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**CITY-WIDE STRATEGIC PLAN
PERFORMANCE AUDIT**

OCTOBER 2013

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AUDIT SERVICES DEPARTMENT

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To: Audit Services Oversight Committee
From: Germaine F. Brewington, Director
Audit Services Department
Date: October 9, 2013
Re: City-Wide Strategic Plan Performance
Audit (October 2013)

The Department of Audit Services completed the report on the City-Wide Strategic Plan Performance Audit dated October 2013. The purpose of the audit was to validate the underlying data reported for Goals 1-4 in the City-wide Strategic Plan performance measures for the August 2013 publication. Data for Goal 5 were not published for the August 2013 publication and therefore Goal 5 data were not examined as part of this audit.

This report presents the observations, results, and recommendations of the City-Wide Strategic Plan Performance Audit dated October 2013. City management concur with the recommendations made. Management's response to the recommendations is included with the attached report.

The Department of Audit Services appreciates the contribution of time and other resources from employees across the City, particularly employees with the Departments of Budget and Management Services, Fire, Police, Neighborhood Improvement Services, Technology Solutions, Finance and the Office of Economic and Workforce Development in the completion of this audit.

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BACKGROUND INFORMATION

To achieve consistent and planned results, it is essential that all organizational efforts are focused in the same direction. The strategic planning process involves City Council, the City Manager's Office, employees, citizens and other stakeholders. The organization has integrated the plan into annual budgets, daily operations and organization measurements in an effort to effectively and efficiently direct financial resources.

At the April 15th, 2013 Council Meeting the Durham City Council adopted the fiscal year (FY) 2014 Strategic Plan (hereinafter referred to as the Plan) for the City, encompassing five overarching goals:

1. Strong and Diverse Economy
2. Safe and Secure Community
3. Thriving Livable Neighborhoods
4. Well Managed City
5. Stewardship of City's Physical Assets

To achieve the goals of the Plan, the City has developed and continues to monitor useful data through a performance management system dashboard (Clear Point). This dashboard uses reporting software that allows residents to easily view progress made on City-wide measures and initiatives as well as to identify positive and negative trends. With this data, the City can develop strategies for improving outcomes in the areas that have been identified as goals.

The data in the performance management system dashboard is published semi-annually. Each performance measure is assigned data gatherers who collect the data. Each goal has assigned data loaders who are responsible for entering the data into the dashboard. Each goal also has a goal champion who is the point of contact for initiative oversight and progress associated with all aspects of an assigned goal. The goal champions are also responsible to ensure progress is being made and milestones are met on the initiatives.



EXECUTIVE SUMMARY

Purpose

The purpose of the audit was to validate the underlying data reported for Goals 1-4 in the City-wide Strategic Plan performance measures for the August 2013 publication. Data for Goal 5 were not published for the August 2013 publication; therefore the data for Goal 5 were not examined in this audit.

We conducted this performance audit in accordance with generally accepted governmental auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and 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 in Brief

Overall data reported for performance measures for the August 2013 publication were relevant and the data sources were credible. The performance measures were also relevant for strategic planning. Room for improvement exists as it relates to accuracy of the data reported for performance measures. Since the Plan is a living document, changes can be made as issues are identified with the performance measures. Currently, a formal process does not exist for revisions to the Plan. The decision to change a measure should be made after due process is carried out involving discussions with all appropriate parties and not just one individual based on his/her opinion.

OBJECTIVES, SCOPE AND METHODOLOGY

Objective

The objective of the audit was to:

- Validate the underlying data reported for Goals 1-4 in the City-wide Strategic Plan performance measures.

Scope

The scope of the audit included all data reported in the dashboard publication dated August 2013 for Goal 1, Goal 2, Goal 3 and Goal 4. Goal 5 was excluded from the audit as data for this goal were not published in the August 2013 publication.

Methodology

Audit Services Department staff performed the following procedures to accomplish the objectives of the audit:

1. Obtained and reviewed each goal Schedule Workbooks;
2. Interviewed the data-gatherers, data-loaders and goal champions to understand their involvement in the City-wide Strategic Plan data verification/publishing process;
3. Tested the data for all intermediate measures and outcome measures for Goals 1, 2, 3 and 4, to determine if:
 - The data reported were accurate
 - The data reported were relevant to the performance measures
 - The sources of the data were credible
 - The performance measures were relevant to the respective goals;
4. Determined, for performance measures that did not have data reported, if:
 - The measure was measurable
 - A process was in place to ensure data would be collected for the future periods;

During the audit, Audit Services Department staff also maintained awareness to the potential existence of fraud.

AUDIT RESULTS

Overall data reported for the August 2013 publishing of the Strategic Plan were relevant to the Performance Measures and were from credible sources. Eighty four (84) % of the reported performance measure data were accurate.

There are a total of 80 intermediate and outcome measures for the four goals examined. Audit staff tested 61 performance measures (intermediate and outcome measures). Some of the measures did not have data reported for the last publishing and therefore Audit Services Department staff could not test for the attributes discussed below.

	Number of Measures Reported and Tested	Measures with Accurate Data Reported	Data Relevant to Performance Measures	Credible Data Source	Measures Relevant to the Goal
Goal 1	21	76%	90%	100%	100%
Goal 2	15	80%	100%	93%	100%
Goal 3	6	100%	67%	100%	83%
Goal 4	19	90%	95%	100%	95%
Overall	61	84%	92%	98%	97%

Data reported should be accurate since users rely on the data to make decisions. Approximately 10 measures tested did not report accurate data. These measures were:

Percent growth in tax base (Goal 1): These figures were presented in Clear Point as Calendar year numbers; however they were actually fiscal year numbers. The fiscal year numbers were accurate.

AUDIT RESULTS

Number of high growth industry jobs created annually (Goal 1): The number reported could not be recreated based on the total high growth jobs numbers presented in Clear Point and the spread sheet.

Net gain in businesses (Goal 1): The figures included both open and closed businesses instead of the net number.

Number of businesses relocating into and out of Durham (Goal 1): Data reported included information for businesses located outside of Durham.

Percent increase of sales tax revenue (Goal 1): The information in Clear Point stated that the data were for calendar year; however, data were actually for the fiscal year. The fiscal year numbers were accurate.

Fire property loss (Goal 2): The amount of Fire Property loss reported did not match the supporting documentation.

911 calls answered within standard (Goal 2): The information reported did not tie back to supporting documentation.

Call processing, turn out and travel (Goal 2): This measure reported information on several attributes. Information reported for one attribute did not match supporting documentation.

Percent of new funding that is tied to plan initiatives (Goal 4): Data reported did not match supporting documentation.

Percent number of City departments with strategic plans and performance measures aligned with the City's Strategic Plan (Goal 4): The data gatherer included 2 departmental strategic plans that were in the final stages of the approval process.

AUDIT RESULTS

Data gatherers obtained data from credible sources and analyzed the data in order to report numbers relevant to the measure. In some cases they did not document their methodology or maintain the supporting documentation. Reporting inaccurate data or data that cannot be substantiated for performance measures reduces the effectiveness of the Strategic Plan as a decision making tool.

Some performance measures did not have data reported for the last publishing (August 5, 2013)

There were a total of 80 intermediate and outcome measures for the four goals. Approximately 18 of the 80 measures did not have data reported for the last publishing. For these 18 measures that were not reported:

- Data were collected for five Goal 3 measures (see list below); however, the data were not reported in the August publication

Goal 3: Access to transit, pedestrian, and bicycle facilities and services; Percent of residents who take transit, walk, bike or less polluting options to work; Percent of residents within a quarter mile of bus service that runs at least every 30 minutes; Reduction of greenhouse gas emissions per capita from the residential sector; and Waste stream diversion rate.

Data available for measures should be reported. Lack of communication between the Goal Champion, data gatherers and data loaders resulted in data not being reported. The Goal Champion is ultimately responsible for ensuring data is populated for the measures.

AUDIT RESULTS

- Thirteen measures included in the Strategic Plan are not currently being measured (their Clear Point pages do not include data.) These measures fell into two categories:

Category 1: Measurable

Ten of the 13 measures are not being reported but are measurable. This group includes:

Goal 3: Percent of departments using the neighborhood compass as a decision making tool; Percent of households represented by a neighborhood association; Number of trees planted through partnerships and City efforts; Percent decrease in litter in targeted areas following education campaign; Percent of noncompliant houses that become code compliant annually; Measure of community health; Affordable, safe and healthy housing; and Environmental stewardship. Five of these measures are tied to new initiatives that have not yet begun implementation (i.e., the Neighborhood Compass and the Tree-Planting Program). Since work has not begun, information is not available for these initiatives. Once the initiatives are underway, data will be available and these measures will be reported.

Goal 1: Percentage of Job Link Openings Filled within Current Fiscal Year and Number of Job Placements Overall within Current Fiscal Year. The Department of the Office of Economic and Workforce Development uses a North Carolina state system to capture this data. However, the State is currently making changes to the system. Data were not available for reporting at the time of publishing.

AUDIT RESULTS

Performance measures included in the Plan should be measurable. Even though data is not reported currently, once the initiatives are underway data will be available and these measures will be reported.

Category 2: Not measurable

Performance measures that are part of the Plan should be measurable. Three measures are not currently being measured and may not be measurable at all. This group includes:

Goal 1: The GED attainment rate portion of the high school graduation rate measure

Goal 2: Percent favorable in visitors' safety perception; Percent favorable in nearby residents' perception of Durham.

These unpopulated measures in the Plan document diluted the effectiveness of this tool for citizen engagement. Blank or unpopulated measures are not useful for data-driven decision-making nor for accountability to residents, which are the two primary purposes of the Plan measures. These unpopulated measures caused confusion in the reporting process and the external presentation of the Plan dashboard. All of these measures relied on external data sources that made the information unavailable.

AUDIT RESULTS

The table below displays the information by Goal:

Goal	Total Number of Measures	Measures Reported and Tested	Information Measured but not Reported	Information not Measured	
				Measurable	Not measurable
				Goal 1**	23
Goal 2	17	15	0	0	2
Goal 3	19	6	5	8	0
Goal 4*	21	19	0	0	0

*Audit Services Department staff did not test the measure Number of significant material findings in internal and external audits as the staff provide the data for this measure. In addition, the Audit Service Department staff could not test Percent of performance measures at or above target due to issues with how Clear Point archives data.

**The measure High school graduation rate and GED attainment (Goal 1) is counted twice. The first part of the measure was reported and tested. The second part of the measure pertaining to GED rate was not measurable and was included in the numbers for the category not measured and not measurable.

A significant part of Goal 3 (13 out of 19 measures) was not reported for the August publication. As mentioned above eight of these measures were not reported due to valid reasons and data will be available in the future. However, 5 of the measures had data available, which were not reported. This lack of reporting can be misleading to the internal and external parties relying on this data.

A formal process does not exist to revise the Strategic Plan as issues are identified

At present the Plan will be reviewed and approved every two years by City Council. The Plan is a living document and changes may be warranted prior to the two year review period. For example, Audit Services Department staff identified three measures that are not measurable and three measures that may

AUDIT RESULTS

not be relevant to strategic decision making. In addition, results of discussions between Audit Services staff, data gatherers and goal champions, identified some measures that may warrant a change. Currently, a formal process does not exist to process changes to the Plan in the interim period between the major revisions. The approval authority should be established based on the nature of the change to ensure changes contrary to the mission of the governing body and senior management team are not made.

Conclusion

Overall data reported for performance measures for the August 2013 publication were relevant and the data sources were credible. The performance measures were also relevant for strategic planning. Room for improvement exists as it relates to accuracy of the data reported for the performance measures. Since the Strategic Plan is a living document, changes can be made as issues are identified with the performance measures. Currently, a formal process does not exist for revisions to the Strategic Plan in the interim period between the major revisions. The decision to change a measure should be made after due process is carried out involving discussions with all appropriate parties and not just one individual based on his/her opinion.

RECOMMENDATIONS

Recommendation 1

Establish written guidelines to address revisions to the approved Strategic Plan. The guidelines must identify who has the authority to make changes.

Recommendation 2

Goal champions should review the discrepancies identified during the audit and take the appropriate actions going forward. These discrepancies pertain to:

- Measures that were not measurable
- Measures that did not have relevant and credible data
- Measures that had data but the data were not reported
- Measures that did not appear relevant to strategic planning
- Measures that had inaccurate data

Goal champions must ensure that data reported in the Strategic Plan supports the intent of each measure.

Recommendation 3

The data gatherers should ensure that the information reported is accurate. In addition, they should maintain the supporting documentation that was used and document their methodology to generate the numbers.

MANAGEMENT'S RESPONSE

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Memo to: Germaine F. Brewington, Director of Audit Services
From: Wanda S. Page, Deputy City Manager
Date: October 23, 2013
Subject: Management's Response
City-Wide Strategic Plan Performance Audit
October 2013

The following is the management's response to the City-Wide Strategic Plan Performance Audit dated October 2013.

Recommendation 1

Establish written guidelines to address revisions to the approved Strategic Plan. The guidelines must identify who has the authority to make changes.

Management's Response:

We concur. Management is in full agreement with the recommendation.

The Goal Champions have agreed to draft, present to the CMO for review, and approval, and implement a set of written guidelines that define the process for making revisions to the approved Strategic Plan. The Goal Champions will utilize the resources available from the Strategic Plan Project Manager to facilitate the process.

Implementation Date: 12/16/2013



Recommendation 2

Goal champions should review the discrepancies identified during the audit and take the appropriate actions going forward. These discrepancies pertain to:

- Measures that were not measurable
- Measures that did not have relevant and credible data
- Measures that had data but the data were not reported
- Measures that did not appear relevant to strategic planning
- Measures that had inaccurate data

Goal champions must ensure that data reported in the Strategic Plan support the intent of each measure.

Management's Response:

We concur. Management is in full agreement with the recommendation.

The Goal Champions have met with the Strategic Plan Project Manager and Deputy City Manager to discuss the report findings and recommendations. While the overall results were favorable, the Goal Champions recommitted to ensure that data reported in the Strategic Plan supports the intent of the measure. The City Manager's Office will continue to monitor through reviews and established audit processes.

Implementation Date: 3/1/14

Recommendation 3

The data gatherers should ensure that the information reported is accurate. In addition, they should maintain the supporting documentation that was used and document their methodology to generate the numbers.

Management's Response:

We concur. Management is in full agreement with the recommendation.

The Goal Champions have agreed to provide additional oversight and review over the collection and reporting of data and supporting documentation used to generate data reported in the Strategic Plan. The City Manager's Office will continue to monitor through reviews and established audit processes.

Implementation Date: 1/6/14