



# KING COUNTY AUDITOR'S OFFICE

DECEMBER 1, 2021

## Follow-up on Real Estate Services Audit

**Over the past year, Real Estate Services did not make progress on the three remaining recommendations from the July 2016 audit, continuing the ongoing lack of transparency around management of county real estate.** In plain terms, there are two tasks remaining for Real Estate Services (RES) to complete the three recommendations: identifying performance measures for the unit and issuing an annual report. RES did not accomplish either. As a result, RES has not

- ensured it is operating efficiently, that employees are accountable, and that the unit's efforts are making contributions to wider county goals
- communicated ideas to improve the efficiency of county real estate transactions
- provided context to decision-makers considering property-related topics and best use of county resources through summary information about the county's real estate portfolio.

In our August 2019 audit follow-up, we reverted Recommendation 8 from "progress" to "open" because RES had abandoned its plan for a public-facing annual report. Although RES has since significantly improved the quality of property information supporting an annual report, it still has yet to issue one. RES staff indicate it plans to do so in April 2022. In this follow-up, we are reverting Recommendation 4 from "progress" to "open" based on RES's vacated performance measurement efforts.

Of the eight audit recommendations:

	<b>5</b> <b>DONE</b>		<b>2</b> <b>PROGRESS</b>		<b>1</b> <b>OPEN</b>
<b>Fully implemented</b> Auditor will no longer monitor.		<b>Partially implemented</b> Auditor will continue to monitor.		<b>Remain unresolved</b> Auditor will continue to monitor.	

Please see below for details on the implementation status of these recommendations.

Recommendation 1	As of April 24, 2018	DONE	
Recommendation 2	As of April 24, 2018	DONE	
Recommendation 3	As of August 2, 2019	DONE	
Recommendation 4		OPEN	

**Based on King County and Facilities Management Division strategic goals and the Real Estate Services (RES) mission statement, the RES section should establish objectives, strategies, measures, and targets for each of its service areas. The performance measurement system should address concerns about the timeliness of the RES section’s services.**

STATUS UPDATE: At the time of the July 2016 audit, RES was going through a Line of Business (LoB) planning effort to establish objectives, strategies, measures, and targets for its work areas. This recommendation built on RES’s ongoing efforts to ensure that its performance measures addressed timeliness—an area of concern reported on by multiple stakeholders. Through 2019, RES had made progress in this area by tracking the timeliness of project legislative transmittals. During the December 2020 audit follow-up, RES reported it had stopped these efforts due to the rapidly changing focus of work resulting from the COVID-19 pandemic, but that it would revisit them in 2021. However, RES management did not do so and now states that performance measurement is “unhelpful,” with no plans to revisit it in the foreseeable future.

This recommendation, based on RES’s own LoB planning work, is now four years past due. Without performance measures, the concerns heard in the July 2016 audit regarding timeliness of RES information and service deliverables will remain unaddressed. RES made strides in project staff time data collection and developing measures of project timeliness between the audit and August 2019 audit follow-up, and reported it found those efforts helpful but has not translated these into measures. In addition, the improved accuracy of real estate portfolio information (see Recommendation 8) means that barriers to quickly sharing real-time property information have been removed.

WHAT REMAINS: To complete this recommendation, RES should revisit the project time data it already has and identify measures that would help ensure timely reporting on the status of its projects—both for its internal efficiency and to safeguard responsive, high-quality customer service for its clients across King County.

## Recommendation 5

PROGRESS



**As Real Estate Services develops policies and procedures, it should also identify areas where changes to King County Code may create efficiencies and improve service delivery outcomes, and share those suggestions as part of its annual report (see Recommendation 8).**

STATUS UPDATE: RES management has internally shared a real estate inventory (see Recommendation 8) and reports that it has discussed process improvements and efficiencies in property acquisitions during the COVID-19 pandemic. As noted in the previous audit follow-up (December 2020), RES staff consistently has examples of potential process improvements. However, the purpose of the recommendation is to formally identify, document, and share those examples as part of an annual report. By including them in the report, RES can help address the barriers in efficiently completing real estate transactions with other county stakeholders—primarily the County Council.

WHAT REMAINS: To complete this recommendation, RES should provide a summary of proposed and completed changes to code as part of its annual report (see Recommendation 8).

## Recommendation 6

As of December 1, 2020

DONE



## Recommendation 7

As of August 2, 2019

DONE



## Recommendation 8

PROGRESS



**Real Estate Services should provide an annual report to the County Council summarizing how many properties the county owns, their size, and location, along with other comprehensive information that informs strategic decision-making.**

STATUS UPDATE: During last year's audit follow-up (December 2020), RES provided Auditor's Office staff a database of the real estate portfolio information developed for the C-FAM project and stated that the project would allow it to complete the annual report. However, Facilities Management Division (FMD) suspended the C-FAM project during the pandemic and has not restarted it.

This year, RES shared an updated real estate portfolio database with Auditor's Office staff and explained process improvements that allow it to be used for reporting independent of C-FAM. The improvements addressed key gaps in the comprehensiveness of the data, such as the ability to "scrape" property information from the County Assessor and County Treasurer daily. This allows RES to automatically add county properties purchased by county offices with independent acquisition authority, such as Metro Transit, into the database. Because of these efforts, the database can now be used to provide information in real time, primarily through an in-house CRM-based application called RESPIT (Real Estate Services Property Information Tool). RES staff plan to use the database and tool for monthly reporting to the Finance and Business Operations Division and FMD management, highlighting county properties bought, sold, or significantly

modified over the previous period. The database and tool can also provide the summary information needed for the annual report. RES staff is planning to collect annualized information in mid-January 2022 for an annual report to stakeholders, including Council, in April.

WHAT REMAINS: To complete this recommendation, RES should complete the annual report and provide it to the King County Council. Completing the report would help RES—and FMD—by providing transparency and context for its work, grounding individual projects in the County’s overall real estate portfolio. Reporting portfolio-level real estate information to key stakeholders and decision-makers annually is a best practice.

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Justin Anderson conducted this review. If you have any questions or would like more information, please contact the King County Auditor’s Office at [KCAO@KingCounty.gov](mailto:KCAO@KingCounty.gov) or 206-477-1033.