



**CITY-WIDE STRATEGIC PLAN
PERFORMANCE AUDIT**

OCTOBER 2014



CITY OF DURHAM
AUDIT SERVICES DEPARTMENT

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To: Audit Services Oversight Committee
From: Germaine F. Brewington, Director
Audit Services Department
Date: October 27, 2014
Re: City-Wide Strategic Plan Performance
Audit (October 2014)

The Department of Audit Services completed the report on the City-Wide Strategic Plan Performance Audit dated October 2014. The purpose of the audit was to validate the underlying data reported for Goals 1-5 in the City-Wide Strategic Plan performance measures for the August 2014 publication.

This report presents the observations, results, and recommendations of the City-Wide Strategic Plan Performance Audit dated October 2014. 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 over-arching 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 1-5 in the City-Wide Strategic Plan performance measures for the August 2014 publication.

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 2014 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. In addition, data should be reported if it is available.



OBJECTIVES, SCOPE AND METHODOLOGY

Objective

The objective of the audit was to:

- Validate the underlying data reported for Goals 1-5 in the City-Wide Strategic Plan performance measures.

Scope

The scope of the audit included all data reported in the dashboard publication dated August 2014 for Goal 1 through Goal 5.

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 and data-loaders 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, 4 and 5, 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 2014 publishing of the Strategic Plan were relevant to the Performance Measures and were from credible sources. Eighty (80) % of the reported performance measure data were accurate.

There are a total of 100 intermediate and outcome measures for the four goals examined. Audit staff tested 83 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	18	12	18	18	18
Goal 2	17	15	17	17	17
Goal 3	12	10	12	12	11
Goal 4	18	15	18	18	17
Goal 5	18	14	18	18	18
Overall	83	66	83	83	81

Data reported should be accurate since users rely on the data to make decisions. Approximately 17 measures tested did not report accurate data. These measures were:

AUDIT RESULTS

Goal 1

Number and Value of Non-Residential Building Permits:

The information reported did not tie back to the supporting documentation.

Announced Capital Investment by Industry:

The information only reports data for the first six months of 2013, instead of the full year.

Net Gain in Business: Data reported did not match supporting documentation.

Ratio of Commercial/Industrial/Residential Tax Base:

Data used for calculation did not match supporting documentation.

Number and Value of Residential and Non-Residential Building Permits: Data reported did not match supporting documentation.

Number of Businesses Relocating Into and Out of Durham: 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.

Goal 2

Cardiac Arrest Resuscitation Rate: Data reported did not match supporting documentation.

Fire incident Related Fatalities: Data reported did not match supporting documentation.

Goal 3

Number of Homeless Persons from Point-in-Time Count: Data reported did not match supporting documentation.

Number of Affordable Rental Units Created Annually: Data reported did not match supporting documentation.

AUDIT RESULTS

Goal 4

Percentage of Fees Collected: Data reported did not match supporting documentation.

Employee Turnover Rate: Data reported did not match supporting documentation.

Number of Recognized Awards and Accreditations: Data reported did not match supporting documentation.

Goal 5

Linear Feet of New Sidewalks Constructed / Repaired / Replaced to Meet ADA Requirements: Data reported did not match supporting documentation.

On-Time Performance of Transit System: Data reported did not match supporting documentation.

Linear Feet of Storm Drain Infrastructure Performed: Calendar Year instead of Fiscal Year data reported

Linear Feet of Storm water Pipe Video Inspections Performed: Calendar Year instead of Fiscal Year data reported.

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. Discrepancies were noted between what was reported to recreated data to support the numbers. 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 2014)

There were a total of 100 intermediate and outcome measures for the five goals. Approximately of the 16 measures did not have data reported for the last publishing. For these 16 measures that were not reported:

AUDIT RESULTS

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

Goal 1: Percent Increase of Sales Tax Revenue and Net Gain in Jobs. Fiscal Year 2013 data was available for Percent Increase of Sales Tax Revenue measure, however it was not reported.

Goal 4: Percent of Durham Once Call Complaints that are Resolved within the Set Benchmark; Percent of First Call Resolutions through DOC.

Data available for measures should be reported. Lack of oversight or error on part of the data gatherers and Goal champions and data loaders resulted in data not being reported.

- Twelve 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

Nine of the 12 measures are not being reported but are measurable. This group includes:

Goal 3: Percent of Stakeholders who are Satisfied/Very Satisfied with the Neighborhood Compass; Percent decrease in litter in targeted areas following education campaign; Percentage of Population Living within a half mile of Public Park; Percent of Household Represented by a Neighborhood Association; and Access to Open Space. For all of these measures the data gatherers are in the process of collecting and refining data and the data will be available for the next publication.

AUDIT RESULTS

Goal 1: Percentage of NC Works Career Center Opening 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.

Goal 5: Percentage of Facilities for Which Maintenance Plans Have Been Developed and Percent of Facilities Maintained Pursuant to Developed Plan.

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

Three of the measures are 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; Poverty Rate; and Percent of Durham Residents Receiving Public Assistance.

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 Available but not Reported	Information not Measured	
				Measurable	Not Measurable
Goal 1**	25	18	2	2	3
Goal 2	17	17	0	0	0
Goal 3	17	12	0	5	0
Goal 4*	21	18	2	0	0
Goal 5	20	18	0	2	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.

**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.

Conclusion

Overall data reported for performance measures for the August 2014 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. In addition, data should be reported if it is available.

RECOMMENDATIONS

Recommendation 1

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 were measurable but not currently reported because data was not available
- Measures that had data but the data were not reported
- Measures that had inaccurate data

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

Recommendation 2

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.

Recommendation 3

The goal champions should ensure errors identified in this audit report are corrected in all of its strategic plan distribution media.

MANAGEMENT'S RESPONSE



**CITY OF
DURHAM**

Memo to: Germaine F. Brewington, Director of Audit Services
From: Wanda S. Page, Deputy City Manager
Date: October 21, 2014
Subject: Management's Response
City-Wide Strategic Plan Performance Audit
October 2014

The following is management's response to the City-Wide Strategic Plan Performance Audit dated October 2014.

Recommendation 1

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 were measurable but not currently reported because data was not available
- Measures that had data but the data were not reported
- Measures that had inaccurate data

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

Management's Response:

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

Goal Champions and the Strategic Initiatives Manager will assess the measures that were not measurable and the measures that did not have data available as part of the FY 2015-2016, Strategic Plan Refresh. Unmeasurable and untimely performance measures will be replaced as part of the updated Strategic Plan that is presented to City Council in February.



Goal Champions will work with their teams during the next month to correct measures that had inaccurate data and update measures that had data, but were not reported (Please See Recommendation 3). The City Manager's Office will monitor through regular reviews and pre-publishing quality control checks.

Implementation Date:

Measures will be reviewed and updated as part of the next Strategic Plan refresh that will be presented to City Council in February, 2015.

Recommendation 2

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 oversight and review over the collection and reporting of data and supporting documentation used to generate data reported in the Strategic Plan. The Strategic Initiatives Manager and Goal Champions will encourage more discussion about data sources and methodology through two different avenues:

- 1) Prior to each bi-annual refresh Goal Champions will meet with data gatherers to discuss performance measures, source documents, and set expectations for how best to organize supporting documentation.
- 2) Goal Champions will utilize a portion of each goal team meeting to review and provide context on why performance measures are important in assessing the success of the goal's objectives and to analyze source information throughout the year. For example a goal team might pick a few measures to discuss at each meeting.

The City Manager's Office will continue to monitor through regular reviews and pre-publishing quality control checks.

Implementation Date:

As part of the next Strategic Plan refresh that will be presented to City Council in February, 2015.

Recommendation 3

The goal champions should ensure errors identified in this audit report are corrected in all of its strategic plan distribution media.

Management's Response:

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

Goal Champions will work with their teams during the next month to correct measures that had inaccurate data and update measures that had data, but were not reported. The Strategic Initiatives Manager will coordinate with Technology Solutions to ensure the outward facing dashboard is updated on the City's website.

Implementation Date:

Provide Technology Solutions updated measures by 11/14, for update to website by 11/21.