



Nature in Neighborhoods Grants:

Improve performance measurement system and grant monitoring

December 2015

A Report by the Office of the Auditor

Brian Evans
Metro Auditor

Zane Potter
Senior Management Auditor

Simone Rede
Senior Management Auditor

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



Brian Evans
Metro Auditor

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

MEMORANDUM

December 2, 2015

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 

Re: Audit of Nature in Neighborhoods grants

This report covers our audit of the Nature in Neighborhoods grant program. Our objectives were to determine if the program had an effective way to assess its performance and whether program administration was sufficient to ensure Metro received what it paid for. This audit was included in our FY2014-15 Audit Schedule.

Metro has awarded over \$18 million in nature grants since 2006. The program evolved over time, which led to similar but separately managed grants. Some efforts have been made to assess the performance of some grants, but there is no framework or measures to evaluate the program as a whole. Better performance measurement can help determine how much progress has been made on the program's goals.

The program was following best practices in many aspects of grant management, however we found improvements could be made to make grant monitoring more efficient.

We have discussed our findings and recommendations with Martha Bennett, COO; Scott Robinson, Deputy COO; Kathleen Brennan-Hunter and the Program Manager. A formal follow-up to this audit will be scheduled within 2 years. We would like to acknowledge and thank all of the management and staff who assisted us in completing this audit.

Table of Contents

| | |
|---|----|
| Summary | 1 |
| Background | 3 |
| Scope and methodology | 7 |
| Results | 9 |
| • Some elements of best practices in place | 9 |
| • Performance measurement system underdeveloped | 10 |
| • Outcomes of grants unclear | 12 |
| • Grant monitoring could be improved | 15 |
| Recommendations | 17 |
| Management response | 19 |

Summary

Since 2006, Metro has awarded about \$18.5 million in Nature in Neighborhoods grants to local governments and community-based organizations. The grants support projects that restore habitat, acquire land, educate residents, and develop trails. Initial grants were supported by Metro's General Fund. Subsequent grants were funded by the 2006 Bond Measure and 2013 Local Option Levy.

The purpose of this audit was to determine whether grant administration was sufficient to ensure Metro received what it paid for, and if the program had an effective way to assess its performance.

The performance measurement system was underdeveloped. Some efforts were made to assess the performance of some grants, but there was no common framework or measures to evaluate the program as a whole. Without those tools, it was difficult to determine what had been accomplished. Developing a logic model and establishing performance measures would improve the performance measurement system.

Administrative processes were in place to ensure grant recipients met deliverables. Although grant handbooks and guidance addressed several best practices, grant monitoring could be made more efficient. Establishing budgets and timelines for each grant deliverable; centralizing information systems; conducting systematic site visits; ensuring timely information is collected from grantees; and strengthening controls to reduce the risk of duplicate funding would improve grant administration.

We made recommendations in the following areas:

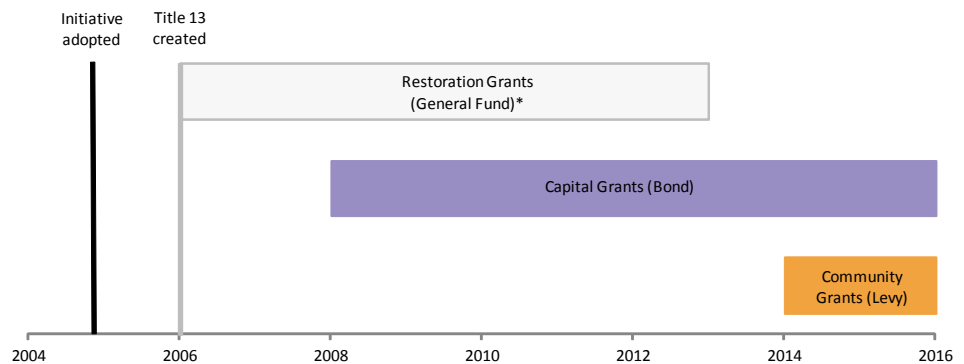
- Program assessment,
- Performance measures, and
- Grant monitoring.

Background

Metro Council adopted the Nature in Neighborhoods initiative in 2005 to create a regional fish and wildlife habitat protection, restoration and green spaces strategy. Elements of the strategy were later included in Metro Code as Title 13. Between 2006 and 2015, Metro awarded several types of Nature in Neighborhoods grants. Grants provided funding to local governments and community-based organizations to help implement the strategy.

The grants evolved over time based on the source of funding. The first grants for restoration projects used money from Metro’s General Fund. Funding for capital grants (\$15 million) was also included in the 2006 Natural Areas Bond Measure (Bond) and went towards restoration and land acquisition projects. In 2013, voters passed the Natural Areas Local Option Levy (Levy) and Metro estimated that between \$2.5 and \$7.5 million would be designated for community grants for restoration, education and trails projects.

Exhibit 1: Nature in Neighborhoods timeline



Source: Auditor’s Office analysis of program documents

* Funding for the first three rounds of grants came from the General Fund by way of the Recovery Rate Stabilization Reserve Fund

Since 2006, Metro has awarded a total of 197 Nature in Neighborhood grants worth about \$18.5 million. About \$2 million (106 grants) of the total came from the General Fund. The remainder of funding came from the Bond and Levy.

Currently, Metro offers two types of grants: capital and community. Capital grants for land purchases or improvements to public lands have ranged from \$22,000 to \$1 million and require a 2:1 match. Community grants fund restoration, education and trails projects. These grants can be made up to \$100,000 and require a 1:1 match.

Exhibit 2: Nature in Neighborhood community and capital grants as of July, 2015

| Grant type | Projects awarded* | Awarded amount* | Projects completed^ | Grant expenditures^ |
|------------|-------------------|-----------------|---------------------|---------------------|
| Community | 44 | \$2,199,274 | 1 | \$288,779 |
| Capital | 47 | \$14,243,097 | 11 | \$5,019,240 |
| Total | 91 | \$16,442,371 | 12 | \$5,308,019 |

Source: Auditor’s Office analysis of grant information and PeopleSoft data provided by staff for grant expenditures

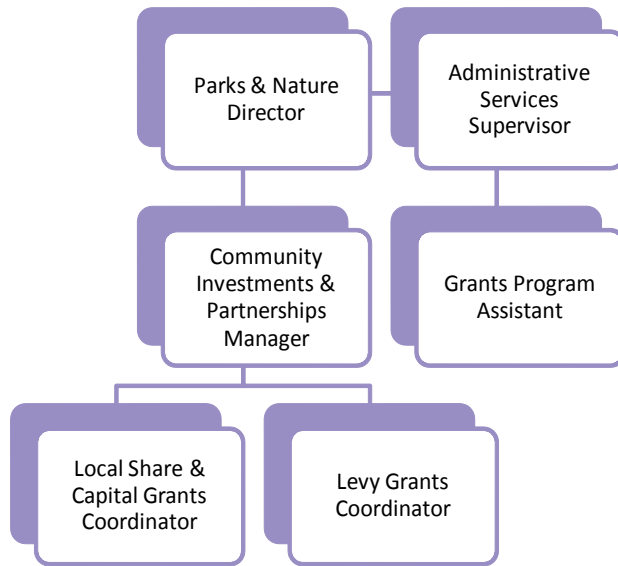
* As of July 9, 2015

^ As of June 30, 2015

The final awards of community and capital grants are scheduled in 2016, but additional grant opportunities may be available in the future. An extension of the Levy was discussed during a Metro Council retreat in September 2015. Given the popularity of Nature in Neighborhoods grants, it is possible additional grants will become available.

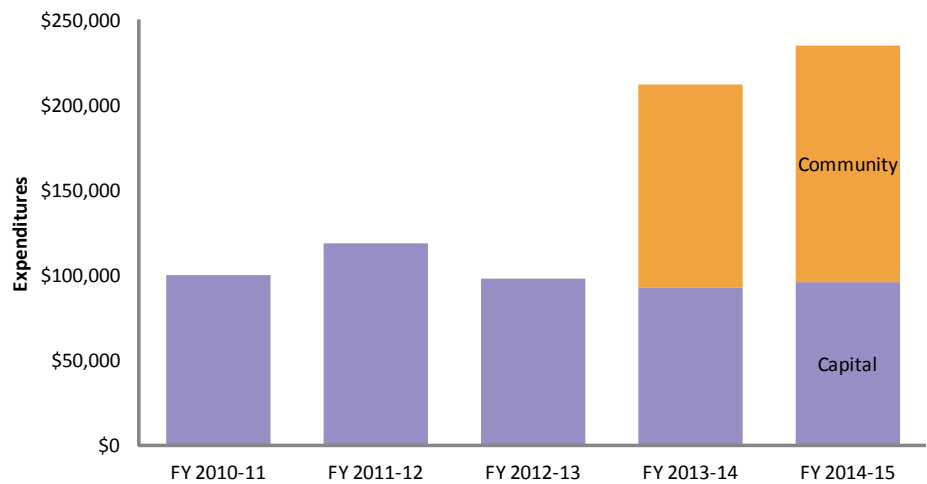
Nature in Neighborhood grants are part of the Parks and Nature department. One manager, two coordinators and an assistant provide staffing for the program.

Exhibit 3: Program organizational chart



Source: Auditor’s Office based on Parks and Nature organizational chart

Exhibit 4: Personal services expenditures for capital and community grants, FY 2010-11 to FY 2014-15 (adjusted for inflation)



Source: Auditor’s Office analysis of expenditures in PeopleSoft for program codes provided by staff

Expenditures identified for the program’s personal services by staff were about \$236,000 in FY 2014-15. There were no expenditures for community grants prior to FY2013-14 because those grants had not been awarded yet.

In addition to program staff, committees of Metro employees and outside experts review grant applications and make recommendations for funding.

Two other committees provide oversight for capital and community grants. Each committee has a different structure, role, and authority. The Natural Areas Performance Oversight Committee is comprised of members of the public. They monitor overall performance of the Bond that funds capital grants. The Levy Steering Committee is made up of Metro management. They oversee the work plan for the Levy that funds community grants.

At Metro, the term, “Nature in Neighborhoods” has been used in a variety of ways. In this report, “program” refers to all grant programs and types. We use “grant” to refer to the specific grants currently available (e.g. community and capital). “Projects” is used to describe individual awards within each grant type.

Scope and methodology

The objectives of this audit were to determine if program administration was sufficient to ensure Metro received what it paid for and if the program had an effective way to assess its performance. At the time of our audit, grants awarded from the general fund had expired and trail grants had not been awarded. These were excluded from the scope of our audit.

To meet our objectives, we reviewed Metro's adopted budgets, annual financial reports, Charter and Code, and procurement process. We also reviewed relevant audit reports from jurisdictions across the U.S. and Canada, in addition to previous audit reports.

We interviewed staff and management, Council members, committee members, and grant recipients. We attended grant workshops, committee meetings, and tours of grant projects. We also reviewed best practices for improving grant accountability and measuring performance.

We compared the program to local grant programs from the public and private sectors. We focused our comparison on the use of information systems and performance monitoring techniques. To gather information on local programs, we interviewed staff and reviewed materials available online.

We reviewed grant handbooks, planning documents and progress reports and conducted file reviews of all completed capital grant projects. We also reviewed the results of internal efforts to assess the program and the scope of work for an external evaluation of capital grants.

This audit was included in the FY 2014-2015 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.

Results

Nature in Neighborhoods has evolved from a set of regional objectives to a series of similar, but separately managed grant programs. The initial grants sought to implement the Nature in Neighborhoods initiative, but no assessment was made about their effect on expected outcomes. Currently available grants are not measured against the original objectives.

As a result, the performance measurement system for Nature in Neighborhood grants was underdeveloped. Some efforts were made to assess the performance of some grants, but there is no framework or measures to evaluate the program as a whole. Administrative processes were in place to ensure grant recipients met deliverables. However, there are ways grant monitoring could be more efficient.

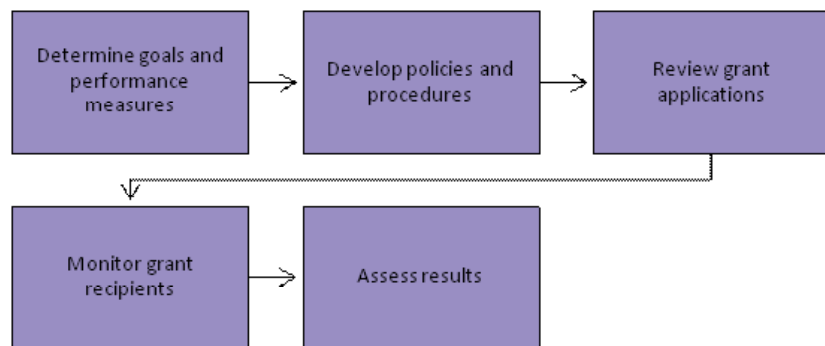
Although the program has elements of grant management best practices, we found improvements could be made in the following areas:

- Program assessment,
- Performance measures, and
- Grant monitoring.

Some elements of best practices in place

A framework for effective grant management is based on interconnected processes. To begin, goals and performance measures must be established to provide a guide for what is expected to be achieved. Second, programs need to develop policies and procedures to ensure clear expectations for the program and grantees. Third, a competitive grant award process needs to be developed to ensure fair and transparent selection of grant projects. Fourth, monitoring must occur to make sure each project delivers what was promised. Lastly, results from all the grants should be assessed to determine the effect on the program's goals and identify opportunities for improvement.

Exhibit 5: Grant process



Source: Metro Auditor's Office adaptation of the *Grant Accountability Project's* "Grant Lifecycle"

Administrative processes were in place to ensure grant recipients met deliverables. Handbooks and guidance for capital and community grants addressed several of the best practices for policies and procedures and the application review process. They guided how awards were made including eligibility requirements and selection criteria used for grantees and award committee members.

Performance measurement system underdeveloped

Nature in Neighborhoods grants have evolved over time, but performance measures have not kept pace. Title 13 established objectives for the Nature in Neighborhoods initiative, but those objectives have not been used to evaluate program performance. Without a common evaluation framework, it was difficult to determine what had been accomplished. There were different oversight structures, which complicated program evaluation and reduced transparency. Developing a logic model for the program as a whole could provide a framework to improve the performance measurement system.

Separate grants with similar goals

Although Nature in Neighborhoods was conceived as a coordinated regional strategy, it has been implemented through separate programs. New funding sources increased Metro’s ability to implement the strategy, but complicated efforts to assess results. Capital grants derived their goals from the Bond, while community grant goals were tied to the Levy. This broadened the spectrum of program goals and increased the complexity of assessing program outcomes.

Despite having goals in place, performance measures were not consistently established prior to awarding grants. The first capital grants were awarded in 2008, but performance measures were not developed until 2011. Some efforts were made to establish performance measures before awarding community grants. But they were not used despite two award cycles having been completed since 2014.

While neither capital nor community grant activities were directly linked to Title 13, we found that the goals of the grants mostly supported the original goals.

Exhibit 6: Most capital and community grant goals support initiative goals

| Nature in Neighborhoods initiative (Title 13) goals | Grant goals |
|--|-------------|
| 1. Conserve and improve streamside, wetland and floodplain habitat and their connections in watersheds | ● |
| 2. Conserve large areas of contiguous habitat and avoid habitat fragmentation | ● |
| 3. Conserve and improve connections between corridors and upland habitat | ● |
| 4. Promote the use of development practices that are friendly to habitat | ● |
| 5. Restore degraded watershed sites to compensate for adverse ecological effects of land-use practices, and mitigate impacts for new development | ◐ |
| 6. Preserve and improve special habitats of concern such as bottom land hardwood forests, wetlands and riverine islands | ● |
| 7. Increase opportunities for residents to experience and enjoy the region’s natural surroundings | ● |

- = Capital and community grant goals align with initiative goal
- ◐ = Capital grant goals, but not community grant goals, align with initiative goal

Source: Auditor’s Office analysis of program goals

Six of the initiative goals were supported by goals of both grant types and one goal was supported by capital grants only.

Since there was general alignment between the grant and initiative goals, the example indicators included in Title 13 could be used as a foundation to assess program performance across grant types. However, the Title 13 indicators did not address the seventh goal, “increase opportunities for residents to experience and enjoy the region’s natural surroundings.” An indicator for that goal still needs to be developed.

In addition, some goals of the grants were not included in the original initiative. For example, capital grants have a goal of increasing the presence of nature in disadvantaged neighborhoods and community grants have a goal of improving the ability of underserved communities to connect with it. Additional indicators would need to be developed for monitoring the achievement of these goals, because they are not part of the Title 13 indicators.

Oversight structures for the grants posed challenges to performance measurement. They offer varying opportunities for citizen involvement and have different reporting standards. These differences reduced transparency and complicated efforts to compare grant performance between funding sources.

There is a formal oversight committee for the Bond that funds capital grants. They have the authority to review and publicly report on the Bond’s program performance. The committee is composed exclusively of public representatives. In contrast, there is no formal oversight committee for community grants funded by the Levy. But, a steering committee made up of Metro management provides informal direction for Levy-funded activities.

A logic model can help guide performance measurement

Capital and community grants were managed separately and a logic model for the program had not been developed. Without linking grant activities with results, it would be difficult to develop performance measures.

Logic models are used to plan, implement, communicate, and evaluate programs. They are graphical depictions of programs that describe how investments lead to results. A logic model can help agencies develop performance measures for each aspect of the program to determine how they are affecting the program’s goals.

Exhibit 7: Potential logic model for Nature in Neighborhoods grants

| Inputs | Outputs | Outcomes |
|---|--|--|
| <p><i>What we invest</i></p> <ul style="list-style-type: none"> • Staff and volunteer time, expertise • Bond & levy grant funds • Materials & services | <p><i>What we do</i></p> <ul style="list-style-type: none"> • Land acquisitions • Conservation education programming • Habitat restoration projects • Urban enhancements • Parks & trails improvements <p><i>Who we reach</i></p> <ul style="list-style-type: none"> • Schools • Neighborhood associations • Community groups • Non-profits • Cities • Counties • Public parks providers | <p><i>Short-term</i></p> <p>Increased awareness, knowledge, and skills in:</p> <ul style="list-style-type: none"> • Environmental conservation • Watershed health • Urban sustainability • Habitat restoration <p><i>Medium-term</i></p> <p>Increased actions to:</p> <ul style="list-style-type: none"> • Educate residents • Restore watersheds • Promote habitat-friendly development • Protect wildlife across the region <p><i>Long-term</i></p> <ul style="list-style-type: none"> • Preserved habitat • Improved watershed connectivity • Increased use of habitat-friendly development throughout the region • Increased opportunities for residents to experience and enjoy the region’s natural surroundings |

Source: Metro Auditor’s Office analysis

Although a logic model for Nature in Neighborhoods had not been developed, we found some documentation for how community grants were intended to achieve some of Metro’s six desired regional outcomes. A similar effort that linked capital and community grant activities with the Nature in Neighborhoods initiative would help the program create effective performance measures.

Outcomes of grants unclear

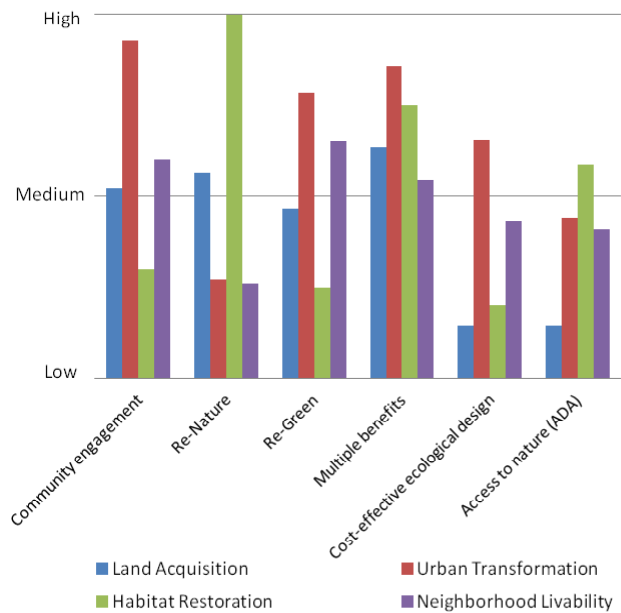
Performance indicators for Nature in Neighborhoods were established in Title 13, but they were not used to assess the impact of grants. In our review of reported results for each grant type, we found limited measurement of outcomes. Although performance information was reported, it was not sufficient to determine how much progress was made towards long-term goals.

Some measures were established to evaluate capital grants, and others were drafted for community grants. In general, they provided information about program outputs, such as the number of grants awarded. Less information was available about program outcomes.

Output measures provide information about the quantity of work performed, but not what was achieved. Outcome measures help determine whether a program is accomplishing its mission. To be effective, measures should include information about outputs and outcomes to provide a better understanding of a program’s performance.

An attempt was made to measure outcomes of capital grants. Projects were grouped into four categories: land acquisition, urban transformation, habitat restoration, and neighborhood livability. Staff assessed each project against the selection criteria used to award grants on a scale of low to high.

Exhibit 8: Existing approach to measure outcomes of capital grants



Source: Natural Areas Bond Annual Report, 2015

While this approach attempts to demonstrate program outcomes by project type, it does not provide enough information to determine what was achieved. The way the data are presented makes it difficult to determine if results were positive or negative. In addition, the measures did not include targets or expected levels of performance. As a result, it would be difficult to use the data to improve poor or unexpected performance.

Outcome-focused measures could be based on the Nature in Neighborhoods indicators outlined in Title 13. For example, the number of acres of various habitat types preserved could be tracked and summed across grants. This would help determine how projects contributed to the achievement of regional performance objectives.

Performance measures can help a program determine if progress was made towards each expected outcome. When programs have similar or overlapping goals, there is a risk that some areas may unintentionally receive more or less investment than others.

For example, we found that over half of the total funds spent on completed capital grant projects supported land acquisitions. Metro also funds land acquisitions with other elements of the Bond including the local share component. One project received a \$1 million capital grant - one of the largest capital grants awarded by Metro - and about \$1.2 million in local share funds for the same land purchase.

Similarly, we found repeated investment in restoration projects. From 2006 to 2013 Metro Council awarded grants that were funded by the General Fund to improve fish and wildlife habitat. Beginning in 2008, capital grants could also be used for restoration projects, and beginning in 2014, community grants were awarded for restoration projects as well. Metro completed other restoration

projects using the Levy, Bond and General Fund during this time period.

Overlapping funding for land acquisition and restoration projects may result in more progress being made towards those goals than others, such as providing education and access to nature for underserved communities. Without better performance measures, it would be difficult to identify unexpected performance and make adjustments if needed.

Some local grant programs allocate funding among various goals and have created clear links between what is being funded and what is intended to be accomplished. Some goals may be more difficult to achieve, so additional funds could be set aside to address them. Establishing investment allocation or funding goals for each project type is one way other programs ensure balance among multiple priorities.

Better information needed from grantees

Collecting information about each project is an important aspect of performance measurement. Like most grant programs we reviewed, Metro requires grantees to complete progress and final reports. However, we found that the information Metro collected varied, which made it difficult to add up the achievements across projects.

Both capital and community grant recipients were required to report every six months and at the end of their project. In our review of completed capital grant projects we found that information provided to staff varied. For example, some final reports contained limited information about project outputs. Other projects reported on specific outputs such as acres of blackberry bushes removed. This was the result of not having grantees consistently report on the same measures.

In comparison, community grant handbooks include sample measures and data collection methods for grantees, which can lead to more consistent performance information. Although community grants have sought to receive more consistent information from grantees compared to capital grants, improvements could still be made.

Similar grant programs we reviewed offer approaches that may help the program receive better information from grantees to help evaluate program performance. Examples include:

- **Requiring grantees to include specific metrics in their final reports.** One local program requires grantees to list the number of individuals served by multiple demographic characteristics and, if the project was considered educational, the number of individuals served by grade level. If the project was considered environmental, the grantee must list the specific geographic area and measures being used to assess the project's impact.
- **Designing grant forms to standardize the collection of information.** One local program uses standardized forms to collect information from school districts about participants' attendance and test scores. Staff aggregates this data within and across program areas to determine how results vary by investment.

- **Tracking specific project measures and using the data to evaluate program performance.** One local program uses measures, such as gallons of storm water managed on site or square feet of garden plot created, which are tracked in a database and used to compare projects to each other within grant categories and program accomplishments.

Grant monitoring could be improved

Once awards are made, monitoring grantees helps ensure project goals are reached and required deliverables are completed. A risk-based approach to grant monitoring can help employees identify potential problems early on and keep grantees on track. Approaches such as centralizing information systems and conducting systematic site visits can provide information to reduce potential risks. We found aspects of the program’s administration, such as handbooks, could be improved to help monitor grantees more efficiently. Also, aspects of grant agreements should be followed to ensure timely information is collected.

Budget amendments and deadlines need more guidance

Our review of 11 completed capital grant projects found that, overall, what was delivered by the grantee aligned with what was agreed upon in the contract. However, we found that the contracts did not identify a date for when deliverables should be completed or a budget for each deliverable. This lack of clearly defined scopes of work may inhibit staff’s ability to efficiently monitor grants by not providing clarity about what is expected. In contrast, procurement training provided by Metro highlights the importance of establishing dates for deliverables. Other Metro grants include both payment amount and completion dates for deliverables.

We found a gap in the capital grants handbook for project budget adjustments. The handbook does not clarify when project budget revisions should occur. It directs grantees to contact the grant coordinator if a budget adjustment is needed and notes that there is flexibility within the budget line items. In comparison, a local grant program has specific conditions that must be met to make certain budget revisions. For example, if a grantee anticipates or there is actual overspending in one or more budget categories by a specific amount, a revision is required by the grantee. This local grant program also has a cutoff date for when budget revisions can occur. In doing so, the program ensures clear expectations.

Reports for completed projects not timely

We were only able to confirm that two of the 11 completed capital grant projects provided their final reports and requested their final reimbursements on time. Contracts for capital grants required grantees to submit final reports and final reimbursement requests within 60 days of project completion or contract expiration, whichever is sooner. A lack of timely reporting limits Metro’s ability to hold grantees accountable to grant agreements. It also reduces the program’s ability to assess program results.

Like other programs, financial incentives are used by both capital and community grants to encourage submission of final reports. Generally, five percent of capital grant funds are withheld until a grantee’s final report has been reviewed and approved. Community grant funds may be withheld until the final report is submitted.

But, there is no incentive for all grantees to complete progress reports, which means employees may not have information about the status of a project until a request for grant funds is made. In comparison, one local grant program has penalties for late reports and imposes a three-percent penalty for each late report.

Information is not centralized

Although deliverables for both community and capital grants are tracked, and staff has mapped where awards have been made, deliverables are not centralized. Progress reports for community grant projects are summarized and maintained in a database, while progress reports for capital grant projects are not. Additionally, land purchased with capital grant funds is not tracked in Metro's land management system. A centralized information system may allow employees to more efficiently monitor grantees and could be used as a tool to track timelines, outputs and outcomes.

In comparison, other grant programs use information systems to centralize information to help monitor program trends and grantee performance. Most of the local programs we spoke with use, or are considering using, online application systems. Capital and community grant applications are currently submitted via email.

Site visits not systematically conducted

We found that there was inconsistent use of site visits. Visits were made on a case-by-case basis for community grants, and were required for capital grants before, but not after, the awards were made. A systematic approach to site visits can help a program more efficiently monitor grantees and provide more timely information on grant performance. A risk based approach involves identifying and prioritizing potential at-risk recipients throughout the grant process and determining which projects may need more monitoring.

Site visits help agencies identify and resolve performance issues associated with grants. Some local programs restrict annual visits to large grant recipients and conduct them every four years for organizations that have received smaller grants over multiple years. Another aims to conduct two site visits, one at the beginning and one at the end of each project, and prioritizes pre-award visits for new applicants and those requesting multiple years of grant support. Not identifying and prioritizing projects for site visits could result in inefficient monitoring.

Strengthen controls to prevent duplicate funding

Because Metro sometimes provides funding for the same project through different programs, there is a risk of duplicate funding. While the handbooks for community and capital grants state that other Metro funds cannot be used as a match for a project, they do not specify whether other Metro funds can be used for the same costs. A best practice is for agencies to develop procedures that include identifying the potential for duplication and include grant conditions related to the use of funds from different programs. These controls can help reduce the risk of an agency paying for the same work twice.

Recommendations

To create an effective performance measurement system for Nature in Neighborhoods grants Metro should:

1. Develop a framework for assessing program performance,
2. Establish performance measures and targets for each program goal,
3. Collect sufficient and reliable information for each performance measure, and
4. Use performance data to assess and refine the program.

To improve the efficiency of grant monitoring and reduce risks the program should:

5. Include deadlines and budget amounts for each project deliverable,
6. Clarify policies and procedures for making budget amendments to projects,
7. Ensure timely submission of progress and final reports,
8. Develop policies and procedures for site visits,
9. Centralize information for capital grants to facilitate monitoring, and
10. Establish a policy to prevent duplicate funding for the same work.

Management response



Date: Nov. 23, 2015

To: Brian Evans, Metro Auditor

From: Scott Robinson, Deputy Chief Operating Officer
Kathleen Brennan-Hunter, Parks and Nature Director

Cc: Martha Bennett, Chief Operating Officer

Subject: Metro response to Metro Auditor Nature in Neighborhoods

Thank you for the opportunity to respond to your recent audit of Metro's Nature in Neighborhoods grant program. The audit is very useful in helping us improve reporting on program outcomes and provide the public with meaningful measures about how community investments by the Metro Council are meeting agency goals and objectives.

We agree that performance measures can help determine progress toward specific outcomes. Our outside, independent grant review committees measure all of the applications we receive against the original objectives established by the Metro Council. In order to be recommended for funding, projects must make a convincing case that they can fulfill these goals – such as improving water quality and wildlife habitat or connecting people to nature – which are spelled out in the grant program application and evaluation criteria. Nature in Neighborhood grants allow for flexibility in how these goals are met, in order to be responsive to community identified needs. Strengthening our reporting on the outcomes of the projects can help reinforce the benefits that are being provided to residents of the region as a result of these investments in local communities.

Parks and Nature staff and management place a high priority on adaptive management and continuous improvement. After each funding cycle, staff focus on lessons learned and update program materials such as handbooks, application forms, checklists and guidelines. We strive to provide excellent customer service to our applicants and their partners, including providing flexibility to grantees, and use feedback from grant project managers to ensure that our systems and processes are easy to understand and implement. We were pleased to note that your review of our program confirmed our use of best practices in our grant administration and to ensure that grantees met deliverables established in our grant agreements (contracts).

In this memo we respond to how staff will implement recommendations included in the report.

Tracking systems and reporting

In 2015 the Nature in Neighborhood grant staff purchased and began using a web-based grant management software (ZoomGrants) that provides improved systems for tracking post-funding reports, including documents, invoices and disbursement requests automatically linked to the original application and managed through automated workflows. This software will improve staff's ability to see, at a glance, when grantee report and reimbursement requests are due and follow up with project managers. Additionally, we will continue to use the spatial database developed by Research Center staff for the Nature in Neighborhoods grants to map and track all of Metro's community investments.

Risk assessment

Site visits and a risk assessment are part of the capital grant program. How that is documented in our administrative policies and tracking systems can be improved and expanded to our levy-funded grants. Our new grant software should help our tracking of this information.

Performance measures

The Natural Areas Bond Measure included a requirement for a Program Performance Oversight Committee which the Metro Council appoints. During the first years of the program, the committee worked closely with staff to develop performance measures responsive to the bond resolution language. Similar performance measures for the levy grants have not been fully developed and applied. Staff will explore and determine next steps for developing a common evaluation framework and applying that to the Nature in Neighborhood grants as a whole as the audit recommends.

Thanks again to you and your team for a thorough analysis and recommendations about steps we can take to improve measurement and reporting on the performance of Metro's Nature in Neighborhood community investments. We appreciate the time, effort and attention you put into assessing this important program and look forward to hearing more about what your team learned from their review of other funders and best practices.



Office of the Metro Auditor
600 NE Grand Avenue
Portland, Oregon 97232
503-797-1892
www.oregonmetro.gov