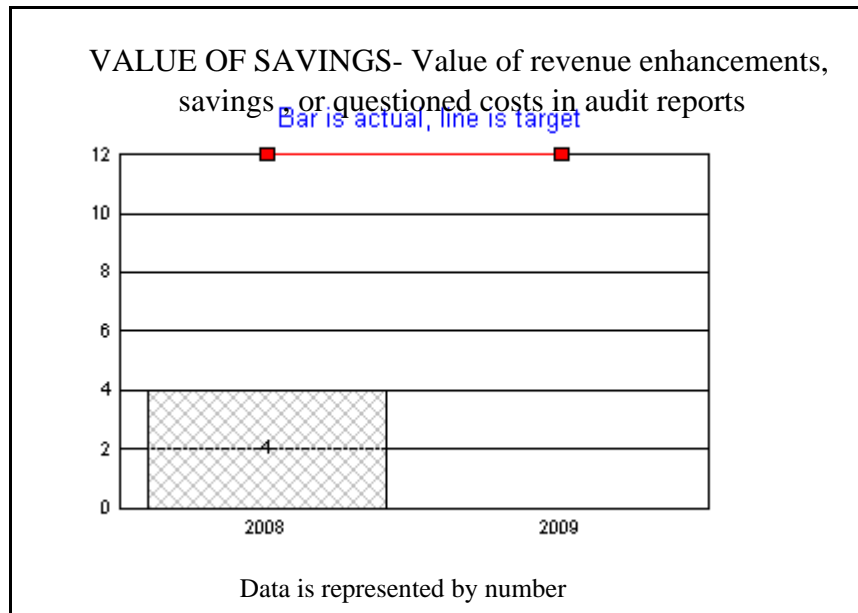


KPM #2	Audit Cost Savings- Dollar Value of Revenue Enhancements savings, or questioned costs in performance audit reports.	2003
Goal	Quality Products: We are dedicated to producing a quality product that meets our customers' needs in a timely, accurate, professional, and efficient manner.	
Oregon Context	Benchmark #35 - PUBLIC MANAGEMENT QUALITY Governing magazine's ranking of public management quality.	
Data Source	Data is an accumulation of all revenue enhancements, savings, or questioned costs that we indentify in our audit reports for the period.	
Owner	Audits Division , Chuck Hibner, 503-986-2355	



**1. OUR STRATEGY**

This measure is a simple display of one of the primary benefits of our performance audit work. For audits where economy and efficiency is a focus, documenting the potential for savings through implementation of our recommendations is important. We feel potential savings is important information for decision makers to have when weighing the cost / benefit of implementing a change in processes or controls. This measure combined with measure 165-003, helps to measure our efficiency and the cost / benefit for the performance audit work that we do.

**2. ABOUT THE TARGETS**

Creating a meaningful target for this measure is difficult. The basis for the estimate is historical information and our best guess as to how much future work will be dedicated to projects where significant economy and efficiency findings are likely and quantifiable.

**3. HOW WE ARE DOING**

We continue to identify revenue enhancements, savings, and questionable costs. Since we are responsible for selecting audit projects, you could surmise that we are selecting a percentage of projects that have identifiable and quantifiable savings. This information combined with measure 165-003 shows a history of audit work that identifies significant savings and does so at a net benefit.

**4. HOW WE COMPARE**

As we revisit our measure this next year, we will look for comparable data from other states.

**5. FACTORS AFFECTING RESULTS**

Several factors can affect this measure including the amount of performance audit resources we choose to dedicate to projects without significant potential for quantifiable savings. Over this past year we have been receiving more requests from agencies, LFO, and JLAC that have influenced our choice of audit projects. Even though much of the work we are undertaking would not be classified as having great potential for identification of savings, the work is important for a number of other reasons. This unexpected seed change is affecting our ability to meet our projected savings target.

Another thought is that this target should continue to decline as agencies continue to improve through better management and their ability to self-identify the most economical and efficient ways to deliver programs. If we reach a point where we have difficulty identifying savings, this may be a good sign.

**6. WHAT NEEDS TO BE DONE**

We will continue to solicit and identify as many audit ideas as we can and make decisions as to which performance audit projects are the most important to undertake. We will continue to strive to strike a balance with our discretionary audit hours and devote a significant percentage to economy and efficiency work.

**7. ABOUT THE DATA**

This data is captured from our quality assured audit reports.