discussions with the Auditors have greatly assisted the Assessor's Office in focusing on process improvements. We appreciate the diligence that was provided by your office.

Sincerely,



Steven A. Miner
Assessment Commissioner

Appendix 1

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Key Performance Measures - Sample

The audit test sample included performance measures for the calendar years 2013 through 2015. Some of these measures were published in the annual City of Milwaukee–2015 Plan and Budget Summary, while other metric samples came from the Legislative Reference Bureau–Proposed Plan and Executive Budget Review for 2015. The sample tested is presented below.

Milwaukee Health Department

Key Performance Measures

Performance Measure	**2013 Actual**	**2014 Planned**	**2015 Planned**
Number of immunizations administered for the City and Milwaukee Public Schools (MPS)	16,417	12,000	12,000
Number of clients seen at STD clinics	5,918	5,400	6,000
Percentage of all food inspections with one or more critical risk violations	24%	35%	20%
Percentage of children with high blood lead level	3.3%	3.4%	3.3%
Infant mortality rate per 1,000 births	9.6	9.6	9.6

Source: 2015 Plan and Budget Summary

Other Metrics Tested – Health Department

Metric Group	Metric Tested
WIC	3,170 cashed Farmer Markets Checks
Cancer Screening	1,561 - Cancer Screening
Lead	125 enforcement orders
Premature Babies	7.8% of babies born pre-term
Healthcare	6,494 Affordable Care Act Assistance (# of Residents)
Gun Buy Back	353 guns bought back

Source: Legislative Reference Bureau – 2015 Proposed Plan and Executive Budget Review

Appendix 1

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Key Performance Measures - Sample

Department of Public Works – Operations Division (Fleet, Forestry, Parking, Sanitation)

Key Performance Measures

Section	Performance Measure	2013 Actual	2014 Planned	2015 Planned
Fleet	Fleet availability	Police: 94% Light: 91% Heavy: 88%	Police: 94.9% Light: 90.6% Heavy: 90.1%	Police: 95% Light: 95% Heavy: 90%
Forestry	Number of trees pruned	22,144	32,000	19,442
Forestry	Trees planted	3,667	4,211	5,141
Section	**Performance Measure**	**2013 Actual**	**2014 Planned**	**2015 Planned**
Parking	Percent of revenue collected by credit card at multi-space meters	69%	71.2%	72%
Parking	Percentage of towed vehicles returned to owners	91%	87%	90%
Parking	Average number of days vehicles stored before returning to owners	1.9	2.1	2.05
Parking	Citation collection costs as percent of revenues	14.7%	15%	15%
Section	**Performance Measure**			
Sanitation	Reduce tons of solid waste to the landfill by 2%	-1.9%	-2%	-2%
Sanitation	Increase household recycling participation by 2%	16%	2%	2%
Sanitation	Tons of salt used	88,225	44,000	44,000

Source: 2015 Plan and Budget Summary

Appendix 1

(Page 3 of 3)

Key Performance Measures - Sample

Department of Public Works – Operations Division (Fleet, Forestry, Parking, Sanitation)

Other Metrics Tested – Department of Public Works

Section	Metric Group	Metric Selected for Testing
Fleet	Vehicle & Equipment	4,500 - Total Fleet Maintained
Fleet	Vehicle & Equipment	2,953 - Fleet Services
Fleet	Vehicle & Equipment	1,547 - Non-Fleet Services
Sanitation	Dumping	287 Illegal Dumping Tips
Sanitation	Recycling	68% of written recycling warnings resulting in citations
Sanitation	Hardship Applications	12.4% Average Hardship applications increase between 2013 & 2014
Sanitation	Tipping Fees	14% anticipated increase in tipping fees
Sanitation	Landfill	34.1% Average National Landfill Diversion
Sanitation	Landfill	23.8% diverted from Milwaukee's landfill
Sanitation	Landfill	25,052 tons diverted from Milwaukee's landfill
Sanitation	Plowing & Ice Control	24 plowing & 44 ice control operations

Source: Legislative Reference Bureau - 2015 Proposed Plan and Executive Budget Review

Assessor's Office

Key Performance Measures

Performance Measure	**2013 Actual**	**2014 Planned**	**2015 Planned**
Objections to assessments as a percentage of taxable parcels	1.47%	1.20%	1.50%
Appeals to the Board of Review as a percentage of taxable parcels	0.45%	0.35%	0.35%
Assessment ratio (assessed value : sale price) for properties sold during the year	99.7%	98%	98%

Source: 2015 Plan and Budget Summary

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Performance Measures Best Practices

Performance measures quantitatively demonstrate important points and factors about programs, products, services, and processes. A performance measure is a value, characteristic, or metric used either to track the performance of a program, service, or organization or to gauge its condition. Best practice[7] recommends that performance measures meet certain benchmarks and criteria as follows:

A. Performance measures should be meaningful:

Relevance

- A measure should be based on organizational or departmental objectives and mission.
- A measure should be focused on a controllable facet of operation or performance.
- Performance metric information should include data that can be monitored and used in managerial decision making processes.
- Performance measures should be reviewed regularly and modified or replaced, as needed, to reflect changing circumstances and operations.

Understandability

- A measure should be understandable to internal and external stakeholders.
- A measure should be easily defined.
- Performance information should be concise.

[7] Performance Measures–Best Practice:

- National Performance Management Advisory Commission (2010). *A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving*.
- Probst, Alan, et al. (2009). *Performance Measurement, Benchmarking & Outcome-Based Budgeting for Wisconsin Local Government* (2nd ed., Vol. 2, Publication). WI: Local Government Center, University of Wisconsin–Extension.
- Government Finance Officers Association Best Practices (various from 2001–2013). *Performance Management: Using Performance Measurement for Decision Making*.

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B. Performance measures should be useful:

Comparability

- A measure should be comparable to other periods, targets, or benchmarks.
- A measure should demonstrate performance and program outcome over time.
- Performance measure information should include comparative information.
- Performance measure information should provide for resource allocation comparisons over time.

Timeliness

- A measure should be produced in a timely manner, to increase its value in providing a basis for making comparisons during the decision-making process.

Consistency

- A measure should be calculated consistently and accurately for assessing performance over time, thus providing a basis for making comparisons.
- Standardized practices should be used to develop, collect, and store applicable performance data and information.

C. Performance measures should be sustainable:

- The performance measure's value should meet or exceed the expended effort in collecting the data that initially produced the measure.

D. Performance measures should be compared to expectations:

- Performance expectations, targets, and goals should be determined and defined.

E. Performance measures should be accurate and reliable:

- A measure should be based on reliable data;
- Performance information and data should be verifiable; and
- Information is complete while being supported by reliable sources and data quality.

F. Performance measures should be reported:

- Results should be reported against expectations.
- A measure should be reported internally and externally, as well as be made available to appropriate organizational levels and appropriate audiences (i.e., those who can use and benefit from the information).

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A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving

Source: National Performance Management Advisory Commission (2010)

To improve or enhance operational performance management, organizations should use best practice to develop and monitor performance measures that are relevant to a department's specific objectives and mission. The list of steps below serves as a guide to organizations, both enterprise-wide and departmentally, to create or enhance a performance measurement and management best practice framework.

- Prioritize and select the specific areas to measure and enhance and improve. Concentrate on a specific element of an operation or potential concern (e.g., safety, minimum and maximum limits, regulatory compliance, cost, etc.). Consider outcomes, outputs, efficiencies, and explanations that:

    - Reflect the results sought by a specific program or operation
    - Improve the quality of service delivery
    - Minimize undesirable or negative effects
    - Reduce unmet needs
    - Provide equitable outcomes to customer groups
    - Produce benefits for the general population by providing effective services to specific customer groups

- Identify relevant metrics by using networking and industry standards, as well as benchmarks and best practice performance measures in your subject area.
- Customize and correlate the benchmarks and measures to operational circumstances.
- Consider your industry segment and any factors that would influence the ability to meet or exceed industry or internal standards.

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- Consider metrics and data that are:
    - Relevant to the objectives and mission
    - Understandable to those using the measurement data
    - Useful—(i.e., data that produces measurements or information that can be used for ongoing comparisons)
    - Difficult to manipulate
    - Not overly difficult to collect
- Track, monitor, and apply the performance measure to management decision-making, where applicable.
- Assess, report, and revise (when necessary) the performance measure.