

# **Measurability Assessments of the Department of Administration's 12 Programs**

**Conducted by Program Evaluation Division**



**Program Evaluation Division  
North Carolina General Assembly**

**March 30, 2018**



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North Carolina General Assembly  
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*John W. Turcotte*  
Director

March 30, 2018

Members of the General Assembly

North Carolina General Assembly  
Legislative Building  
16 West Jones Street  
Raleigh, NC 27601

Honorable Members:

North Carolina General Statutes Chapter 143E, the North Carolina Measurability Assessment Act of 2016, directs the Program Evaluation Division to administer measurability assessments. As a result of this directive, the Program Evaluation Division now provides two means of examining state programs.

- **Evaluations.** Since 2007, the Program Evaluation Division has conducted in-depth studies of existing state programs to determine whether they are effective and efficient and operate in accordance with the law.
- **Measurability Assessments.** In 2017, the Program Evaluation Division began administering brief assessments of new and existing state programs to determine whether they are well-designed and collect the performance information necessary to inform any future inquiries into their effectiveness and efficiency.

Session Law 2017-57, Section 10A.5.(b) directed the Program Evaluation Division to conduct measurability assessments of the Department of Administration's programs. I am pleased to report that the Department of Administration cooperated with us fully and was at all times courteous to our staff during the assessments.

For more information on the assessments, please contact the project lead, Kiernan McGorty, at [kiernan.mcgorty@ncleg.net](mailto:kiernan.mcgorty@ncleg.net). Staff members who made key contributions to the assessments include Joanne Brosh, Brent Lucas, Carol Shaw, and Adora Thayer.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Turcotte".

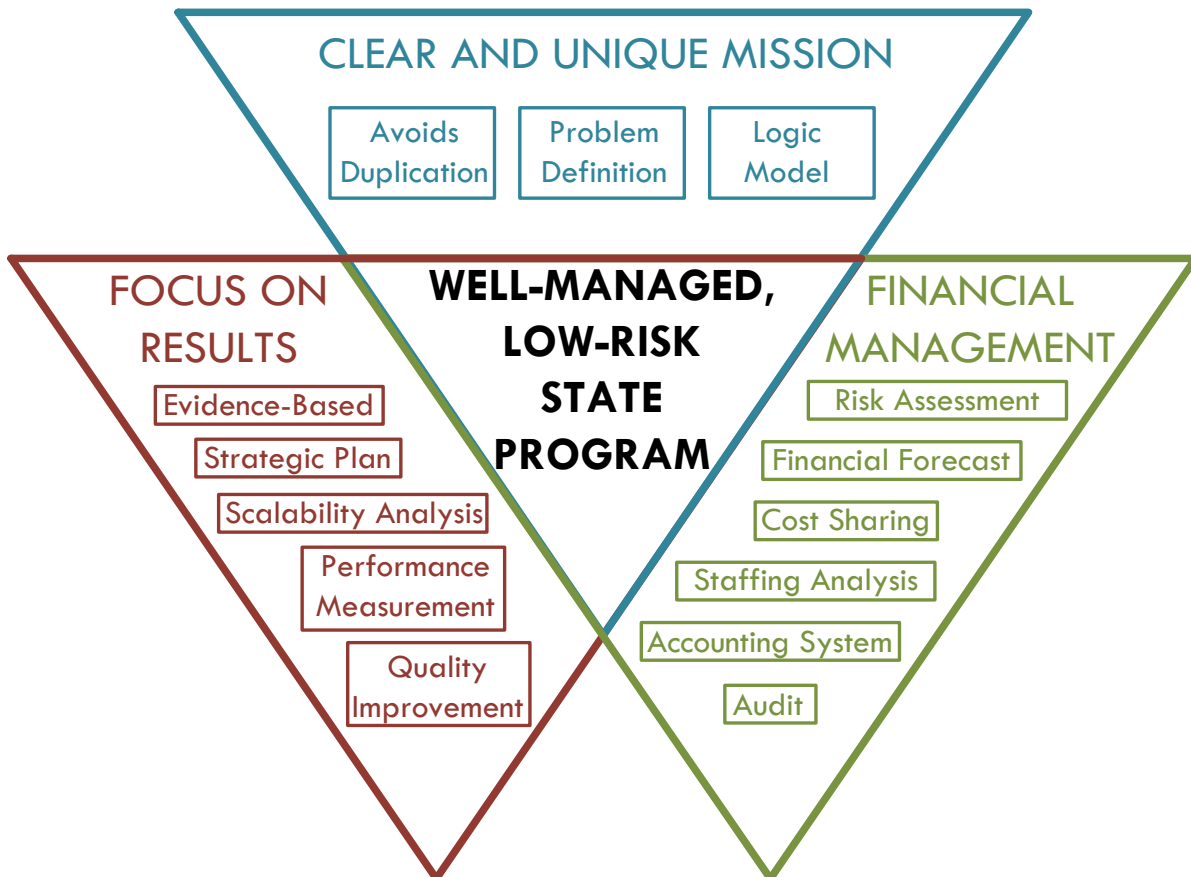
John W. Turcotte  
Director

## Measurability Assessment Framework

The 14 indicators specified by the Measurability Assessment Act collectively represent characteristics of well-managed, low-risk programs, which share common attributes.

- **They have a unique and clearly defined mission**, meaning they (1) do not duplicate other programs; (2) have clearly defined the problem they are intended to address; and (3) have developed logic models that describe the linkages between their resources, activities, and the results they seek to achieve.
- **They focus on results**, meaning (4) the program design has been tested by rigorous evaluation; (5) the program's scalability has been determined; and management takes a number of specific steps to (6) establish the program's long-range direction, (7) collect performance data, and (8) use data to track progress towards organizational goals.
- **They have established sound financial management systems**, meaning they (9) assess risks, (10) forecast future funding needs, (11) consider cost-sharing options, (12) analyze staffing needs, (13) track spending, and (14) have undergone audit and taken steps to correct any negative audit findings.

The diagram below shows how each of the 14 measurability assessment indicators fall under these three attributes of well-managed, low-risk programs.



### **Indicators of a Clear and Unique Mission**

1. **Avoids duplication** – the program should have a program inventory to demonstrate whether and to what degree it is unique and does not duplicate the results of other public or private programs
2. **Problem definition** – describes the local, regional, or statewide problems or needs that the program is intended to address
3. **Logic model** – a systematic and visual way to analyze and communicate a program’s understanding of the relationships among its resources and activities and the results it seeks to achieve

### **Indicators of a Focus on Results**

4. **Evidence-based** – the program has been tested and found to be effective by multiple evaluations that used rigorous research methods
5. **Scalability analysis** – determines if a program that has been successful on a small pilot scale or under controlled conditions can be expanded under real-world conditions
6. **Strategic plan** – defines what a program will do during the next three to five years and how it will achieve its desired results
7. **Performance measurement** – the ongoing monitoring and reporting of program accomplishments
8. **Quality improvement system** – enables programs to use data to track their progress towards organizational goals and take corrective actions if performance shortfalls occur

### **Indicators of Sound Financial Management**

9. **Risk assessment** – identifies potential financial, fraudulent, and legal hazards a program may face and analyzes methods of response if exposure occurs
10. **Financial forecast** – estimates a program’s future finances based on past, current, and projected financial conditions over a long-term period
11. **Cost sharing** – requires beneficiaries of a service to provide contributions to offset federal and/or state funding of the program
12. **Staffing analysis** – determines if a program’s staffing levels are appropriate based on the volume of work it is required to perform
13. **Accounting system** – analyzes, records, summarizes, reports, and interprets financial transactions of a program
14. **Audit** – an independent review, examination, or evaluation of a program

## Measurability Assessment of the Department of Administration

**The Department of Administration provides centralized administrative support for state agency operations.** The Department of Administration acts as the business manager for North Carolina state government and provides internal services and programs for state agencies. The Department of Administration oversees operations through the following programs:

- Division of Motor Fleet Management
- Division of Non-Public Education
- Division of Purchase and Contract
- Division of State Parking
- Division of Surplus Property
- Facility Management Division
- Mail Service Center
- State Construction Office
- State Property Office

Additionally, the Department of Administration has the following programs that advocate for North Carolinians:

- Commission of Indian Affairs
- Council for Women and Youth Involvement
- Office for Historically Underutilized Businesses

**Session Law 2017-57, Section 10A.5.(b) directed the Program Evaluation Division to conduct measurability assessments of the Department of Administration's programs.** The measurability assessment framework is most applicable to social programs, educational programs, and pilot projects. Therefore, some of the indicators (e.g., avoids duplication, problem definition, evidence-based, scalability analysis) are more appropriate for programs aimed at solving social problems, as opposed to the Department of Administration's programs aimed at improving state government functions.

Overall, the Department of Administration's programs performed well on the following indicators:

- **Cost Sharing.** All programs that require cost sharing (i.e., beneficiaries of a program's services provide contributions of a specified amount or percentage to offset federal and/or state funding of the program) have a description of cost sharing requirements. All programs that do not require cost sharing have a description of why the program does not require cost sharing.
- **Accounting System.** All programs use the North Carolina Accounting System and therefore meet this indicator.

The Department of Administration has several efforts underway that resulted in most programs getting partial credit for the following indicators:

- **Logic Model.** Although most programs have a logic model that includes inputs, activities, outputs, outcomes, and impacts, most programs did not provide documentation demonstrating their logic models have been shared with key stakeholders or are updated periodically. The Department of Administration should consider requiring that programs share their logic models with key stakeholders and update them periodically.
- **Strategic Plan.** Although most programs have a mission statement and vision statement, most programs are in the process of updating their strategic plans to include goals,

objectives, and performance measures. The Department of Administration should ensure all programs' strategic plans are completed in a timely manner.

- **Performance Measurement.** Although most programs have some types of performance measures (i.e., inputs, outputs, efficiency/process, quality, outcomes), most programs do not have all types of performance measures. Although most programs have a standard format for reporting performance measures, most programs did not provide documentation demonstrating they have a defined method for collecting performance data, validate their performance measures periodically, or regularly report their performance measures to managers, staff, and key stakeholders. The Department of Administration should consider requiring that all programs develop, define, validate, and report all types of performance measures.

Although the Department of Administration complies with statewide standards regarding the following indicators, the Measurability Assessment Guidebook contains stretch standards that resulted in most programs only receiving partial credit for the following indicators:

- **Risk Assessment.** Although the Department of Administration has a system of internal control, most programs have not conducted a risk assessment to identify potential financial, fraudulent, or legal hazards. The Department of Administration should consider requiring that all programs have program-specific risk profiles and mitigation strategies.
- **Financial Forecast.** Although most programs annually conduct a financial forecast that breaks down projections in revenue and expenditure categories and that is based on a basic model of forecasting, most programs did not provide documentation demonstrating they project revenues and expenditures for at least five years or explain trends by discussing why revenues and expenditures are expected to increase or decrease. The Department of Administration should consider building these components into their programs' budget development processes.
- **Audit.** Although all programs have a description of audit requirements that demonstrate accessibility of persons, documents, and property, most do not have a record of prior audits or a record of corrective actions taken in response to audit findings and recommendations. The Department of Administration should consider developing these records across all of its programs.

The Department of Administration could use the most improvement on the following indicators:

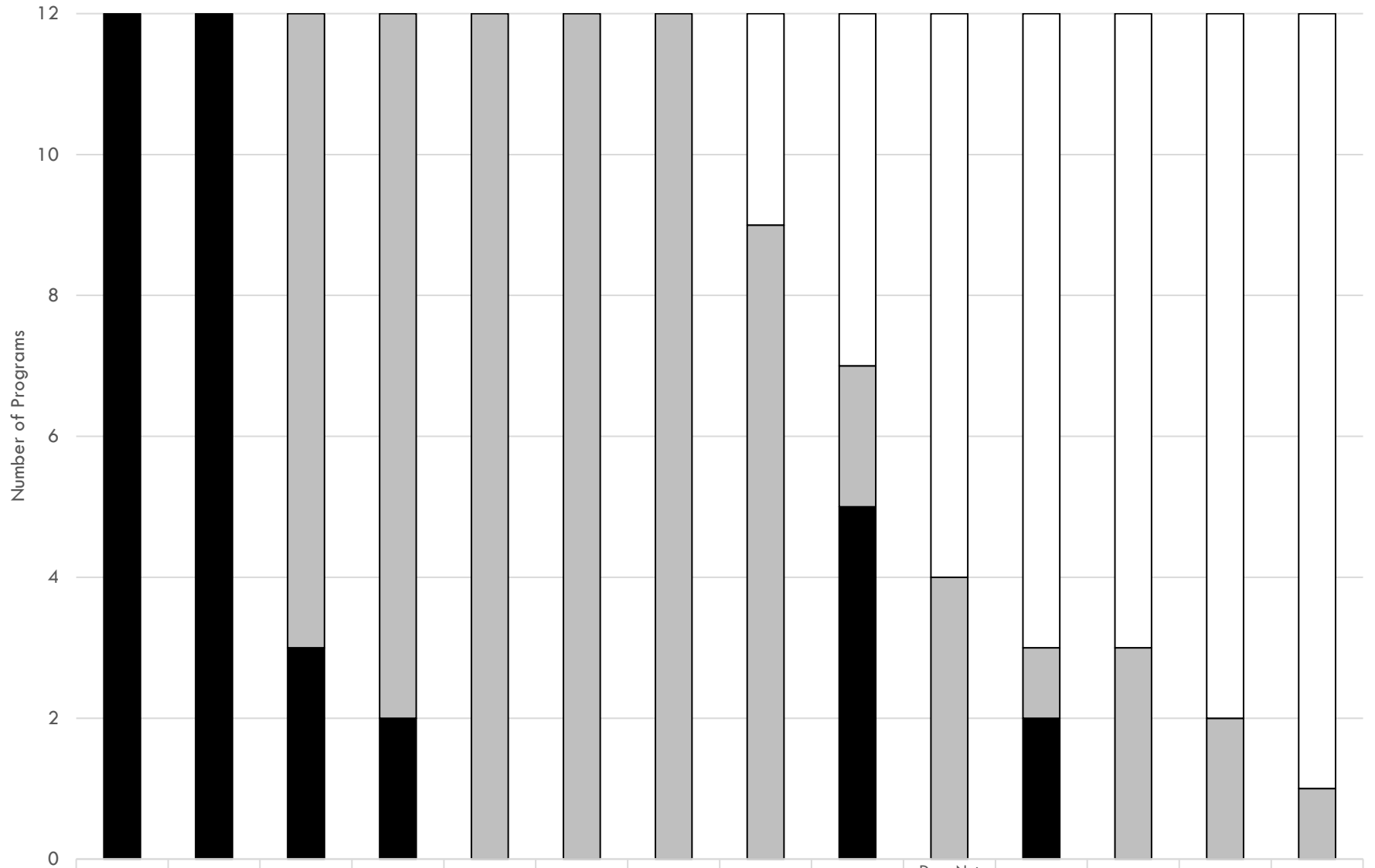
- **Quality Improvement System.** Most programs do not have a quality improvement system that sets objectives consistent with the program's strategic plan, monitors progress towards objectives through an action plan and milestones, and builds in remedial action if there is a performance shortfall. The Department of Administration should consider developing a quality improvement system for all of its programs.
- **Staffing Analysis.** Most programs do not have a staffing analysis that measures caseload and workload and that identifies trends and establishes internal benchmarks for efficient operations. The Department of Administration should consider requiring all programs to conduct a staffing analysis to determine if staffing levels are appropriate based on the volume of work programs are required to perform.

**Department of Administration Measurability Assessments: Summary of Overall Indicator Ratings**

<p>● = Meets    ◐ = Partially Meets    ○ = Does Not Meet</p> <p align="center"><b>Overall Indicator Ratings</b></p>	Indian Affairs	Women & Youth Involvement	Facility Management	Historically Underutilized Businesses	Mail Service Center	Motor Fleet Management	Non-Public Education	Purchase & Contract	State Construction	State Parking	State Property	Surplus Property
	1. Program does not duplicate other related programs.	◐	○	○	◐	○	◐	○	○	○	○	○
2. Program has a problem definition.	●	●	◐	●	○	●	◐	●	○	○	○	○
3. Program has a logic model.	◐	◐	◐	○	◐	◐	◐	○	◐	◐	○	◐
4. Program is evidence-based.	○	◐	○	○	○	○	○	○	○	○	○	○
5. Program has conducted a scalability analysis.	○	○	○	○	◐	○	○	◐	○	○	○	○
6. Program has a strategic plan.	◐	●	◐	●	◐	◐	●	◐	◐	◐	◐	◐
7. Program has performance measures.	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐
8. Program has a quality improvement system.	○	○	○	○	◐	○	◐	◐	○	○	○	○
9. Program has a risk assessment.	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐
10. Program has a financial forecast.	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐
11. Program has cost sharing documents.	●	●	●	●	●	●	●	●	●	●	●	●
12. Program has conducted a staffing analysis.	○	○	●	◐	○	○	○	○	○	○	●	○
13. Program has an accounting system.	●	●	●	●	●	●	●	●	●	●	●	●
14. Program is audited.	●	◐	◐	◐	◐	◐	◐	◐	◐	◐	●	◐

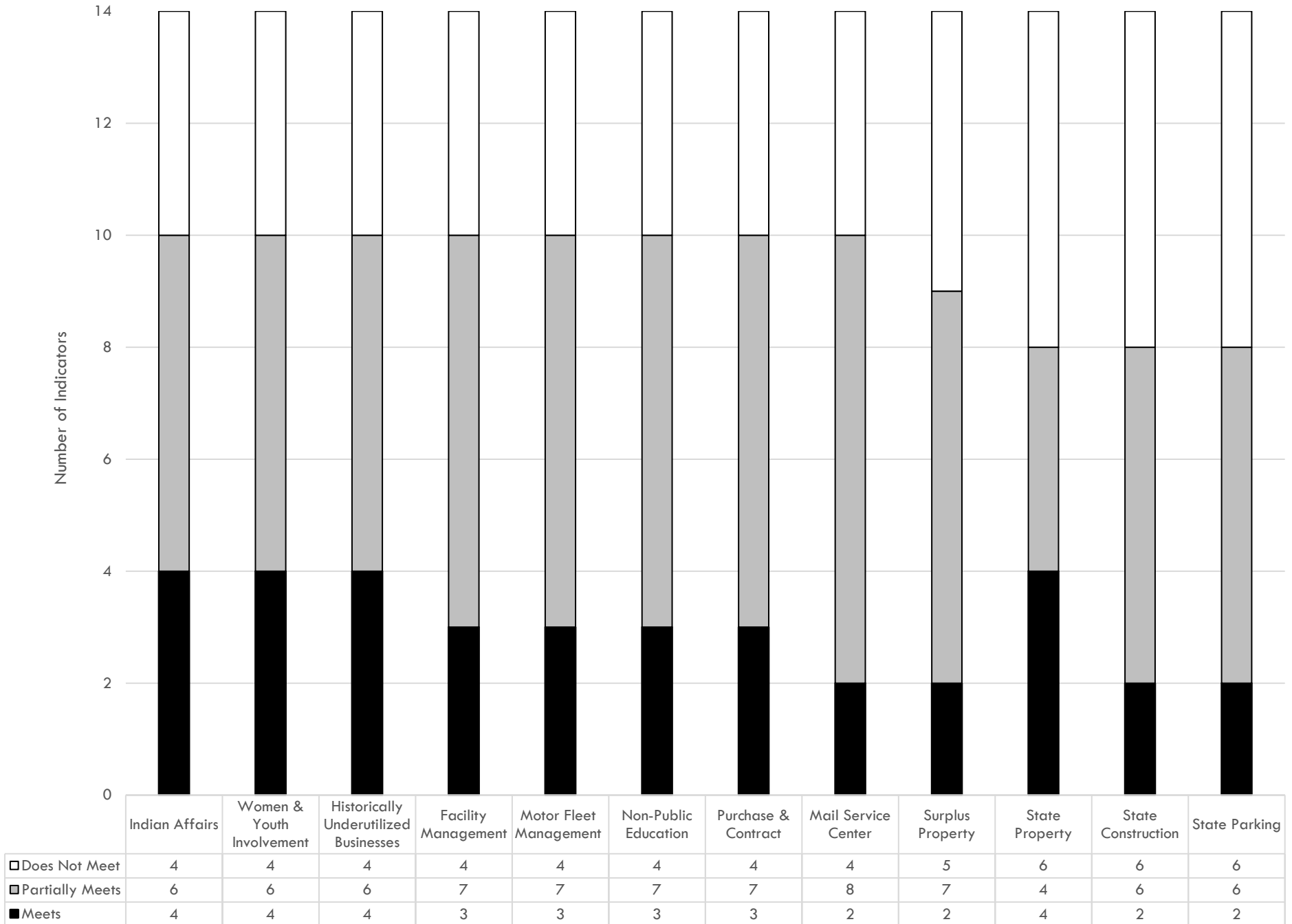


## Department of Administration Measurability Assessments: Degree to which Indicators Are Met by 12 Programs



	Has Cost Sharing Documents	Has an Accounting System	Has a Strategic Plan	Is Audited	Has Performance Measures	Has a Risk Assessment	Has a Financial Forecast	Has a Logic Model	Has a Problem Definition	Does Not Duplicate Other Related Programs	Has Conducted a Staffing Analysis	Has a Quality Improvement Program	Has Conducted a Scalability Analysis	Is Evidence-Based
□ Does Not Meet	0	0	0	0	0	0	0	3	5	8	9	9	10	11
▣ Partially Meets	0	0	9	10	12	12	12	9	2	4	1	3	2	1
■ Meets	12	12	3	2	0	0	0	0	5	0	2	0	0	0

## Department of Administration Measurability Assessments: Degree to which Programs Meet 14 Indicators



**Department of Administration Measurability Assessments: Summary of Key Element and Overall Indicator Ratings**

<p><b>Key Element and Overall Indicator Ratings</b>                      ● = Meets   ◐ = Partially Meets   ○ = Does Not Meet</p> <p>Key elements (e.g., 1.1, 1.2) appear below the indicator label (in gray). Overall indicators (in bold font) appear below the key elements, and their ratings are based on the key element ratings above.</p>	Indian Affairs	Women & Youth Involvement	Facility Management	Historically Underutilized Businesses	Mail Service Center	Motor Fleet Management	Non-Public Education	Purchase & Contract	State Construction	State Parking	State Property	Surplus Property
<b>Indicator 1: Avoids Duplication</b>												
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.	●	○	○	●	○	●	○	○	○	○	○	●
1.2 Inventory demonstrates how the examined program is unique from the other related programs.	●	○	○	●	○	●	○	○	○	○	○	●
1.3 Inventory identifies the purpose of each program.	●	○	○	◐	○	●	○	○	○	○	○	○
1.4 Inventory identifies the services, products, or functions each program is providing.	●	○	○	◐	○	●	○	○	○	○	○	○
1.5 Inventory identifies the target population served by each program.	●	○	○	◐	○	●	○	○	○	○	○	○
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.	◐	○	○	●	○	●	○	○	○	○	○	●
1.7 Inventory is updated periodically.	○	○	○	○	○	◐	○	○	○	○	○	○
<b>1. Program does not duplicate other related programs.</b>	◐	○	○	◐	○	◐	○	○	○	○	○	◐
<b>Indicator 2: Problem Definition</b>												
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.	●	●	◐	●	○	●	◐	●	○	○	○	○
2.2 Problem definition identifies the major factors contributing to the problem.	●	●	◐	●	○	●	○	●	○	○	○	○
2.3 Problem definition identifies current gaps in services or programs.	●	●	◐	●	○	●	○	●	○	○	○	○
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A	●	N/A	N/A	N/A	●	N/A	●	N/A	N/A	N/A	N/A
<b>2. Program has a problem definition.</b>	●	●	◐	●	○	●	◐	●	○	○	○	○

<p><b>Key Element and Overall Indicator Ratings</b></p> <p>● = Meets   ◐ = Partially Meets   ○ = Does Not Meet</p> <p>Key elements (e.g., 1.1, 1.2) appear below the indicator label (in gray). Overall indicators (in bold font) appear below the key elements, and their ratings are based on the key element ratings above.</p>	Indian Affairs	Women & Youth Involvement	Facility Management	Historically Underutilized Businesses	Mail Service Center	Motor Fleet Management	Non-Public Education	Purchase & Contract	State Construction	State Parking	State Property	Surplus Property
<b>Indicator 3: Logic Model</b>												
3.1 Logic model includes specified inputs.	●	●	●	○	●	●	●	○	●	●	○	●
3.2 Logic model includes specified activities.	●	●	◐	○	●	●	●	○	◐	●	○	●
3.3 Logic model includes specified outputs.	○	●	◐	○	○	○	●	○	◐	○	○	●
3.4 Logic model includes specified short-term and long-term outcomes.	●	●	◐	○	●	●	●	○	◐	●	○	●
3.5 Logic model includes specified impacts.	●	●	◐	○	●	●	●	○	◐	●	○	●
3.6 The logic model has been shared with program staff and key stakeholders.	○	○	○	○	○	○	○	○	○	○	○	○
3.7 The logic model is updated periodically.	○	○	○	○	○	○	◐	○	○	○	○	◐
<b>3. Program has a logic model.</b>	◐	◐	◐	○	◐	◐	◐	○	◐	◐	○	◐
<b>Indicator 4: Evidence-Based</b>												
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous outcome evaluations in other jurisdictions.	○	◐	○	○	○	○	○	○	○	○	○	○
<b>4. Program is evidence-based.</b>	○	◐	○	○	○	○	○	○	○	○	○	○
<b>Indicator 5: Scalability Analysis</b>												
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.	○	○	○	○	◐	○	○	◐	○	○	○	○
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.	○	○	○	○	●	○	○	◐	○	○	○	○
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.	○	○	○	○	◐	○	○	◐	○	○	○	○
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.	○	○	○	○	●	○	○	◐	○	○	○	○
<b>5. Program has conducted a scalability analysis.</b>	○	○	○	○	◐	○	○	◐	○	○	○	○

<p><b>Key Element and Overall Indicator Ratings</b>            ● = Meets   ◐ = Partially Meets   ○ = Does Not Meet</p> <p>Key elements (e.g., 1.1, 1.2) appear below the indicator label (in gray).            Overall indicators (in bold font) appear below the key elements, and            their ratings are based on the key element ratings above.</p>	Indian Affairs	Women & Youth Involvement	Facility Management	Historically Underutilized Businesses	Mail Service Center	Motor Fleet Management	Non-Public Education	Purchase & Contract	State Construction	State Parking	State Property	Surplus Property
<b>Indicator 6: Strategic Plan</b>												
6.1 Strategic plan includes a mission statement.	●	●	●	●	●	●	●	●	●	●	●	●
6.2 Strategic plan includes a vision statement.	●	●	◐	●	◐	●	●	◐	●	◐	●	◐
6.3 Strategic plan includes a values statement.	●	●	●	●	●	●	●	●	●	●	●	●
6.4 Strategic plan includes identified goals.	◐	●	◐	●	◐	◐	●	◐	◐	◐	◐	◐
6.5 Strategic plan includes identified objectives.	◐	●	◐	●	◐	◐	●	◐	◐	◐	◐	◐
6.6 Strategic plan includes performance measures.	◐	●	◐	●	◐	◐	●	◐	◐	◐	◐	◐
6.7 Strategic plan is updated periodically.	●	●	●	●	●	●	●	●	●	●	●	●
<b>6. Program has a strategic plan.</b>	◐	●	◐	●	◐	◐	●	◐	◐	◐	◐	◐
<b>Indicator 7: Performance Measurement</b>												
7.1 Performance measures assess key inputs.	◐	◐	○	○	◐	●	◐	○	◐	●	◐	●
7.2 Performance measures assess key outputs.	●	●	◐	●	●	●	●	○	◐	●	◐	●
7.3 Performance measures assess efficiency/process.	○	○	○	○	●	●	●	○	◐	●	○	●
7.4 Performance measures assess quality.	○	◐	◐	○	●	●	○	●	◐	●	○	●
7.5 Performance measures assess key outcomes.	●	○	○	●	●	●	●	○	◐	●	○	●
7.6 Program has a defined method for collecting performance data.	○	○	○	○	○	○	○	○	◐	○	○	○
7.7 Program has a standard format for reporting performance data.	●	●	○	●	●	●	○	○	◐	●	○	●
7.8 Program validates performance measures periodically.	○	○	○	○	●	○	○	○	○	○	○	○
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.	○	○	○	●	○	○	○	○	◐	○	○	●
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	●	○	○	●	●	●	●	○	◐	●	○	●
<b>7. Program has performance measures.</b>	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐

<p><b>Key Element and Overall Indicator Ratings</b>            ● = Meets   ◐ = Partially Meets   ○ = Does Not Meet</p> <p>Key elements (e.g., 1.1, 1.2) appear below the indicator label (in gray). Overall indicators (in bold font) appear below the key elements, and their ratings are based on the key element ratings above.</p>	Indian Affairs	Women & Youth Involvement	Facility Management	Historically Underutilized Businesses	Mail Service Center	Motor Fleet Management	Non-Public Education	Purchase & Contract	State Construction	State Parking	State Property	Surplus Property
<b>Indicator 8: Quality Improvement System</b>												
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.	○	○	○	○	●	○	◐	●	○	○	○	○
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.	○	○	○	○	◐	○	◐	◐	○	○	○	○
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.	○	○	○	○	◐	○	○	◐	○	○	○	○
8.4 Program takes remedial action if there is a performance shortfall.	○	○	○	○	●	○	○	◐	○	○	○	○
<b>8. Program has a quality improvement system.</b>	○	○	○	○	◐	○	◐	◐	○	○	○	○
<b>Indicator 9: Risk Assessment</b>												
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.	○	○	○	○	○	○	○	○	○	○	○	○
<b>9. Program has a risk assessment.</b>	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐
<b>Indicator 10: Financial Forecast</b>												
10.1 Financial forecast is conducted at least annually.	●	●	●	●	●	●	●	●	●	●	●	●
10.2 Financial forecast projects revenues and expenditures for at least 5 years.	◐	◐	◐	◐	◐	◐	◐	◐	◐	●	◐	◐
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	●	●	●	●	●	●	●	●	●	●	●	●
10.4 Financial forecast is based on a basic model of forecasting.	●	●	●	●	●	●	●	●	●	●	●	●
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.	○	○	○	○	○	○	○	○	○	◐	○	○
<b>10. Program has a financial forecast.</b>	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐	◐

<p><b>Key Element and Overall Indicator Ratings</b></p> <p>● = Meets   ◐ = Partially Meets   ○ = Does Not Meet</p> <p>Key elements (e.g., 1.1, 1.2) appear below the indicator label (in gray). Overall indicators (in bold font) appear below the key elements, and their ratings are based on the key element ratings above.</p>	Indian Affairs	Women & Youth Involvement	Facility Management	Historically Underutilized Businesses	Mail Service Center	Motor Fleet Management	Non-Public Education	Purchase & Contract	State Construction	State Parking	State Property	Surplus Property
<b>Indicator 11: Cost Sharing</b>												
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	●	●	N/A	N/A	N/A	N/A	●	N/A	●	N/A	●	N/A
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	N/A	N/A	●	●	●	●	N/A	●	N/A	●	N/A	●
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	N/A	N/A	●	●	●	●	N/A	●	N/A	●	N/A	●
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	N/A	N/A	●	●	●	●	N/A	●	N/A	●	N/A	●
<b>11. Program has cost sharing documents.</b>	●	●	●	●	●	●	●	●	●	●	●	●
<b>Indicator 12: Staffing Analysis</b>												
12.1 Staffing analysis measures caseload and workload.	○	○	●	◐	○	○	○	○	○	○	●	○
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.	○	○	●	○	○	○	○	○	○	○	●	○
<b>12. Program has conducted a staffing analysis.</b>	○	○	●	◐	○	○	○	○	○	○	●	○
<b>Indicator 13: Accounting System</b>												
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	●	●	●	●	●	●	●	●	●	●	●	●
13.2 Accounting system tracks financial information on cash and accrual basis.	●	●	●	●	●	●	●	●	●	●	●	●
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	●	●	●	●	●	●	●	●	●	●	●	●
<b>13. Program has an accounting system.</b>	●	●	●	●	●	●	●	●	●	●	●	●

<p><b>Key Element and Overall Indicator Ratings</b>            ● = Meets   ◐ = Partially Meets   ○ = Does Not Meet</p> <p>Key elements (e.g., 1.1, 1.2) appear below the indicator label (in gray). Overall indicators (in bold font) appear below the key elements, and their ratings are based on the key element ratings above.</p>	Indian Affairs	Women & Youth Involvement	Facility Management	Historically Underutilized Businesses	Mail Service Center	Motor Fleet Management	Non-Public Education	Purchase & Contract	State Construction	State Parking	State Property	Surplus Property
<b>Indicator 14: Audit</b>												
14.1 Audit documents include a description of audit requirements.	●	●	●	●	●	●	●	●	●	●	●	●
14.2 Audit documents describe accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	●	●	●	●	●	●	●	●	●	●	●	●
14.3 Program maintains a record of prior audits, examinations, and evaluations.	●	○	○	○	○	●	○	○	○	○	●	○
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.	●	○	○	○	○	○	○	○	○	○	●	○
<b>14. Program is audited.</b>	●	◐	◐	◐	◐	◐	◐	◐	◐	◐	●	◐



# Measurability Assessments of the Department of Administration's 12 Programs

Measurability Assessments Conducted by Program Evaluation Division

## Table of Contents

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# Program Name: Commission of Indian Affairs

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.		✓		3
2. Program has a problem definition.	✓			4
3. Program has a logic model.		✓		5
4. Program is evidence-based.			✓	6
5. Program has conducted a scalability analysis.			✓	7
6. Program has a strategic plan.		✓		8
7. Program has performance measures.		✓		9
8. Program has a quality improvement system.			✓	11
9. Program has a risk assessment.		✓		12
10. Program has a financial forecast.		✓		13
11. Program has cost sharing documents.	✓			14
12. Program has conducted a staffing analysis.			✓	15
13. Program has an accounting system.	✓			16
14. Program is audited.	✓			17

# Commission of Indian Affairs

The Commission of Indian Affairs is a division within the Department of Administration.

- **Mission:** To advocate for cultural, educational, social, political, and economic opportunities for American Indians in North Carolina
- **Statutory Authority:** N.C. Gen. Stat. §§ 143B-404, 143B-405, and 143B-406
- **Service Population:** State and federally recognized tribal and urban Indian communities

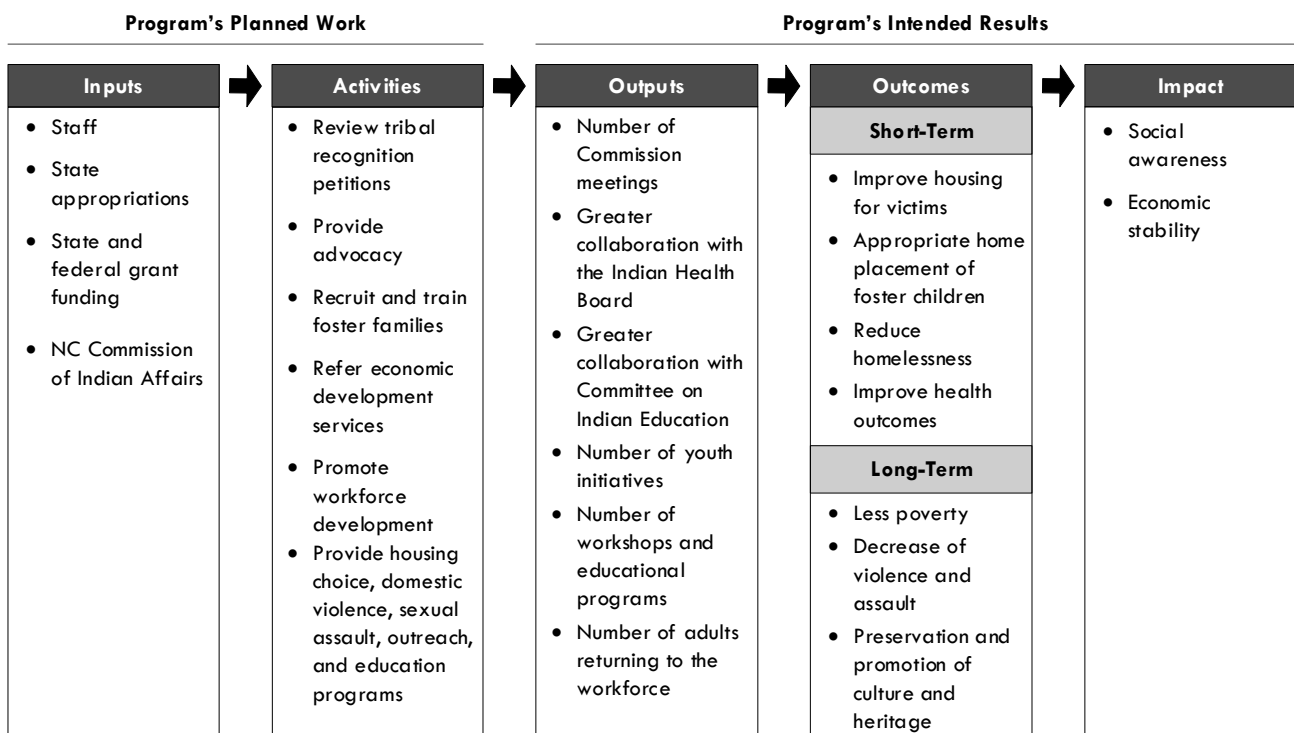
## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$4,878,467	\$5,425,033	\$5,075,033
Total Receipts	(\$4,575,851)	(\$4,742,931)	(\$4,742,931)
Appropriation	\$302,850	\$682,336	\$332,336
<hr/>			
Total Positions	17.91	16	16

Notes: For Fiscal Year 2016–17, BEACON shows the Commission having 17.75 positions as of June 30, 2017, instead of 17.91. Total Requirements minus Total Receipts does not equal Appropriation because receipts include positive fund balances from some special funds (i.e., Indian Talent Search, Energy Assistance Program). In addition, receipts represent funds associated with the HUD Section 8 Voucher Program.

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Commission of Indian Affairs.

# Program Name: Commission of Indian Affairs

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.	✓		
1.2 Inventory demonstrates how the examined program is unique from the other related programs.	✓		
1.3 Inventory identifies the purpose of each program.	✓		
1.4 Inventory identifies the services, products, or functions each program is providing.	✓		
1.5 Inventory identifies the target population served by each program.	✓		
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.		✓	
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>		✓	

Description: The Commission of Indian Affairs has a program inventory that identifies other state and federal programs that either serve the American Indian population specifically (i.e., American Indian Workforce Development, Indian Child Welfare, Supporting Undergraduate Native Students, State Recognition, Federal Acknowledgement/ Recognition) or provide services to the general population that are similar to services provided by the Commission (i.e., Community Services, Domestic Violence and Sexual Assault, Economic Development, Low Income Energy Assistance Program, Section 8 Housing Choice Voucher, NC National Farmworker Jobs).

The Commission is unique because the programs that provide services to the general population rarely provide services to American Indians or their communities. The Commission attempts to avoid wasteful competition and duplication by tracking recipients' Social Security numbers, but it does not coordinate with other programs. The inventory identifies the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Commission did not provide documentation demonstrating it updates its program inventory periodically.

Suggestions: The Commission should reach out to similar programs and individually describe its efforts to coordinate with them. The Commission should update its program inventory periodically and indicate on the document when it was last updated. In addition, the Commission's inventory could be strengthened in the following ways:

- including the Commission itself in the inventory so that it is clear which services the Commission provides that no other programs provide;
- crafting more succinct purpose statements; and
- separating programs' purposes from their services, products, or functions and from their target populations for ease of comparison.

# Program Name: Commission of Indian Affairs

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.	✓		
2.2 Problem definition identifies the major factors contributing to the problem.	✓		
2.3 Problem definition identifies current gaps in services or programs.	✓		
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>	✓		

Description: The Commission of Indian Affairs has a problem definition based on the following supportive evidence:

- US Census data (2010) shows that North Carolina American Indians have a lower median age, have lower median household incomes, and are less likely to own their home than the general North Carolina population and/or US population.
- A survey (2017) by the NC Native American Youth Organization of American Indian students found the most common problems facing them included substance abuse, discrimination, education, and bullying.

The problem definition identifies the major factor contributing to the problem is the historical displacement and treatment of the American Indian population. The problem definition identifies the current gaps in services because programs for the general population (i.e., Community Services, Domestic Violence and Sexual Assault, Economic Development, Low Income Energy Assistance Program, Section 8 Housing Choice Voucher, NC National Farmworker Jobs) rarely provide services to American Indians or their communities.

Suggestions: The Commission could use the information it has from multiple sources to create an original document that would be a more concise and effective problem definition. The Commission could collect additional supportive evidence by surveying other American Indian cohorts, in addition to students, to determine the most common problems they face. The Commission could identify contemporary factors contributing to the problems faced by American Indians. To quantify current gaps in services, the Commission could compare how much of the American Indian population is being reached by programs for the general population versus how many should be receiving services based on demographic data.

# Program Name: Commission of Indian Affairs

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Commission of Indian Affairs has a logic model that includes specified inputs, such as state and federal grant funding, state appropriations, and the Commission. The logic model includes specified activities, such as providing advocacy, reviewing petitions for tribal recognition, and administering housing, domestic violence, and sexual assault programs. Although the logic model identifies the types of participants in the Commission's activities, it does not include specified outputs. The logic model includes specified short-term outcomes (e.g., improved housing) and long-term outcomes (e.g., decrease violence and assault). The logic model includes specified impacts, such as social awareness and economic stability.

The Commission did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Commission did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Commission should include specified outputs in its logic model. For example, outputs might include the number of Commission meetings, number of youth initiatives, number of workshops and educational programs, and number of adults returning to the workforce. The Commission should share its logic model with staff and key stakeholders. The Commission should update its logic model periodically and indicate on the document when it was last updated. In addition, the Commission's logic model could be strengthened in the following ways:

- include all key inputs, such as staff;
- describe activities in a parallel format;
- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased); and
- differentiate long-term outcomes from impacts.

# Program Name: Commission of Indian Affairs

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓

Description: Although the Commission of Indian Affairs provided a financial audit of its Housing Choice Vouchers Program (2016), this financial audit is not an impact evaluation. Therefore, the Commission did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Commission should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the social conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted social conditions.

# Program Name: Commission of Indian Affairs

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the Commission of Indian Affairs is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Commission did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Commission should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			



# Program Name: Commission of Indian Affairs

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The Commission of Indian Affairs has a mission statement: “to advocate for cultural, educational, social, political, and economic opportunities for American Indians in North Carolina.” The Commission has a vision statement: “The American Indian communities in our State are located in predominately low wealth counties that are plagued by a high percentage of unemployment, lack of economic opportunities, higher than average high school dropout rates, and increased rates of violence. The Commission will continue its ongoing efforts to coordinate opportunities through local, state, and federal programs to improve the quality of life of the American Indian population in the State.” The Commission has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Commission updates its strategic plan every two years in accordance with biennium budgets. The Commission is in the process of updating its strategic plan to include goals, objectives, and performance measures.

Suggestions: The Commission should update its strategic plan, in one document, to identify program-specific goals, objectives, and performance measures.

# Program Name: Commission of Indian Affairs

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.		✓	
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.			✓
7.4 Performance measures assess quality.			✓
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: The Commission of Indian Affairs has performance measures that assess key outputs, such as

- number of tobacco prevention and cessation activities sponsored in target communities,
- number of elderly/disabled clients served by the Community Services Program in target counties, and
- number of low-income American Indian students participating in the Supporting Undergraduate Native Students program.

The Commission has performance measures that assess key outcomes, such as

- percentage of Workforce Investment Act program participants exiting the program and entering unsubsidized employment,
- number of Section 8 Housing Vouchers allocated to qualified low-income families, and
- number of low-income American Indian students participating in the Supporting Undergraduate Native Students program who experience education achievement at the post-high school level.

Therefore, the Commission has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts. In addition, the Commission has a standard format for reporting performance data.

Although the Commission has performance measures that assess certain key inputs, such as funding, the Commission did not provide documentation demonstrating it has performance measures for other key inputs, such as staff. In addition, the Commission did not provide documentation demonstrating it has performance measures that assess efficiency/process or quality. The Commission did not provide documentation demonstrating it has a defined method for collecting performance data, validates its

## Program Name: Commission of Indian Affairs

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performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.

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Suggestions: The Commission should have performance measures that assess all of its key inputs, such as staff, and it should report input data in the same document that it reports output and outcome data. The Commission should have performance measures that assess efficiency/process (i.e., the inputs used per unit of output) and quality (i.e., the degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive).

The Commission should have a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). The Commission should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. The Commission also should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

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# Program Name: Commission of Indian Affairs

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓

Description: Although leadership staff of the Commission of Indian Affairs has weekly meetings to discuss program progress with leadership staff of the Department of Administration, these meetings do not constitute a quality improvement system. Therefore, the Commission did not provide documentation demonstrating it has a quality improvement system.

Suggestions: The Commission should create a quality improvement system that sets annual objectives and then tracks performance towards these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Commission's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Commission should take remedial action if there is a performance shortfall.

# Program Name: Commission of Indian Affairs

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Commission of Indian Affairs did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Commission.

Suggestions: The Commission should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Commission should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Commission should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Commission of Indian Affairs

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Commission of Indian Affairs follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Commission to conduct two years of financial forecasting, the Commission did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Commission did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Commission should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Commission of Indian Affairs

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	✓		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
Description: The Commission of Indian Affairs does not require program participants to pay for its services. Generally, participation costs are funded by the federal government or nonprofits.			
Suggestions: None.			

# Program Name: Commission of Indian Affairs

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Commission of Indian Affairs did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Commission should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.



# Program Name: Commission of Indian Affairs

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Commission of Indian Affairs uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Commission of Indian Affairs

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.	✓		
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>	✓		

Description: The Commission of Indian Affairs has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. The Commission provided a financial audit, which was conducted by the State Auditor, of its Housing Choice Vouchers Program (2016) to demonstrate it has a record of prior audits. The Commission provided documentation demonstrating it has not had any findings in recent years to enter into its record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Commission could improve its record of prior audits by listing key aspects of them (e.g., subject of audit, date completed, major findings, corrective actions) in a separate document from the audits themselves.

# Program Name: Council for Women and Youth Involvement

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	20
2. Program has a problem definition.	✓			21
3. Program has a logic model.		✓		23
4. Program is evidence-based.		✓		24
5. Program has conducted a scalability analysis.			✓	25
6. Program has a strategic plan.	✓			26
7. Program has performance measures.		✓		28
8. Program has a quality improvement system.			✓	30
9. Program has a risk assessment.		✓		31
10. Program has a financial forecast.		✓		32
11. Program has cost sharing documents.	✓			33
12. Program has conducted a staffing analysis.			✓	34
13. Program has an accounting system.	✓			35
14. Program is audited.		✓		36

# Council for Women and Youth Involvement

The Council for Women and Youth Involvement is a division within the Department of Administration. The Council is comprised of the former Council for Women, former Domestic Violence Commission, and former Youth Advocacy and Involvement Office.

- **Mission:** To advise the governor and legislators on issues affecting women in North Carolina, advocate for and direct needed resources to front line programs serving victims of domestic violence or sexual assault or displaced homemakers in transition, and improve the quality of life for children and youth through advocacy, leadership development, positive youth programs, and education by real world experience
- **Statutory Authority:** N.C. Gen. Stat. § 143B-393
- **Service Population:** Women and youth populations

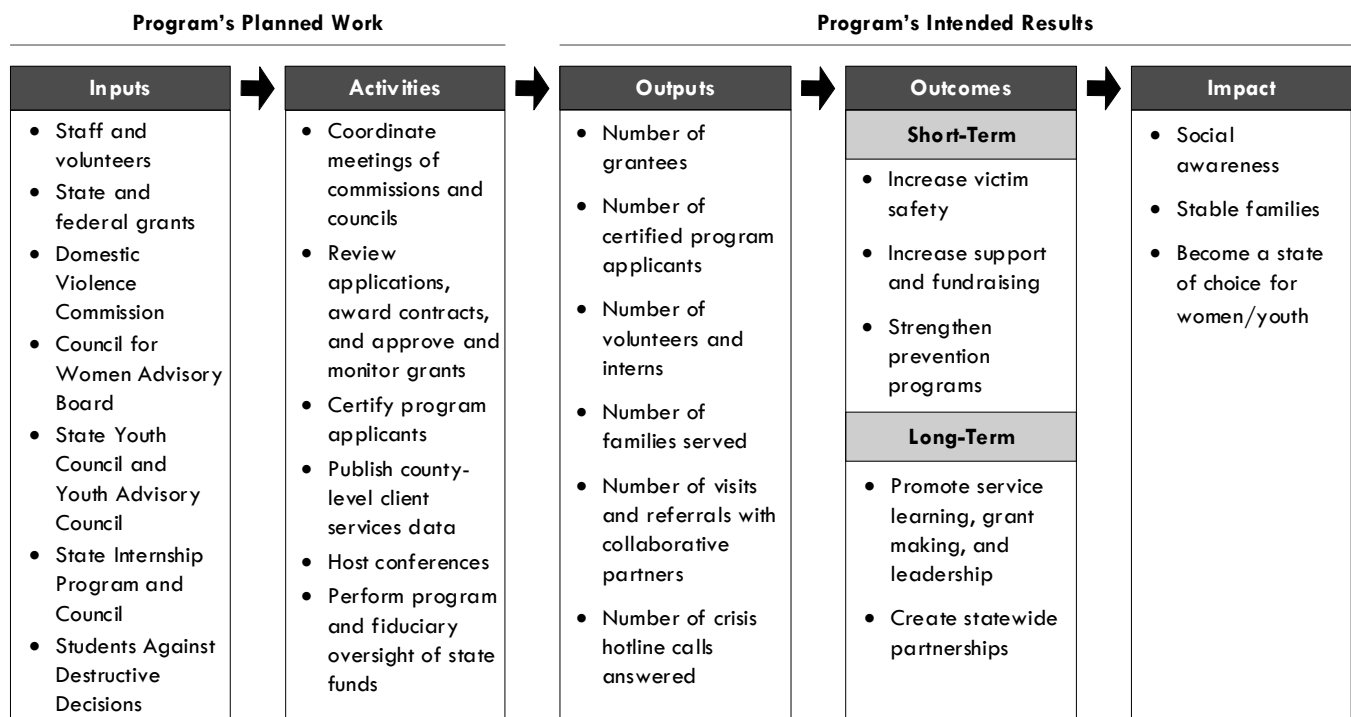
## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$13,248,726	\$13,610,221	\$13,085,221
Total Receipts	(\$4,018,127)	(\$4,018,127)	(\$4,018,127)
Appropriation	\$9,230,599	\$9,592,094	\$9,067,094
<hr/>			
Total Positions	17	17	17

Note: Receipts represent court fees for the Domestic Violence Center, Family Prevention and Services grant, and Human Trafficking grant.

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Council for Women and Youth Involvement.

# Program Name: Council for Women and Youth Involvement

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the Council for Women and Youth Involvement has a description of its own program, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Council cannot demonstrate how it is unique from other related programs. To coordinate with other related programs to avoid wasteful competition and duplication,

- the Director of the Council serves on the Department of Public Safety, Governor’s Crime Commission, Crime Victims’ Service Committee and the Council for Women Advisory Board and Domestic Violence Commission and
- Council staff attend meetings of the Human Trafficking Commission.

These efforts help the Council coordinate with other related programs, but without an inventory, the Council cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Council should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify programs that provide funding to domestic violence programs and youth advocacy programs. Then, the Council should create an inventory that identifies other current programs active in the policy area that address the same goal as the Council, similar to the information the Council provided for state internship programs. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Council should include itself in the inventory so that it is clear which services the Council provides that no other programs provide. The inventory should demonstrate how the Council is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Council should update the program inventory periodically.

# Program Name: Council for Women and Youth Involvement

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.	✓		
2.2 Problem definition identifies the major factors contributing to the problem.	✓		
2.3 Problem definition identifies current gaps in services or programs.	✓		
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>	✓		

Description: The Council for Women has a problem definition based on the following examples of supportive evidence:

- Institute for Women’s Policy Research data (2013) shows that, in North Carolina, women earn an average of \$7,000 less than men, women with a bachelor’s degree earn 29% less than men, and 17% of women live in poverty. In addition, North Carolina ranks 37<sup>th</sup> in the nation for percentage of women with health insurance.
- Institute for Women’s Policy Research data (2013) shows that nearly 9 out of 10 clients served by North Carolina sexual assault centers are women. A national survey (2010) found, in North Carolina, 1 in 5 women reported having experienced rape in their lifetime and 51% of women reported experiencing sexual assault other than rape in their lifetime.
- Institute for Women’s Policy Research data (2013) shows that, in North Carolina, more than four out of five clients served by domestic violence centers are women.
- The National Human Trafficking Hotline (2014) received 603 tips from North Carolina, the 10<sup>th</sup> highest call volume of all 50 states.

The problem definition identifies the major factor contributing to the problem is violence against women. The problem definition identifies the current gaps in services by reporting national data from the Family and Youth Services Bureau on how many clients were served by domestic violence programs and how many crisis calls were received. In the policy area of domestic violence, the problem definition states there are national evidence-based efforts that are transferable to North Carolina.

In addition, the Youth Advocacy and Involvement Office has a problem definition based on supportive evidence that a Liberty Mutual Insurance and Students Against Destructive Decisions study (2015) found teens are ignoring the basic rules of the road—from observing speed limits and wearing seatbelts to engaging in aggressive driving behaviors—and parents are largely unaware. The problem definition identifies the major factors contributing to the problem are drinking and driving, underage drinking, and destructive decision-making resulting from alcohol and other drug use. The problem definition identifies the current gaps in services by reporting data from the National

## **Program Name: Council for Women and Youth Involvement**

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Highway Traffic Safety Administration that the risk of a fatal crash goes up in direct relation to the number of teens in the car.

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Suggestions: The Council could use the information it has from multiple sources to create an original document that would be a more concise and effective problem definition. The Council could provide more supportive evidence that clearly describes the nature and extent of the human trafficking problem. The Office could either describe the problems or state there are no problems that the Internship Program and State Youth Council are intended to address. To quantify current gaps in services, the Council and the Office could determine how much of the population in need of services is receiving them.

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# Program Name: Council for Women and Youth Involvement

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.	✓		
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Council for Women and Youth Involvement has a logic model that includes specified inputs, such as staff, volunteers, and interns; commissions and councils; and state and federal grants. The logic model includes specified activities, such as reviewing, awarding, approving, and monitoring grant applicants. The logic model includes specified outputs, such as number of grantees, number of volunteers and interns, and number of crisis hotline calls answered. The logic model includes specified short-term outcomes (e.g., increase support and fundraising) and long-term outcomes (e.g., create statewide partnerships). The logic model includes specified impacts, such as stable families.

The Council did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Council did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Council should share its logic model with staff and key stakeholders. The Council should update its logic model periodically and indicate on the document when it was last updated. In addition, the Council's logic model could be strengthened in the following ways:

- describe activities with verbs and in a parallel format,
- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased), and
- differentiate long-term outcomes from impacts.



# Program Name: Council for Women and Youth Involvement

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.		✓	
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>		✓	
<p>Description: The Council for Women and Youth Involvement receives funds from the National Resource Center on Domestic Violence, whose Domestic Violence Evidence Project is a promising practice, and distributes those funds to North Carolina domestic violence programs. However, for its other primary services, the Council did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.</p>			
<p>Suggestions: The Council should identify all of the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the social conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted social conditions.</p>			

# Program Name: Council for Women and Youth Involvement

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓

Description: Although the Council for Women and Youth Involvement is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. Although the Council provided information on its staff's ability to meet increased demands as the number of regional offices has decreased, this information does not demonstrate the Council has conducted a scalability analysis.

Suggestions: The Council should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.

# Program Name: Council for Women and Youth Involvement

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.	✓		
6.5 Strategic plan includes identified objectives.	✓		
6.6 Strategic plan includes performance measures.	✓		
6.7 Strategic plan is updated periodically.	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>	✓		

The Council for Women's strategic plan includes a mission statement: "to advise the governor and legislators on issues affecting women in North Carolina and to advocate for and direct the needed resources to front line programs serving victims of domestic violence or sexual assault or displaced homemakers in transition." The Council's strategic plan includes a vision statement: "We will strive to become more effective advocates for women's issues in North Carolina by improving our outreach, communications, and marketing of services and programs." The Council's strategic plan includes the following goals:

- increase visibility and advocacy outreach through CFW/DVC staff and board member participation in public awareness and educational presentations in the regions within the next 12 months;
- improve CFW/DVC's communication by channeling emails through the regions and by increasing the information available on the website and on listservs; and
- acquire grant administration technology and acquire additional personnel for grant administration and the mandated oversight of the abuser treatment programs.

The Council's strategic plan includes the following objectives:

- redesign the website so that all reports and forms are available;
- provide focused education, technical assistance, and training to increase the number of programs meeting performance measures;
- convert all grant forms and applications to online documents; and
- design a Public Awareness Campaign focusing on preventing violence against women.

The Council's strategic plan includes performance measures, which are discussed in Indicator 7.

The Youth Advocacy and Involvement Office's strategic plan includes a mission statement: "to improve the quality of life for North Carolina's children and youth through individual and system advocacy, leadership development, positive youth programs, and education by real world experience." The Office's strategic plan includes a vision statement: "Due to increasing need for our services, the growth in North Carolina's population, and a general requirement that state government become

## **Program Name: Council for Women and Youth Involvement**

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more responsive and accountable, the Office must become more effective and efficient in serving children and youth in North Carolina.”

The Office's strategic plan includes the following goals:

- improve marketing, outreach, and web-based communication with clients, partners, and other state agencies; and
- obtain support from various entities to expand the paid internship opportunities in state government that are offered to college/law students.

The Office's strategic plan includes the following objectives:

- provide outreach for Office programs and services to increase referrals and awareness;
- publicize paid internship placements to show benefits; and
- make website more youth friendly and introduce more social marketing tools (e.g., blogs, Facebook).

The Office's strategic plan includes performance measures, which are discussed in Indicator 7.

The Council for Women and Youth Involvement has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Council for Women and Youth Involvement updates its strategic plan every two years in accordance with biennium budgets.

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Suggestions: None.

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# Program Name: Council for Women and Youth Involvement

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.		✓	
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.			✓
7.4 Performance measures assess quality.		✓	
7.5 Performance measures assess key outcomes.			✓
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: The Council for Women has performance measures that assess key outputs, such as

- number of unduplicated clients/victims served by domestic violence, substance abuse, and displaced homemaker grants,
- number of training and educational presentations by the Council and its funding organizations, and
- number of hits to the Council's website.

The Council has a standard format for reporting performance data.

Although the Council has performance measures that assess key inputs, such as staff, the Council did not provide documentation demonstrating it has performance measures to assess other key inputs, such as funding. In addition, the Council did not provide documentation demonstrating it has performance measures that assess efficiency/process, quality, or outcomes. Therefore, the Council does not have performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

The Council also did not provide documentation demonstrating it has a defined method for collecting performance data, validates its performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.

The Youth Advocacy and Involvement Office has performance measures that assess key outputs, such as

- percentage of internship participants and supervisors who feel that the program is an overall success;
- number of youth exposed to positive community service experiences; and

## Program Name: Council for Women and Youth Involvement

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- amount of grants, gifts, and contributions raised to support Students Against Destructive Decisions and Youth Leadership Association conferences.

The Office has a performance measure that assesses quality (e.g., annual survey measuring perceived success of program) and has a standard format for reporting performance data.

Although the Office has performance measures that assess key inputs, such as funding, the Office did not provide documentation demonstrating it has performance measures for other key inputs, such as staff. In addition, the Office did not provide documentation demonstrating it has performance measures that assess efficiency/process or outcomes. Therefore, the Office does not have performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

The Office did not provide documentation demonstrating it has a defined method for collecting performance data, validates its performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.

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Suggestions: Both the Council for Women and the Youth Advocacy and Involvement Office should have performance measures that assess all of their key inputs, such as staff and funding, and they should report input data in the same document that they report output and outcome data. Both the Council and the Office should have performance measures that assess efficiency/process (i.e., the inputs used per unit of output). The Council for Women should have performance measures that assess quality (i.e., the degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive). Both the Council and the Office should have performance measures that assess key outcomes (e.g., increased safety for all victims of domestic violence and substance abuse).

In addition, both the Council and the Office should have a defined method for collecting performance data that explains what they are going to collect and how (e.g., who will be surveyed and how often). The Council and the Office should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. The Council and the Office also should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

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# Program Name: Council for Women and Youth Involvement

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓
<p>Description: Although leadership staff of the Council for Women and Youth Involvement has weekly meetings to discuss program progress with leadership staff of the Department of Administration, these meetings do not constitute a quality improvement system. Therefore, the Council did not provide documentation demonstrating it has a quality improvement system.</p>			
<p>Suggestions: The Council should create a quality improvement system that sets annual objectives and then tracks performance towards these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Council's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Council should take remedial action if there is a performance shortfall.</p>			

# Program Name: Council for Women and Youth Involvement

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Council for Women and Youth Involvement did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Council.

Suggestions: The Council should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Council should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Council should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.



# Program Name: Council for Women and Youth Involvement

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Council for Women and Youth Involvement follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Council to conduct two years of financial forecasting, the Council did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Council did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Council should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Council for Women and Youth Involvement

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	✓		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
Description: The Council for Women and Youth Involvement does not require program participants to pay for its services. Generally, participation costs are funded by voluntary dues and sponsorships.			
Suggestions: None.			

# Program Name: Council for Women and Youth Involvement

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Council for Women and Youth Involvement did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Council should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

# Program Name: Council for Women and Youth Involvement

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Council for Women and Youth Involvement uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Council for Women and Youth Involvement

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Council for Women and Youth Involvement has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Council did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Council did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Council should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Council should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.

# Program Name: Facility Management Division

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	39
2. Program has a problem definition.		✓		40
3. Program has a logic model.		✓		41
4. Program is evidence-based.			✓	42
5. Program has conducted a scalability analysis.			✓	43
6. Program has a strategic plan.		✓		44
7. Program has performance measures.		✓		45
8. Program has a quality improvement system.			✓	47
9. Program has a risk assessment.		✓		48
10. Program has a financial forecast.		✓		49
11. Program has cost sharing documents.	✓			50
12. Program has conducted a staffing analysis.	✓			51
13. Program has an accounting system.	✓			52
14. Program is audited.		✓		53

# Facility Management Division

Facility Management is a division within the Department of Administration.

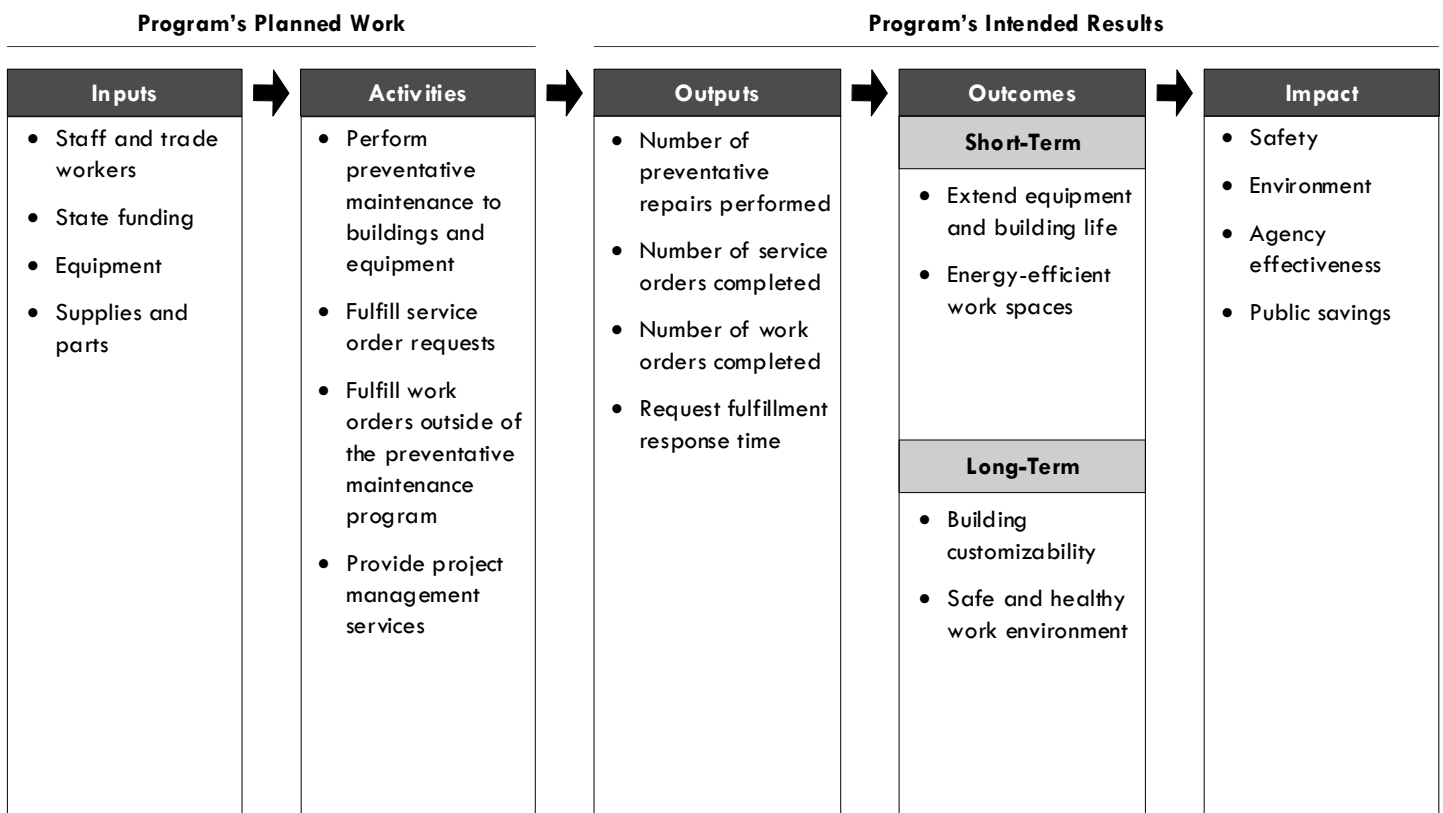
- **Mission:** To provide a safe and healthful work environment for employees and the general public in a cost-effective and energy-efficient manner
- **Statutory Authority:** N.C. Gen. Stat. § 143-341
- **Covered Entities:** State facilities allocated to the Department of Administration

## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$31,531,658	\$31,169,195	\$31,169,195
Total Receipts	(\$4,030,404)	(\$3,668,687)	(\$3,668,687)
Appropriation	\$27,501,254	\$27,500,508	\$27,500,508
<hr/>			
Total Positions	154.25	147	147
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Note: For Fiscal Year 2016–17, BEACON shows the Division having 149 positions as of June 30, 2017, instead of 154.25.			

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Facility Management Division.

# Program Name: Facility Management Division

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the Facility Management Division has a description of its own program, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Division cannot demonstrate how it is unique from other related programs. The Division identified issues that arise when other entities do not coordinate with it (e.g., the Division is now responsible for maintaining faulty and substandard materials chosen by the entities that designed and constructed the Public Health Lab and Nature Research Center) but provided no documentation of coordination efforts. Without an inventory, the Division cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Division should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify programs that provide facility maintenance, alteration services for small to medium size renovations, building security, landscaping, and engineering services for state agencies. Then, the Division should create an inventory that identifies other current programs active in the policy area that address the same goal as the Division. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Division should include itself in the inventory so that it is clear which services the Division provides that no other programs provide. The inventory should demonstrate how the Division is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Division should update the program inventory periodically.



# Program Name: Facility Management Division

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.		✓	
2.2 Problem definition identifies the major factors contributing to the problem.		✓	
2.3 Problem definition identifies current gaps in services or programs.		✓	
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>		✓	

Description: The Facility Management Division has a problem definition based on supportive evidence from the State Construction Office’s Facilities Condition Assessment Program Report, which conveys major maintenance needs of state-owned buildings. Many buildings and much of the equipment maintained by the Division have significant, urgent maintenance needs just to keep them habitable or functional. The problem definition identifies the major factor contributing to the problem is, inevitably, every building or system will require maintenance, repair, or replacement. The problem definition identifies current gaps in services based on the backlog of needed repairs listed in the Facilities Condition Assessment Program Report. However, the problem definition does not address all of the operations performed by the Division.

Suggestions: The Division should create a problem definition, in one document, that addresses all of its operations, such as landscaping, safety and security, and engineering services. The problem definition should be based on supportive evidence that clearly describes the nature and extent of all of the problems the Division is intended to address. The problem definition should identify the major factors contributing to all of the problems the Division is intended to address, and the problem definition should identify current gaps in all of the Division’s services.

# Program Name: Facility Management Division

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.		✓	
3.3 Logic model includes specified outputs.		✓	
3.4 Logic model includes specified short-term and long-term outcomes.		✓	
3.5 Logic model includes specified impacts.		✓	
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Facility Management Division has a logic model that includes specified inputs, such as state appropriations, equipment, and supplies and parts. Although the logic model includes activities (e.g., performing preventative maintenance on buildings, fulfilling service order requests, fulfilling work orders), outputs (e.g., preventative repairs performed), short-term outcomes (e.g., extending equipment and building life), long-term outcomes (e.g., building customizability), and impacts (e.g., safety), the logic model does not address all of the operations performed by the Division.

The Division did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Division did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Division's logic model should include specified activities, outputs, and outcomes that represent all of its operations (e.g., landscaping, safety and security, engineering services). The logic model should include specified impacts, such as agency effectiveness and public savings. The Division should share its logic model with staff and key stakeholders. The Division should update its logic model periodically and indicate on the document when it was last updated. In addition, the Division's logic model could be strengthened in the following ways:

- phrase outputs in terms of quantity (e.g., number of preventative repairs performed),
- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased),
- differentiate outcomes that are achievable in the short-term (e.g., extend equipment and building life) from those that are achievable in the long-term (e.g., building customizability), and
- differentiate long-term outcomes from impacts.

# Program Name: Facility Management Division

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓

Description: Description: Although the Facility Management Division provided a business case by JLL Consulting (2017), this business case is not an impact evaluation. Therefore, the Division did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.

# Program Name: Facility Management Division

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the Facility Management Division is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Division did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

# Program Name: Facility Management Division

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.		✓	
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The Facility Management Division has a mission statement: “to provide a safe and healthful work environment for employees and the general public in a cost effective and energy efficient manner.” The Division has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

Although the Division has a vision statement, the statement does not specify what the program can and should be in the future; instead, the statement is more reflective of a Department-wide values statement.

The Division updates its strategic plan every two years in accordance with biennium budgets. The Division is in the process of updating its strategic plan to include a vision statement, goals, objectives, and performance measures.

Suggestions: The Division should update its strategic plan, in one document, to include a program-specific vision statement and program-specific goals, objectives, and performance measures.

# Program Name: Facility Management Division

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.			✓
7.2 Performance measures assess key outputs.		✓	
7.3 Performance measures assess efficiency/process.			✓
7.4 Performance measures assess quality.		✓	
7.5 Performance measures assess key outcomes.			✓
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.			✓
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: Although the Facility Management Division has performance measures that assess certain key outputs, such as repaired equipment, facilities, and structures, the Division did not provide documentation demonstrating it has performance measures for other key outputs, such as number of requested changes completed. The Division plans to collect performance measures that assess quality (e.g., customer feedback).

The Division did not provide documentation demonstrating it has performance measures that assess inputs, efficiency/process, or outcomes. Therefore, the Division does not have the performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

The Division did not provide documentation demonstrating it has a defined method for collecting performance data, has a standard format for reporting performance data, validates its performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.

Suggestions: The Division should have performance measures that assess inputs (e.g., staff, funding), outputs (e.g., number of preventative repairs performed, number of service orders completed), and outcomes (e.g., extend equipment and building life, energy efficient work spaces). The Division should have performance measures that assess efficiency/process (i.e., the inputs used per unit of output) and quality (i.e., the degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive).

The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). The Division should develop a standard format for reporting performance data. In addition, the Division should periodically

## **Program Name: Facility Management Division**

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validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. The Division also should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

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# Program Name: Facility Management Division

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓

Description: The Facility Management Division did not provide documentation demonstrating it has a quality improvement system.

Suggestions: The Division should create a quality improvement system that sets annual objectives and then tracks performance toward these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Division's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Division should take remedial action if there is a performance shortfall.



# Program Name: Facility Management Division

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. The Facility Management Division provided a business case by JLL Consulting (2017) that identifies the Division's inherent risks and that examines the suitability of existing controls and prioritizes residual risks. The business case does not assess the likelihood and impact of inherent risks or determine risk tolerance.

Suggestions: The Division should expand upon the business case by creating a risk profile that also assesses the likelihood and impact of inherent risks and determines risk tolerance. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Facility Management Division

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Facility Management Division follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Division to conduct two years of financial forecasting, the Division did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Division did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Facility Management Division

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
<p>Description: The Facility Management Division requires cost sharing. The Division charges agencies for work outside the Division's scope of service or the Division's preventative maintenance schedule. The Division provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.</p>			
<p>Suggestions: None.</p>			

# Program Name: Facility Management Division

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.	✓		
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>	✓		

Description: The Facility Management Division has a staffing analysis that measures caseload (e.g., number of properties maintained) and workload (e.g., square feet of properties maintained). The Division used a JLL Consulting report (2017) that benchmarked Division staffing levels against industry standards to establish an internal benchmark for efficient operations. However, the Division did not provide documentation of trends in staffing.

Suggestions: The Division should expand its staffing analysis to identify trends in staffing by using historical data analysis.

# Program Name: Facility Management Division

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Facility Management Division uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Facility Management Division

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Facility Management Division has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Division did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.

# Program Name: Office for Historically Underutilized Businesses

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.		✓		56
2. Program has a problem definition.	✓			58
3. Program has a logic model.			✓	59
4. Program is evidence-based.			✓	60
5. Program has conducted a scalability analysis.			✓	61
6. Program has a strategic plan.	✓			62
7. Program has performance measures.		✓		63
8. Program has a quality improvement system.			✓	65
9. Program has a risk assessment.		✓		66
10. Program has a financial forecast.		✓		67
11. Program has cost sharing documents.	✓			68
12. Program has conducted a staffing analysis.		✓		69
13. Program has an accounting system.	✓			70
14. Program is audited.		✓		71

# Office for Historically Underutilized Businesses

The Office for Historically Underutilized Businesses is a division within the Department of Administration.

- **Mission:** To promote economic opportunities for historically underutilized businesses in state government contracting and procurement that will foster their growth and profitability
- **Statutory Authority:** N.C. Gen. Stat. § 143-48.4 and 143-128.4
- **Service Population:** Minority, veteran-owned, and small businesses doing business in North Carolina

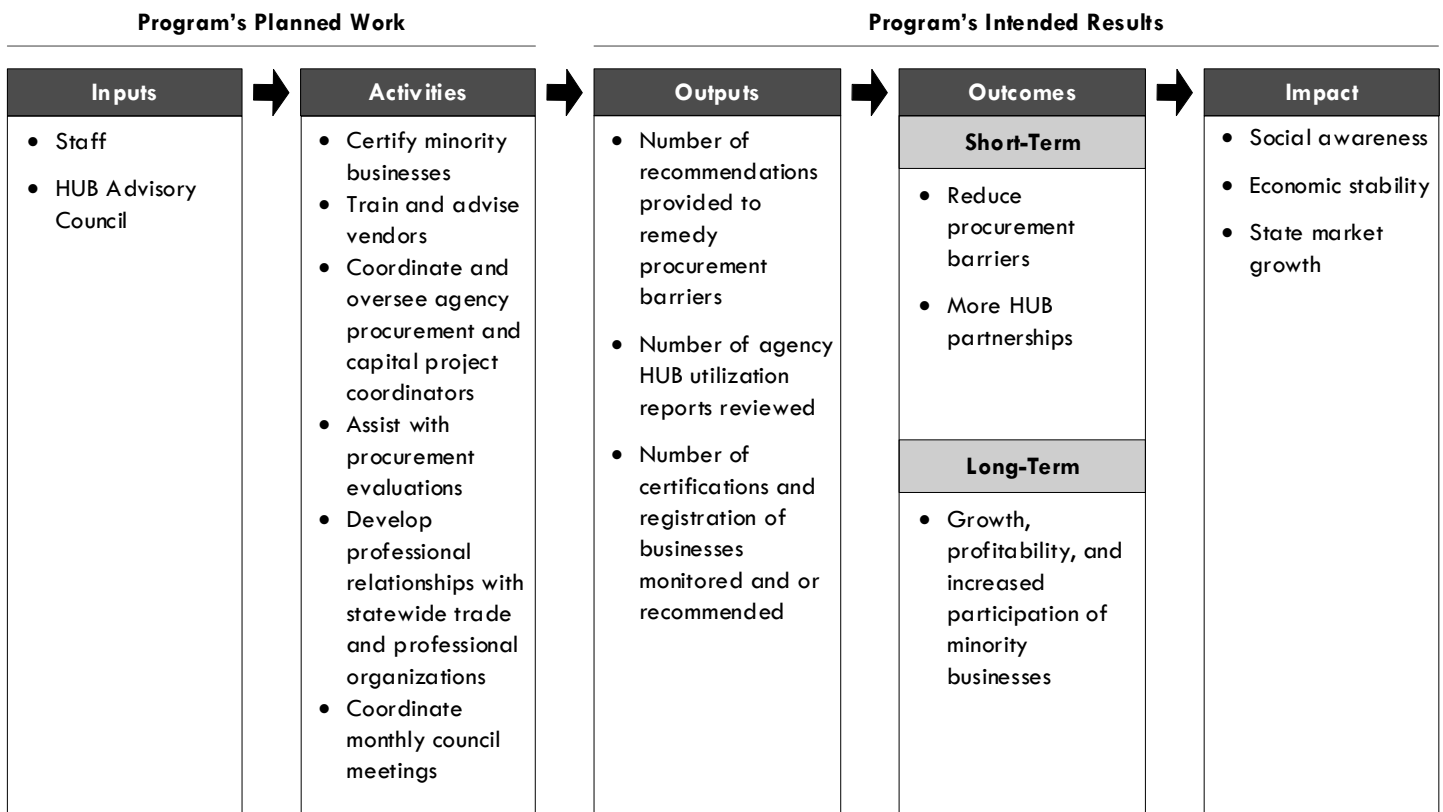
## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$522,910	\$620,484	\$620,484
Total Receipts	(\$1,000)	(\$129,382)	(\$129,382)
Appropriation	\$521,910	\$491,102	\$491,102
Total Positions	8	8	8

Note: For Fiscal Year 2016–17, BEACON shows the Office having 7 positions as of June 30, 2017, instead of 8.

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Office for Historically Underutilized Businesses.



# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.	✓		
1.2 Inventory demonstrates how the examined program is unique from the other related programs.	✓		
1.3 Inventory identifies the purpose of each program.		✓	
1.4 Inventory identifies the services, products, or functions each program is providing.		✓	
1.5 Inventory identifies the target population served by each program.		✓	
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.	✓		
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>		✓	

Description: The Office for Historically Underutilized Businesses (HUB) has a program inventory that identifies programs that provide similar but distinct certifications:

- Regional Programs: Carolinas/Virginia Minority Supplier Development Council, Mid-South Minority Business Association, Tri-State Minority Supplier Development Council certification program.
- National Programs: National Women Business Owners Corporation certification program, US Women’s Chamber of Commerce certification program, Women’s Business Enterprise National Council.
- Federal Programs: US Small Business Administration’s 8(a) Business Development Program and Service-Disabled Veteran-Owned Small Businesses program; US Department of Veterans Affairs’s Center for Verification and Evaluation and Service-Disabled Veteran-Owned Business; US Department of Transportation’s Disadvantaged Business Enterprise, Minority Business Enterprise, and Women’s Business Enterprise.

The Office is unique from other related programs that verify minority, female, or disadvantaged statuses because its certification is the only one that can be counted toward minority business participation reported by state agencies, universities, community colleges, school systems, and other local public entities according to N.C. Gen. Stat. §§ 143-48.4, 143-128.4. For these certification programs, the inventory does not identify the purpose of each program; the services, products, or functions each program is providing; or the target population served by each program.

The inventory also lists programs that provide technical assistance to businesses (i.e., Small Business and Technology Development Center, Small Business Center Network, Business Link NC, NC Institute of Minority Economic Development). For these technical assistance programs, the inventory identifies the

# Program Name: Office for Historically Underutilized Businesses

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purpose of each program; the services, products, or functions each program is providing; and the target population served by each program.

The Office coordinates with other related programs to avoid wasteful competition and duplication in the following ways:

- Incoming requests for assistance are reviewed by the Director to determine if an inquiry is best handled by the Office or if a referral to a partner organization is more appropriate.
- The Statewide Uniform Certification program provides a centralized database of certified HUB firms which is used by local and state entities for HUB participation and reporting purposes.
- The Office created a centralized, automated tracking tool for public entities to report HUB Good Faith efforts and procurement participation.
- As funding has allowed, HUB reporting requirements have been incorporated into existing, core technology tools (e.g., Interscope for Construction Services and Interactive Purchasing System for goods and services).

The Office did not provide documentation demonstrating it updates its program inventory periodically.

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Suggestions: For the other certification programs, the Office's program inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Office should update its program inventory periodically and indicate on the document when it was last updated. In addition, the Commission's inventory could be strengthened in the following ways:

- including the Office itself in the inventory so that it is clear which services the Office provides that no other programs provide;
  - separating programs' purposes from their services, products, or functions and from their target populations for ease of comparison; and
  - individually describing efforts to coordinate with related programs.
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# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.	✓		
2.2 Problem definition identifies the major factors contributing to the problem.	✓		
2.3 Problem definition identifies current gaps in services or programs.	✓		
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>	✓		

Description: The Office for Historically Underutilized Businesses has a problem definition based on the following supportive evidence from a MGT of America, Inc. study (2003) of disparity in construction contracting:

- There is substantial underutilization of minority and women-owned business enterprise firms in North Carolina contracting.
- Underutilization of minority and women-owned business enterprise firms is not due to capacity-related factors alone.
- Private sector utilization of minority and women-owned business enterprise firms is considerably lower than utilization by the State in construction, both in terms of dollar awards and the number of minority and women-owned business enterprise firms that are utilized.

The problem definition identifies the major factor contributing to the problem is discrimination based on race, ethnicity, or gender. The problem definition identifies current gaps in services based on the lack of existing assistance programs and limited access to capital experienced by historically underutilized businesses in North Carolina.

Suggestions: The Office could use the information it has from multiple sources to create an original document that would be a more concise and effective problem definition.

# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.			✓
3.2 Logic model includes specified activities.			✓
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.			✓
3.5 Logic model includes specified impacts.			✓
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>			✓

Description: Although the Office for Historically Underutilized Businesses has information on inputs, activities, outputs, outcomes, and impacts spread out among multiple documents, it did not provide documentation demonstrating it has brought this information together in the form of a logic model.

Suggestions: The Office should develop a logic model that includes

- inputs (e.g., staff and HUB Advisory Council),
- activities (e.g., certify minority businesses and train vendors),
- outputs (e.g., number of recommendations provided to remedy procurement barriers),
- short-term outcomes (e.g., reduce procurement barriers) and long-term outcomes (e.g., growth of minority businesses), and
- impacts (e.g., social awareness and economic stability).

The logic model should be shared with staff and key stakeholders. The Office should update the logic model periodically and indicate on the document when it was last updated.

# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓
<p>Description: The Office for Historically Underutilized Businesses did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.</p>			
<p>Suggestions: The Office should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the social conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted social conditions.</p>			

# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the Office for Historically Underutilized Businesses is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Office did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Office should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.	✓		
6.5 Strategic plan includes identified objectives.	✓		
6.6 Strategic plan includes performance measures.	✓		
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>	✓		

Description: The Office for Historically Underutilized Businesses (HUB)'s strategic plan includes a mission statement: “to promote economic opportunities for historically underutilized businesses in state government contracting and procurement that will foster their growth and profitability.” The strategic plan has a vision statement: “There is an increased demand for the services of the HUB Office to provide more outreach to our stakeholders and to broaden our scope of services. As the state promotes business growth and jobs, it will be important for the HUB Office to advocate for diversity and inclusion in state government contracting and procurement, so that historically underutilized business will have an opportunity to prosper, increase their capacity to do business with the State and build wealth in their communities.” The Office has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.” The strategic plan includes the following goals:

- identify HUB Office task and priorities to support external and internal stakeholders;
- identify and fulfill the needs of HUBs in North Carolina, while remaining sensitive to the needs of employees of the HUB Office and the citizens of North Carolina to produce positive outcomes that matter to HUB firms; and
- continue to build relationships with Capital Project Coordinators and Cabinet Agency Procurement Directors.

The strategic plan includes the following objectives:

- revise the Statewide Uniform Certification (SWUC) recertification application;
- provide training to staff on new SWUC procedures and standards; and
- improve communication with HUB firms by creating vetting portfolios.

The strategic plan includes performance measures, which are discussed in Indicator 7.

The Office updates its strategic plan every two years in accordance with biennium budgets.

Suggestions: None.

# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.			✓
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.			✓
7.4 Performance measures assess quality.			✓
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.	✓		
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: The Office for Historically Underutilized Businesses (HUB) has performance measures that assess key outputs, such as

- number of HUB Certification Requests,
- number of firms certified (approved) as HUB firms, and
- number of HUB Certification Denials.

The Office has performance measures that assess key outcomes, such as

- increase the number of HUB construction firms bidding on general construction, repairs, and renovations across all state agencies,
- increase the number of entities reporting on construction spending, and
- percentage of state agencies submitting status information on ongoing and upcoming construction projects on a regular basis.

Therefore, the Office has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

The Office has a standard format for reporting performance data. In addition, the Office regularly reports performance measures to managers, staff, and key personnel.

The Office did not provide documentation demonstrating it has performance measures that assess inputs, efficiency/process, or quality. The Office did not provide documentation demonstrating it has a defined method for collecting performance data or that it validates performance measures periodically.



## **Program Name: Office for Historically Underutilized Businesses**

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Suggestions: The Office should have performance measures that assess inputs (e.g., staff, funding), efficiency/process (i.e., the inputs used per unit of output), and quality (i.e., the degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive).

The Office should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). In addition, the Office should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data.

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# Program Name: Office for Historically Underutilized Businesses

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓
<p>Description: Although leadership staff of the Office for Historically Underutilized Businesses has weekly meetings to discuss program progress with leadership staff of the Department of Administration, these meetings do not constitute a quality improvement system. Therefore, the Office did not provide documentation demonstrating it has a quality improvement system.</p>			
<p>Suggestions: The Office should create a quality improvement system that sets annual objectives and then tracks performance towards these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with its strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Office should take remedial action if there is a performance shortfall.</p>			

# Program Name: Office for Historically Underutilized Businesses

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Office for Historically Underutilized Businesses did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Office.

Suggestions: The Office should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Office should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Office should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Office for Historically Underutilized Businesses

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Office for Historically Underutilized Businesses follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management’s budget development process requires the Office to conduct two years of financial forecasting, the Office did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Office did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Office should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Office for Historically Underutilized Businesses

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
<p>Description: The Office for Historically Underutilized Businesses requires cost sharing for select services. For example, vendors that participate in voluntary events must pay for event registrations. The Office provided documentation that describes cost sharing requirements and methods for charges. The documents also review cost sharing levels and recommend modifications as appropriate.</p>			
<p>Suggestions: None.</p>			

# Program Name: Office for Historically Underutilized Businesses

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.		✓	
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>		✓	

Description: Although the Office for Historically Underutilized Businesses has a staffing analysis that describes caseload (e.g., processing certification applications) and workload (e.g., managing various client needs), the staffing analysis does not measure caseload and workload. The Office did not provide documentation demonstrating the staffing analysis identifies trends or establishes internal benchmarks for efficient operations.

Suggestions: The Office should expand its staffing analysis to measure caseload and workload. The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

# Program Name: Office for Historically Underutilized Businesses

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Office for Historically Underutilized Businesses uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Office for Historically Underutilized Businesses

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Office for Historically Underutilized Businesses has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Office did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Office did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Office should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Office should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.



# Program Name: Mail Service Center

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	74
2. Program has a problem definition.			✓	75
3. Program has a logic model.		✓		76
4. Program is evidence-based.			✓	77
5. Program has conducted a scalability analysis.		✓		78
6. Program has a strategic plan.		✓		79
7. Program has performance measures.		✓		80
8. Program has a quality improvement system.		✓		81
9. Program has a risk assessment.		✓		82
10. Program has a financial forecast.		✓		83
11. Program has cost sharing documents.	✓			84
12. Program has conducted a staffing analysis.			✓	85
13. Program has an accounting system.	✓			86
14. Program is audited.		✓		87

# Mail Service Center

The Mail Service Center is a division within the Department of Administration.

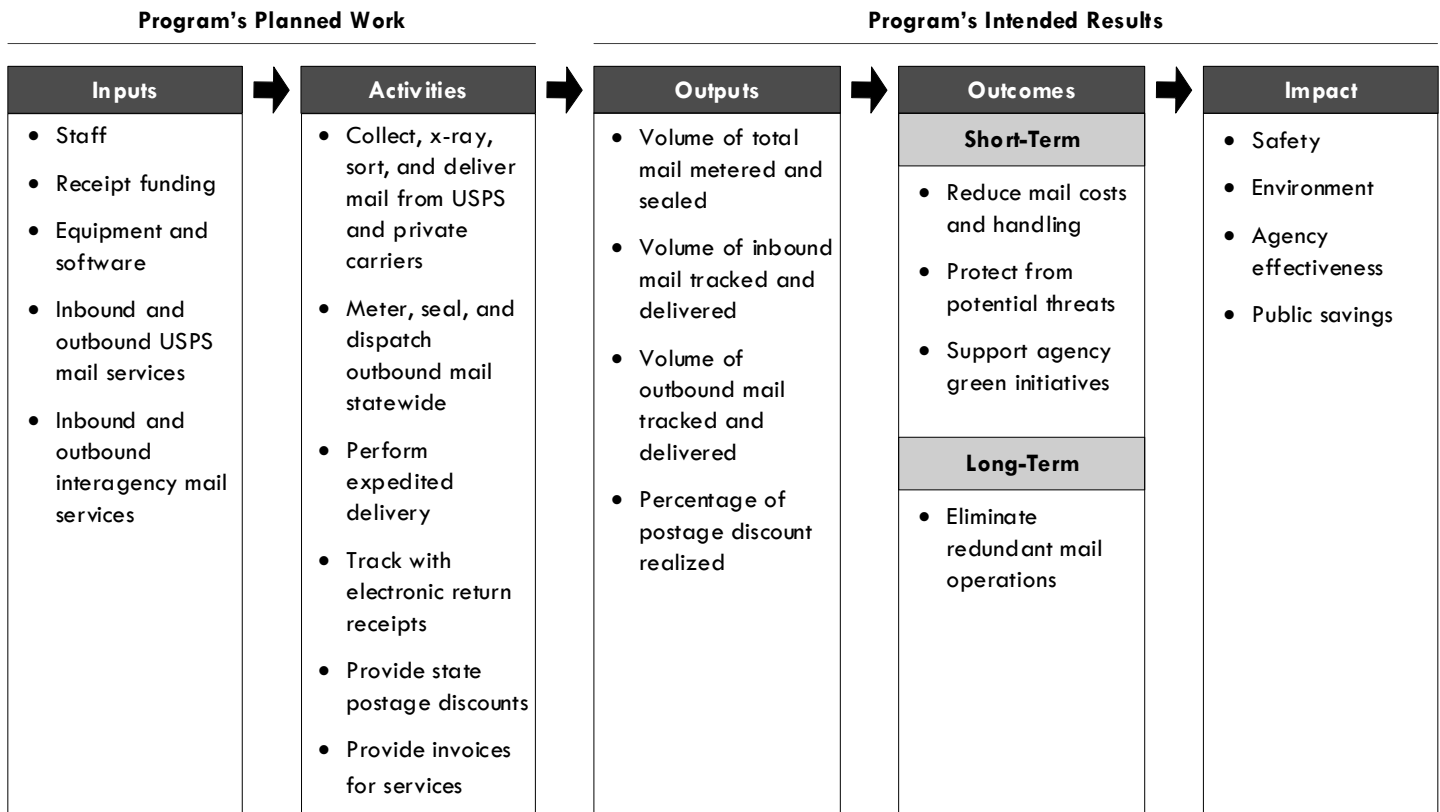
- **Mission:** To provide a full range of postal services to and from all state agencies, with the highest quality, in the most cost-efficient manner, and with the highest degree of customer satisfaction
- **Statutory Authority:** N.C. Gen. Stat. § 143-341(8)(g)
- **Covered Entities:** All state agencies

## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$5,077,567	\$4,234,376	\$4,234,376
Total Receipts	(\$5,079,869)	(\$4,236,678)	(\$4,236,678)
Change in Fund Balance	\$2,302	\$2,302	\$2,302
<hr/>			
Total Positions	82	60	60
<hr/>			
Note: For Fiscal Year 2016–17, BEACON shows the Center having 60 positions as of June 30, 2017, instead of 82.			

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Mail Service Center.

# Program Name: Mail Service Center

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the Mail Service Center has an inventory of mailing addresses, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Center cannot demonstrate how it is unique from other related programs. The Center attempts to avoid wasteful competition and duplication by having agencies sign a Statement of Compliance for Mailing Services or Mailing Equipment, which requires them to certify the services or equipment they need are not provided by the Center or practical for the Center to provide, but it does not coordinate with other programs. Without an inventory, the Center cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Center stated, "Today, there are multiple redundant mailing operations circumventing the general statute and overspending in mailing services." The Center should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify programs that provide mailing, packaging, and shipping services that agencies can use (e.g., agency mail centers, US Postal Service, UPS, FedEx). Then, the Center should create an inventory that identifies other current programs active in the policy area that address the same goal as the Center. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Center should include itself in the inventory so that it is clear which services the Office provides that no other programs provide. The inventory should demonstrate how the Center is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Center should update the program inventory periodically.

# Program Name: Mail Service Center

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.			✓
2.2 Problem definition identifies the major factors contributing to the problem.			✓
2.3 Problem definition identifies current gaps in services or programs.			✓
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>			✓
<p>Description: Although the Mail Service Center identifies a problem of improper and minimal use of its official mailing addresses, which has caused inconsistent and redundant handling of state government mail, it does not have a problem definition based on supportive evidence that clearly describes the nature and extent of the problem the Center is intended to address.</p>			
<p>Suggestions: The Center should create a problem definition, in one document, that describes the statewide problem it is intended to address. For example, duplication and inefficiencies result from decentralized management of state agency mailing needs. The problem definition should be based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the Center serves. The problem definition should identify the major factors contributing to the problem and identify current gaps in services.</p>			

# Program Name: Mail Service Center

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Mail Service Center has a logic model with specified inputs, such as staff, receipt funding, and inbound and outbound mail services. The logic model includes specified activities, such as collecting mail from US Postal Service and private carriers, dispatching outbound mail, and providing state postage discounts. Although the logic model identifies the types of participants in the Center's activities, it does not include specified outputs. The logic model includes specified short-term outcomes (e.g., reducing mail costs and handling) and long-term outcomes (e.g., eliminating redundant mail operations). The logic model includes specified impacts such as safety. The Center did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Center did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Center should include specified outputs in its logic model such as volume of total mail metered and sealed, volume of inbound mail tracked and delivered, and volume of outbound mail tracked and delivered. The Center should share its logic model with staff and key stakeholders. The Center should update its logic model periodically and indicate on the document when it was last updated. In addition, the Center's logic model could be strengthened in the following ways:

- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased) and
- differentiate long-term outcomes from impacts.

# Program Name: Mail Service Center

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓

Description: Although the Mail Service Center provided studies by the University of North Carolina Kenan-Flagler Business School (2014) and the Office of State Budget and Management (2015) that examined the Center's financial status and sustainability, these studies are not impact evaluations. Therefore, the Center did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Center should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.

# Program Name: Mail Service Center

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.		✓	
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.	✓		
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.		✓	
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>		✓	
<p>Description: The Mail Service Center has scalability documents that determine whether the program has potential for substantially expanded reach and system adoption (e.g., the ability for increased mail volume) and whether an expanded program can be delivered at an acceptable cost (e.g., transparent presorting mail charges). Although the scalability documents include a workhour/workload model, this model alone does not demonstrate robust evidence of the Center's effectiveness. Although the scalability documents describe new and forthcoming initiatives, the Center did not provide documentation demonstrating an expanded program is acceptable to target groups and settings.</p>			
<p>Suggestions: In addition to the workhour/workload model, the Center's scalability documents should demonstrate robust evidence of the Center's effectiveness (e.g., reduced delivery errors). The scalability analysis also should determine whether new and forthcoming initiatives would be acceptable to target groups and settings.</p>			

# Program Name: Mail Service Center

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.		✓	
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The Mail Service Center has a mission statement: “to provide a full range of postal services to and from all state agencies, with the highest quality, in the most cost-efficient manner, and with the highest degree of customer satisfaction.” The Center has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Center updates its strategic plan every two years in accordance with biennium budgets. The Center is in the process of updating its strategic plan to include a vision statement, goals, objectives, and performance measures.

Suggestions: The Center should update its strategic plan to identify a program-specific vision statement and program-specific goals, objectives, and performance measures.



# Program Name: Mail Service Center

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.		✓	
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.	✓		
7.4 Performance measures assess quality.	✓		
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.	✓		
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: The Mail Service Center has performance measures that assess key outputs (e.g., number of deliveries) and key outcomes (e.g., reduction in overall mailing costs when Center services are applied properly). In addition, the Center has performance measures that assess efficiency/process (e.g., efficiency savings by changing Center processes) and quality (e.g., customer satisfaction). Therefore, the Center has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

In addition, the Center has a standard format for reporting performance data and validates performance measures periodically by examining performance measures used by the US mail industry.

Although the Center has performance measures that assess certain key inputs, such as staff, the Center did not provide documentation demonstrating it has performance measures for other key inputs, such as equipment. In addition, the Center did not provide documentation demonstrating it has a defined method for collecting performance data. The Center also did not provide documentation demonstrating it regularly reports measures to managers, staff, and key stakeholders.

Suggestions: The Center should have performance measures that assess all of its key inputs, such as equipment, and it should report input data in the same document that it reports output and outcome data. The Center should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). In addition, the Center should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

# Program Name: Mail Service Center

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.	✓		
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.		✓	
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.		✓	
8.4 Program takes remedial action if there is a performance shortfall.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>		✓	

Description: The Mail Service Center has a quality improvement system that has objectives with indicators, targets, and dates, such as

- achieve less than 3% on monthly error report,
- accurately sorting 97 out of 100 pieces of mail, and
- provide superior customer service by helping other staff complete tasks.

Because the Center is in the process of updating its strategic plan, the Center also is in the process of making its quality improvement system's objectives consistent with its strategic plan's objectives. Although the Center monitors progress towards objectives through milestones (e.g., operation is suspended if an operator fails to identify a test hazard), the Center did not provide documentation demonstrating progress towards objectives is monitored through an action plan. The Center takes remedial action if there is a performance shortfall by investigating performance failures for improvements.

Suggestions: When the Center's strategic plan is updated, the Center should ensure its quality improvement system's objectives are consistent with its strategic plan's objectives, and it should update the quality improvement system's objectives annually. In addition, the Center should monitor progress towards objectives through an action plan.

# Program Name: Mail Service Center

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Mail Service Center did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Center.

Suggestions: The Center should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Center should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Center should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Mail Service Center

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Mail Service Center follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management’s budget development process requires the Center to conduct two years of financial forecasting, the Center did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Center did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Center should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Mail Service Center

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
<p>Description: The Mail Service Center requires cost sharing. As an internal service fund, the Center is supported on a cost-reimbursement basis by the state entities that utilize its services. The Center provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.</p>			
<p>Suggestions: None.</p>			

# Program Name: Mail Service Center

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Mail Service Center did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Center should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

# Program Name: Mail Service Center

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Mail Service Center uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Mail Service Center

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Mail Service Center has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Center did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Center did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Center should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Center should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.



# Program Name: Division of Motor Fleet Management

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.		✓		90
2. Program has a problem definition.	✓			91
3. Program has a logic model.		✓		92
4. Program is evidence-based.			✓	93
5. Program has conducted a scalability analysis.			✓	94
6. Program has a strategic plan.		✓		95
7. Program has performance measures.		✓		96
8. Program has a quality improvement system.			✓	97
9. Program has a risk assessment.		✓		98
10. Program has a financial forecast.		✓		99
11. Program has cost sharing documents.	✓			100
12. Program has conducted a staffing analysis.			✓	101
13. Program has an accounting system.	✓			102
14. Program is audited.		✓		103

# Division of Motor Fleet Management

Motor Fleet Management is a division within the Department of Administration.

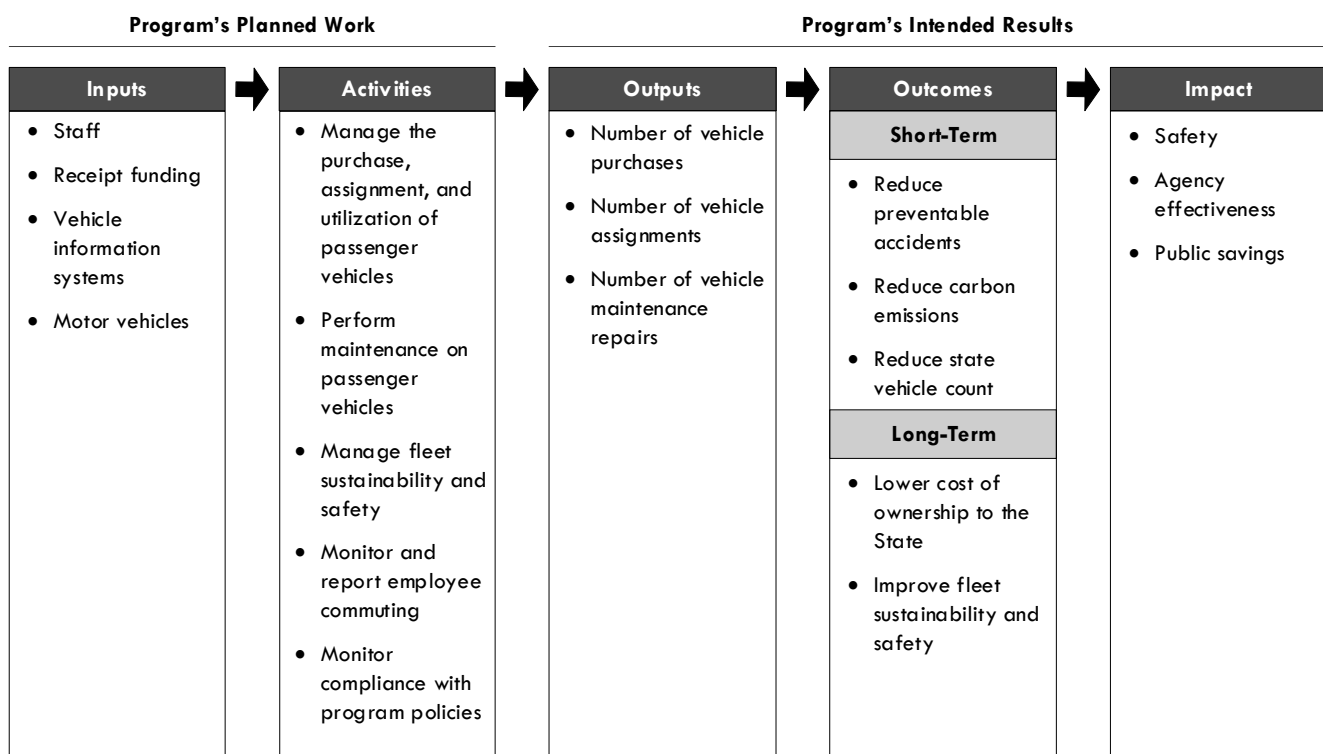
- **Mission:** To provide safe and efficient management, maintenance, and repair of state-owned vehicles and provide a savings to the taxpayers of North Carolina by supplying a centralized source of passenger transportation for all state agencies and to all state employees in the performance of their official duties in the most cost-effective way
- **Statutory Authority:** N.C. Gen. Stat. § 143-341(8)(i)
- **Covered Entities:** All state government entities without statutory exemption

## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$51,779,176	\$51,341,714	\$51,341,714
Total Receipts	(\$57,641,495)	(\$57,204,032)	(\$57,204,032)
Change in Fund Balance	\$5,862,319	\$5,862,318	\$5,862,318
<hr/>			
Total Positions	48	39	39
<hr/>			
Note: For Fiscal Year 2016–17, BEACON shows the Division having 37 positions as of June 30, 2017, instead of 48.			

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Division of Motor Fleet Management.

# Program Name: Division of Motor Fleet Management

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.	✓		
1.2 Inventory demonstrates how the examined program is unique from the other related programs.	✓		
1.3 Inventory identifies the purpose of each program.	✓		
1.4 Inventory identifies the services, products, or functions each program is providing.	✓		
1.5 Inventory identifies the target population served by each program.	✓		
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.	✓		
1.7 Inventory is updated periodically.		✓	
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>		✓	

Description: The Division of Motor Fleet Management has a program inventory that identifies other programs that provide

- short-term rental vehicles to state agencies (Enterprise),
- passenger and non-passenger vehicles to state employees (Administrative Office of the Courts, University System, Legislative Services Commission), and
- specially-equipped vehicles to state employees (Department of Transportation; state law enforcement agencies).

The inventory also identifies programs that purchase vehicles (University System, state agencies). The Division is unique because, pursuant to N.C. Gen. Stat. § 143-341 (8)i, it processes vehicles leased or purchased by state agencies that are not exempt from its authority. The inventory identifies the purpose of each program; the services, products, or functions each program is providing; the target population served by each program; and how the Division coordinates with each program. In addition, the Division attempts to avoid wasteful competition and duplication by requesting that state agencies and the University System submit an Application for Agency Purchase of Passenger Vehicle, which asks them to specify the type of vehicle and its intended use. The Division submitted documentation indicating that having a program inventory and updating it periodically will now be part of the Division's Standard Operating Procedures going forward.

Suggestions: The Division should indicate on its program inventory when it was last updated.

# Program Name: Division of Motor Fleet Management

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.	✓		
2.2 Problem definition identifies the major factors contributing to the problem.	✓		
2.3 Problem definition identifies current gaps in services or programs.	✓		
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>	✓		

Description: The Division of Motor Fleet Management has a problem definition based on the following examples of supportive evidence from Program Evaluation Division reports (2011, April 2012):

- North Carolina lacks a central source of information for the number and cost of state-owned motor vehicles.
- North Carolina does not have the information necessary to determine the appropriate number of vehicles to meet state government needs.
- North Carolina agencies and institutions that own 200 or more vehicles have not fully implemented fleet management best practices.
- Weak and diffuse oversight results in inefficient use of state-owned vehicles.

The problem definition identifies the major factor contributing to the problem is duplication and inefficiencies that result from decentralized management of state-owned passenger vehicles. The problem definition identifies current gaps in services based on the following examples of issues identified in a Program Evaluation Division report (March 2012):

- The Division’s delegation of fleet management and oversight to state agencies hampers its ability to hold agencies accountable.
- The Division does not collect sufficient information to determine the right number of passenger vehicles for state government needs.
- The majority of the Division’s motor pool vehicles are underutilized.

The problem definition states the US General Services Administration provides guidelines on motor fleet management best practices, and those best practices are transferable to North Carolina.

Suggestions: The Division could use the information it has from multiple sources to create an original document that would be a more concise and effective problem definition.

# Program Name: Division of Motor Fleet Management

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Division of Motor Fleet Management has a logic model with specified inputs, such as staff, receipt funding, and vehicle information systems. The logic model includes specified activities, such as managing the purchase of vehicles, performing maintenance on vehicles, and monitoring compliance with program policies. Although the logic model identifies the types of participants in the Division's activities, it does not include specified outputs. The logic model includes short-term outcomes (e.g., reducing preventable accidents) and long-term outcomes (e.g., lowering cost of ownership to the State). The logic model includes specified impacts, such as safety. The Division did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Division did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Division should include specified outputs in its logic model, such as number of vehicle purchases, number of vehicle assignments, and number of vehicle maintenance repairs. The Division should share its logic model with staff and key stakeholders. The Division should update its logic model periodically and indicate on the document when it was last updated. In addition, the Division's logic model could be strengthened in the following ways:

- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased) and
- differentiate long-term outcomes from impacts.

# Program Name: Division of Motor Fleet Management

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓
<p>Description: The Division of Motor Fleet Management did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.</p>			
<p>Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.</p>			

# Program Name: Division of Motor Fleet Management

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the Division of Motor Fleet Management is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Division did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost without negatively affecting satisfaction with current services.</p>			

# Program Name: Division of Motor Fleet Management

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The Division of Motor Fleet Management has a mission statement: “to provide safe and efficient management, maintenance, and repair of state-owned vehicles; to provide a savings to the taxpayers of North Carolina by supplying a centralized source of passenger transportation for all state agencies and to all state employees in the performance of their official duties in the most cost-effective way.” The Division has a vision statement: “It is our vision to become a best-in-class fleet management operation, while providing the most cost-effective, customer-focused transportation that utilizes industry best practices to foster a culture of safety and sustainability.” The Division has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Division updates its strategic plan every two years in accordance with biennium budgets. The Division is in the process of updating its strategic plan to include goals, objectives, and performance measures.

Suggestions: The Division should update its strategic plan to include program-specific goals, objectives, and performance measures.



# Program Name: Division of Motor Fleet Management

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.	✓		
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.	✓		
7.4 Performance measures assess quality.	✓		
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: The Division of Motor Fleet Management has performance measures that assess key inputs (e.g., staff, revenue) and key outputs (e.g., gallons of fuel delivered and number of work orders completed). In addition, the Division has performance measures that assess efficiency/process (e.g., cost analysis of the Division by cost of outside agency vehicle maintenance repairs) and quality (e.g., measure of customer satisfaction with its services). The Division has performance measures that assess key outcomes, such as

- reduction in vehicle counts,
- reduction in accidents, and
- reduction in costs.

Therefore, the Division has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts. In addition, the Division has a standard format for reporting performance data.

Although the Division has a defined place for storing performance data, the Division did not provide documentation demonstrating it has a defined method for collecting performance data. In addition, although the Division updates its performance on identified performance measures, the Division did not provide documentation demonstrating it validates its performance measures periodically or regularly reports its performance measures to managers, staff, and key stakeholders.

Suggestions: The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). In addition, the Division should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. Finally, the Division should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

# Program Name: Division of Motor Fleet Management

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓
<p>Description: Although the Division of Motor Fleet Management has identified two methods of improving quality (e.g., telematics program and safety platform), these methods are still in development and do not amount to a quality improvement system at this time. Therefore, the Division did not provide documentation demonstrating it has a quality improvement system.</p>			
<p>Suggestions: The Division should create a quality improvement system that sets annual objectives and then tracks performance toward these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Division's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Division should take remedial action if there is a performance shortfall.</p>			

# Program Name: Division of Motor Fleet Management

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Division of Motor Fleet Management did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Division.

Suggestions The Division should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Division should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Division of Motor Fleet Management

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Division of Motor Fleet Management follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Division to conduct two years of financial forecasting, the Division did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Division did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Division of Motor Fleet Management

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
<p>Description: The Division of Motor Fleet Management requires cost sharing. As an internal service fund, the Division is supported on a cost-reimbursement basis by the state entities that utilize its services; the Division charges state entities for the use of state-owned vehicles. The Division provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.</p>			
<p>Suggestions: None.</p>			

# Program Name: Division of Motor Fleet Management

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Division of Motor Fleet Management did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Division should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

# Program Name: Division of Motor Fleet Management

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Division of Motor Fleet Management uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Division of Motor Fleet Management

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.	✓		
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Division of Motor Fleet Management has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. The Division provided a series of evaluations, which were conducted by the Program Evaluation Division, on data management and oversight to demonstrate it has a record of prior audits. However, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division could improve its record of prior audits by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.



# Program Name: Division of Non-Public Education

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	106
2. Program has a problem definition.		✓		107
3. Program has a logic model.		✓		108
4. Program is evidence-based.			✓	109
5. Program has conducted a scalability analysis.			✓	110
6. Program has a strategic plan.	✓			111
7. Program has performance measures.		✓		113
8. Program has a quality improvement system.		✓		115
9. Program has a risk assessment.		✓		116
10. Program has a financial forecast.		✓		117
11. Program has cost sharing documents.	✓			118
12. Program has conducted a staffing analysis.			✓	119
13. Program has an accounting system.	✓			120
14. Program is audited.		✓		121

# Division of Non-Public Education

Non-Public Education is a division within the Department of Administration.

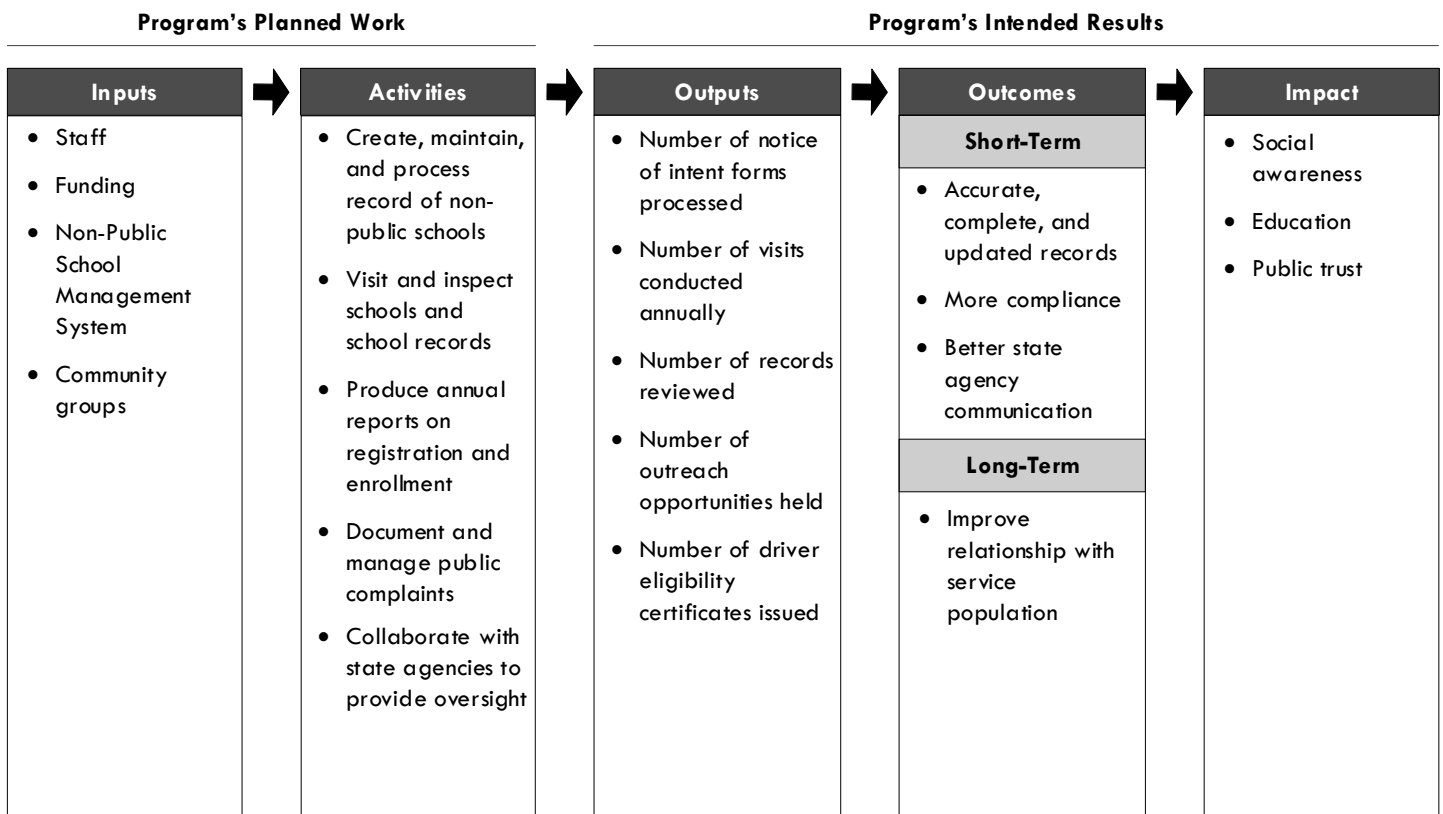
- **Mission:** To serve the non-public school community, students, and citizens of North Carolina by ensuring compliance with non-public laws in the most practical, efficient, effective, and professional manner; administer the non-public school student driver eligibility certificate program; and serve as the State informational liaison between the general public and non-public school community
- **Statutory Authority:** N.C. Gen. Stat. § 115C, Article 39
- **Service Population:** School administrators in home and private schools

## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$442,174	\$449,770	\$449,770
Total Receipts	-	-	-
Appropriation	\$442,174	\$449,770	\$449,770
Total Positions	5.75	5.75	5.75

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Division of Non-Public Education.

# Program Name: Division of Non-Public Education

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the Division of Non-Public Education has a description of its own program, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Division cannot demonstrate how it is unique from other related programs. The Division provided no documentation of coordination efforts. Without an inventory, the Division cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Division should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify programs that monitor and maintain listings of North Carolina public schools and programs that administer student driver programs for public schools in North Carolina. Then, the Division should create an inventory that identifies other current programs active in the policy area that address the same goal as the Division. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Division should include itself in the inventory so that it is clear which services the Division provides that no other programs provide. The inventory should demonstrate how the Division is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Division should update the program inventory periodically.

# Program Name: Division of Non-Public Education

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.		✓	
2.2 Problem definition identifies the major factors contributing to the problem.			✓
2.3 Problem definition identifies current gaps in services or programs.			✓
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>		✓	

Description: The Division of Non-Public Education has a problem definition based on supportive evidence that

- students attending and/or graduating from non-public schools require documentation that their school was a legal school in North Carolina to attend college, enlist in the military, and secure employment and
- the number of private schools and home schools is on the rise.

However, the problem definition is not based on supportive evidence that explains why non-public schools need to be monitored and regulated. In addition, the problem definition does not identify major factors contributing to the problem or current gaps in services or programs.

Suggestions: The Division should create a problem definition, in one document, that addresses all of the problems it is meant to address, including problems that arise when non-public schools are not monitored and regulated (e.g., students do not receive an adequate education). The problem definition should identify the major factors contributing to all of the problems the Division is intended to address, and the problem definition should identify current gaps in all of the Division’s services.

# Program Name: Division of Non-Public Education

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.	✓		
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.		✓	
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Division of Non-Public Education has a logic model that includes specified inputs such as staff, funding, and community groups. The logic model includes specified activities such as creating and maintaining a record of non-public schools, producing annual reports, and collaborating with state agencies for oversight. The logic model includes specified outputs such as the number of notice of intent forms processed, number of visits conducted annually, and number of records reviewed. The logic model includes specified short-term outcomes (e.g., accurate, complete, and updated records) and long-term outcomes (e.g., improve relationship with service population). The logic model includes specified impacts such as public trust. The Division did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Division is in the process of updating its logic model.

Suggestions: The Division should share its logic model with staff and key stakeholders. Once the Division's logic model is updated, the document should include when it was last updated. In addition, the Division's logic model could be strengthened in the following ways:

- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased), and
- differentiate long-term outcomes from impacts.

# Program Name: Division of Non-Public Education

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓
<p>Description: Although the Division of Non-Public Education provided a North Carolina Accountability Report (2011) and a stakeholder survey (2009), these efforts are not impact evaluations. Therefore, the Division did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.</p>			
<p>Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the social conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted social conditions.</p>			

# Program Name: Division of Non-Public Education

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the Division of Non-Public Education is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. Although the Division did provide information on the increasing number of home schools and the growing demands for registration, the provided documentation does not demonstrate it has conducted a scalability analysis.</p>			
<p>Suggestions: The Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

# Program Name: Division of Non-Public Education

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.	✓		
6.5 Strategic plan includes identified objectives.	✓		
6.6 Strategic plan includes performance measures.	✓		
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>	✓		

Description: The Division of Non-Public Education's strategic plan includes a mission statement: "to serve the non-public school community, its students, and the citizens of North Carolina by ensuring compliance with North Carolina's non-public laws in the most practical, efficient, effective, and professional manner; administering the non-public school student driver eligibility certificate program; and serving as the State of North Carolina informational liaison office between the general public and the non-public school community." The strategic plan includes a vision statement: "to use innovative technology in conjunction with human relations to provide effective oversight of non-public schools while becoming a valuable resource for non-public schools and non-public students in North Carolina."

The Division shares the Department-wide values statement: "quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity." In addition, the Division's strategic plan includes a division-specific values statement: "The Division of Non-Public Education will accomplish its mission of serving, supporting, monitoring and regulating non-public schools with excellence and integrity in customer relations, data management, clear communication, the efficient use of tax payer resources and consistent evaluation of results and processes." The strategic plan includes the following goals:

- convert most of its routine business services to an interactive, automated, online environment;
- change the way it manages and uses the talents of its staff to encourage a culture of excellence and personal development;
- increase communication and clarify information flowing from the division to the non-public community by developing relationships with stakeholders and using a variety of media and intentional outreach programs;
- enhance its visibility and relationships in the home school community by increasing the number of one-on-one meetings with home school administrators each year throughout North Carolina and speaking with more community groups to inform interested citizens regarding home school requirements;
- enhance its visibility and relationships in the conventional school community by increasing the number of one-on-one meetings with important stakeholders and provide a more comprehensive flow of information to non-public schools from other state agencies;



## Program Name: Division of Non-Public Education

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- increase collaboration with other state agencies that intersect or serve non-public schools to provide more efficient and effective oversight and support; and
- increase voluntary compliance and departmental oversight of all non-public schools to increase the reliability and accuracy of statistical data maintained by the Division in order to improve public trust.

The strategic plan includes the following objectives:

- provide more paperless business services;
- increase the number of Home School Record Review meetings;
- increase the number of conventional school inspections per year;
- improve the process of issuing and revoking student Driving Eligibility Certificates;
- increase reliability of non-public metrics through more intentional accountability measures, targeted home school data initiatives, and enhanced communication; and
- increase collaborative relationships with community stakeholders and other state agencies relevant to the non-public customer base.

The strategic plan includes performance measures, which are discussed in Indicator 7.

The Division updates its strategic plan every two years in accordance with biennium budgets.

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Suggestions: None.

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# Program Name: Division of Non-Public Education

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.		✓	
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.	✓		
7.4 Performance measures assess quality.			✓
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.			✓
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: The Division of Non-Public Education has performance measures that assess key outputs, such as number of non-public school visits per year and number of stakeholder and collaborative meetings held per year. The Division has performance measures that assess efficiency/process (e.g., percentage of complaints about schools resolved within 25 days of receipt). In addition, the Division has performance measures that assess key outcomes, such as non-public students obtaining a driver's permit in a timely fashion. Therefore, the Division has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

Although the Division has performance measures that assess key inputs, such as staff, the Division did not provide documentation demonstrating it has performance measures for other key inputs, such as funding and community groups. The Division did not provide documentation demonstrating it has performance measures that assess quality.

In addition, the Division did not provide documentation demonstrating that it has a defined method for collecting performance data, has a standard format for reporting performance data, validates performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.

Suggestions: The Division of Non-Public Education should have performance measures that assess all of its key inputs, such as funding and community groups. The Division should have performance measures that assess quality (i.e., the degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive).

The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). The Division should develop a standard format for reporting performance data. In addition, the Division should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. The Division also should ensure that performance

# **Program Name: Division of Non-Public Education**

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data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

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# Program Name: Division of Non-Public Education

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.		✓	
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.		✓	
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>		✓	

Description: The Division of Non-Public Education provided documentation demonstrating it is in the process of developing a quality improvement system that will have objectives with indicators, targets, and dates, such as

- percentage of new home school Notice of Intent forms processed within three days of receipt (baseline is 85%),
- number of non-public school visits conducted (target is 50% of currently operating schools), and
- percentage of complaints about schools resolved within 25 days of receipt (baseline is 80%).

Because the Division is in the process of updating its strategic plan, the Division also is in the process of making its quality improvement system's objectives consistent with its strategic plan's objectives.

Suggestions: The Division should continue developing its quality improvement system. When the Division's strategic plan is updated, the Division should ensure its quality improvement system's objectives are consistent with its strategic plan's objectives, and it should update the quality improvement system's objectives annually. Progress towards objectives should be monitored through an action plan and milestones. The Division should take remedial action if there is a performance shortfall.

# Program Name: Division of Non-Public Education

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. Although the Division of Non-Public Education provided an early version of a risk assessment that identifies its inherent risks and prioritizes residual risks, the present version is not a risk profile that also assesses the likelihood and impact of inherent risks, determines risk tolerance, or examines the suitability of existing controls.

Suggestions: The Division should expand upon the early version of its risk assessment by creating a risk profile that also assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls. In addition, Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Division of Non-Public Education

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Division of Non-Public Education follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Division to conduct two years of financial forecasting, the Division did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Division did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Division of Non-Public Education

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	✓		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
Description: The Division of Non-Public Education does not require program participants to pay for its services.			
Suggestions: None.			

# Program Name: Division of Non-Public Education

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Division of Non-Public Education did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Division should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.



# Program Name: Division of Non-Public Education

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Division of Non-Public Education uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Division of Non-Public Education

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Division of Non-Public Education has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Division did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.

# Program Name: Division of Purchase and Contract

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	124
2. Program has a problem definition.	✓			125
3. Program has a logic model.			✓	126
4. Program is evidence-based.			✓	127
5. Program has conducted a scalability analysis.		✓		128
6. Program has a strategic plan.		✓		129
7. Program has performance measures.		✓		130
8. Program has a quality improvement system.		✓		131
9. Program has a risk assessment.		✓		132
10. Program has a financial forecast.		✓		133
11. Program has cost sharing documents.	✓			134
12. Program has conducted a staffing analysis.			✓	135
13. Program has an accounting system.	✓			136
14. Program is audited.		✓		137

# Division of Purchase and Contract

Purchase and Contract is a division within the Department of Administration.

- **Mission:** To develop and implement sound procurement practices and provide quality service through teamwork and communication with state agencies, institutions, universities, community colleges, and vendors
- **Statutory Authority:** N.C. Gen. Stat. §§ 115C-522, 136-28.1, 143-49, 143-50, 143-51, 143-53.1, and 143B-1350
- **Covered Entities:** All state departments, institutions, agencies, universities, and community colleges

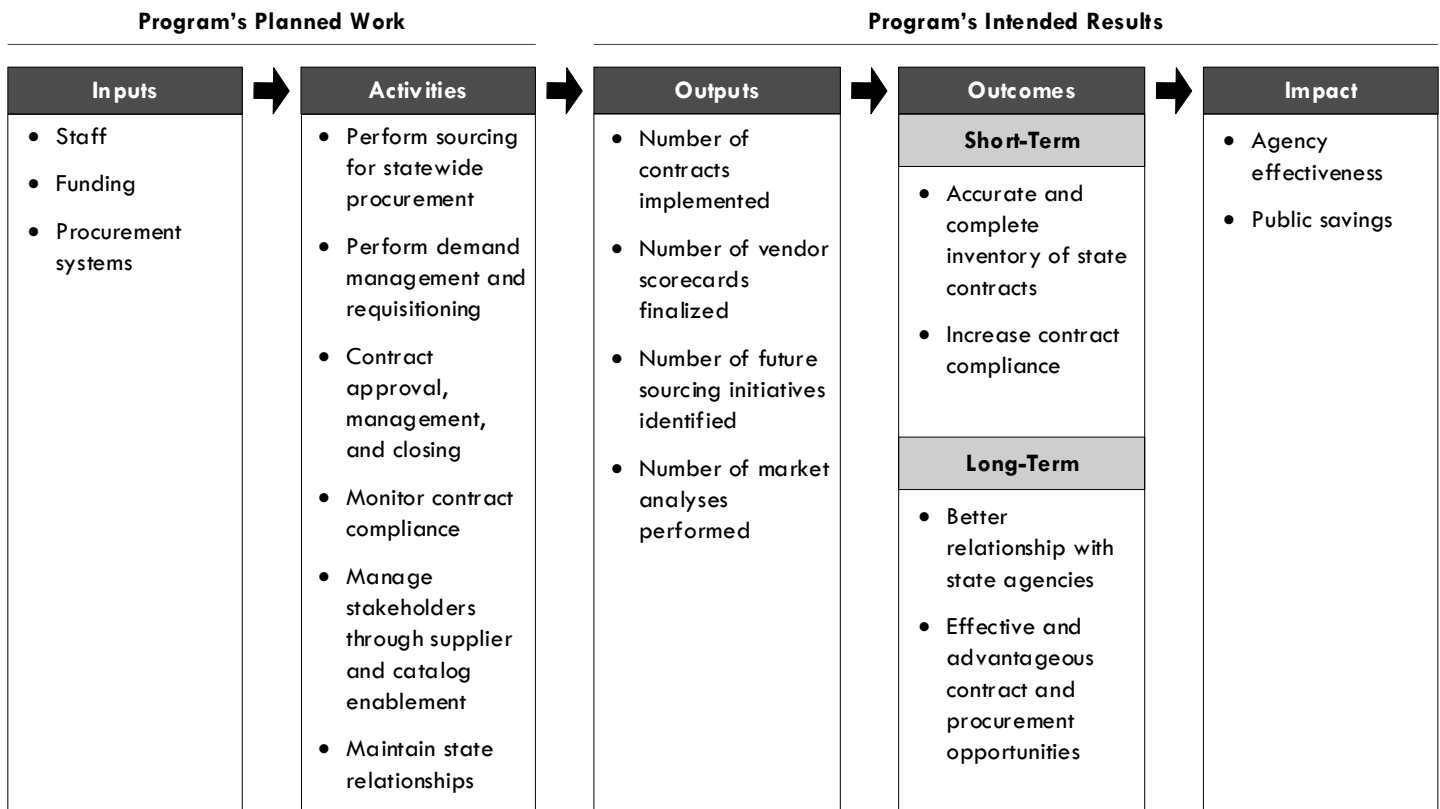
## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$3,058,659	\$3,010,545	\$3,010,545
Total Receipts	(\$1,476,743)	-	-
Appropriation	\$1,581,916	\$3,010,545	\$3,010,545
<b>Total Positions</b>	<b>33.1</b>	<b>31</b>	<b>31</b>

Note: For Fiscal Year 2016–17, BEACON shows the Division having 32.1 positions as of June 30, 2017, instead of 33.1.

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Division of Purchase and Contract.

# Program Name: Division of Purchase and Contract

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the Division of Purchase and Contract has a list of entities with delegated purchasing authority of more than \$10,000, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Division cannot demonstrate how it is unique from other related programs. The Division provided no documentation of coordination efforts. Without an inventory, the Division cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Division should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify programs that engage in large-scale contract management and procurement. Then, the Division should create an inventory that identifies other current programs active in the policy area that address the same goal as the Division. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Division should include itself in the inventory so that it is clear which services the Division provides that no other programs provide. The inventory should demonstrate how the Division is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Division should update the program inventory periodically.

# Program Name: Division of Purchase and Contract

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.	✓		
2.2 Problem definition identifies the major factors contributing to the problem.	✓		
2.3 Problem definition identifies current gaps in services or programs.	✓		
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>	✓		

Description: The Division of Purchase and Contract has a problem definition based on the following examples of supportive evidence from an Accenture study (2011):

- There is no formal, multi-year sourcing planning process or tool to identify and manage the portfolio of sourcing projects that will deliver projected total cost savings to the State. In addition, there is no formal plan to measure allocation of work and utilization rates of procurement resources.
- There is no consistent, structured approach to conduct demand management across the categories of goods and services purchased by the State.
- There is no formal supplier performance management process that is followed consistently across entities.
- There is no consistent, structured approach to conduct market analysis or tools/subscriptions to facilitate conducting market analysis.

The problem definition identifies the major factor contributing to the problem is duplication and inefficiencies that result from decentralized management of state agencies’ purchasing and contracting needs. The problem definition identifies current gaps in services based on the Accenture study finding that North Carolina underperformed in the following areas:

- procurement strategy,
- sourcing and category management,
- requisition to pay,
- supplier relationship management,
- workforce and organization, and
- technology.

The problem definition states Accenture has identified the traits of procurement masters, and those best practices are transferable to North Carolina.

Suggestions: The Division could use the information it has from multiple sources to create an original document that would be a more concise and effective problem definition.

# Program Name: Division of Purchase and Contract

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.			✓
3.2 Logic model includes specified activities.			✓
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.			✓
3.5 Logic model includes specified impacts.			✓
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>			✓

Description: Although the Division of Purchase and Contract has information on inputs, activities, outputs, outcomes, and impacts spread out among multiple documents, it did not provide documentation demonstrating it has brought this information together in the form of a logic model.

Suggestions: The Division should develop a logic model that includes

- inputs (e.g., staff and funding),
- activities (e.g., perform sourcing for statewide procurement),
- outputs (e.g., number of contracts implemented),
- short-term outcomes (e.g., increase contract compliance) and long-term outcomes (e.g., better relationship with state agencies), and
- impacts (e.g., agency effectiveness and public savings).

The logic model should be shared with staff and key stakeholders. The Division should update the logic model periodically and indicate on the document when it was last updated.

# Program Name: Division of Purchase and Contract

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓

Description: Although the Division of Purchase and Contract provided survey analysis performed on procurement practices (2016), this analysis is not an impact evaluation. Therefore, the Division did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.



# Program Name: Division of Purchase and Contract

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.		✓	
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.		✓	
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.		✓	
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.		✓	
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>		✓	

Description: The Division of Purchase and Contract has scalability documents that determine whether the program has robust evidence of its effectiveness through, for example, its sourcing assessment. The scalability documents also determine whether the program has potential for substantially expanded reach and system adoption (e.g., strategically sourcing across target categories), an expanded program is acceptable to target groups and settings (e.g., annual training surveys), and an expanded program can be delivered at an acceptable cost (e.g., budget reductions and lower ongoing operating costs). However, the scalability documents do not address all of the operations performed by the Division.

Suggestions: For all of its operations (e.g., contract management, compliance reviews and inspections), the Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.

# Program Name: Division of Purchase and Contract

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.		✓	
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The Division of Purchase and Contract has a mission statement: “to develop and implement sound procurement practices and provide quality service through teamwork and communication with state agencies, institutions, universities, community colleges, and vendors.” The Division has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Division updates its strategic plan every two years in accordance with biennium budgets. The Division is in the process of updating its strategic plan to include a vision statement, goals, objectives, and performance measures.

Suggestions: The Division should update its strategic plan, in one document, to include a program-specific vision statement and program-specific goals, objectives, and performance measures.

# Program Name: Division of Purchase and Contract

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.			✓
7.2 Performance measures assess key outputs.			✓
7.3 Performance measures assess efficiency/process.			✓
7.4 Performance measures assess quality.	✓		
7.5 Performance measures assess key outcomes.			✓
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.			✓
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	
<p>Description: The Division of Purchase and Contract has performance measures that assess quality (e.g., an annual customer satisfaction survey). However, the Division did not provide documentation demonstrating it has performance measures that assess key inputs, outputs, or outcomes. In addition, the Division did not provide documentation demonstrating it has performance measures that assess efficiency/process. Therefore, the Division does not have the level and type of data needed to conduct a rigorous evaluation.</p> <p>The Division did not provide documentation demonstrating it has a defined method for collecting performance data, has a standard format for reporting performance data, validates its performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.</p>			
<p>Suggestions: The Division should have performance measures that assess key inputs (e.g., staff, funding), outputs (e.g., number of contracts implemented), and outcomes (e.g., accurate and complete inventory of state contracts). The Division should have performance measures that assess efficiency/process (i.e., the inputs used per unit of output).</p> <p>The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). The Division should develop a standard format for reporting performance data. In addition, the Division should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. Finally, it should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.</p>			

# Program Name: Division of Purchase and Contract

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.	✓		
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.		✓	
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.		✓	
8.4 Program takes remedial action if there is a performance shortfall.		✓	
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>		✓	

Description: The Division of Purchase and Contract has a quality improvement system (NC Valuing Individual Performance) that has objectives with indicators, targets, and dates. The Division updates the quality improvement system's objectives annually. Because the Division is in the process of updating its strategic plan, the Division also is in the process of making its quality improvement system's objectives consistent with its strategic plan's objectives. Although the Division has a quality improvement system that monitors progress through an annual action plan, the Division did not provide documentation demonstrating it monitors progress through milestones. Although the Division takes remedial action if there is a performance shortfall for some activities (e.g., if a training class survey indicates a performance shortfall, the class is immediately modified to rectify the issue indicated), the Division did not provide documentation demonstrating it takes remedial action if there is a performance shortfall for other activities (e.g., remedial actions for employees who received a rating of "does not meet expectations" on their individual performance plans).

Suggestions: When the Division's strategic plan is updated, the Division should ensure its quality improvement system's objectives are consistent with its strategic plan's objectives. Progress towards objectives should be monitored through milestones. The Division should take remedial action if there is a performance shortfall for any of its activities.

# Program Name: Division of Purchase and Contract

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Division of Purchase and Contract did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Division.

Suggestions: The Division should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Division should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Division of Purchase and Contract

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Division of Purchase and Contract follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Division to conduct two years of financial forecasting, the Division did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Division did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Division of Purchase and Contract

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
Description: The Division of Purchase and Contract requires cost sharing. The Division charges vendors for use of its electronic purchasing system. The Division provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.			
Suggestions: None.			

# Program Name: Division of Purchase and Contract

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓
<p>Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Division of Purchase and Contract did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.</p>			
<p>Suggestions: The Division should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.</p>			



# Program Name: Division of Purchase and Contract

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Division of Purchase and Contract uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Division of Purchase and Contract

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Division of Purchase and Contract has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Division did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.

# Program Name: State Construction Office

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	140
2. Program has a problem definition.			✓	141
3. Program has a logic model.		✓		142
4. Program is evidence-based.			✓	143
5. Program has conducted a scalability analysis.			✓	144
6. Program has a strategic plan.		✓		145
7. Program has performance measures.		✓		146
8. Program has a quality improvement system.			✓	148
9. Program has a risk assessment.		✓		149
10. Program has a financial forecast.		✓		150
11. Program has cost sharing documents.	✓			151
12. Program has conducted a staffing analysis.			✓	152
13. Program has an accounting system.	✓			153
14. Program is audited.		✓		154

# State Construction Office

The State Construction Office is a division within the Department of Administration.

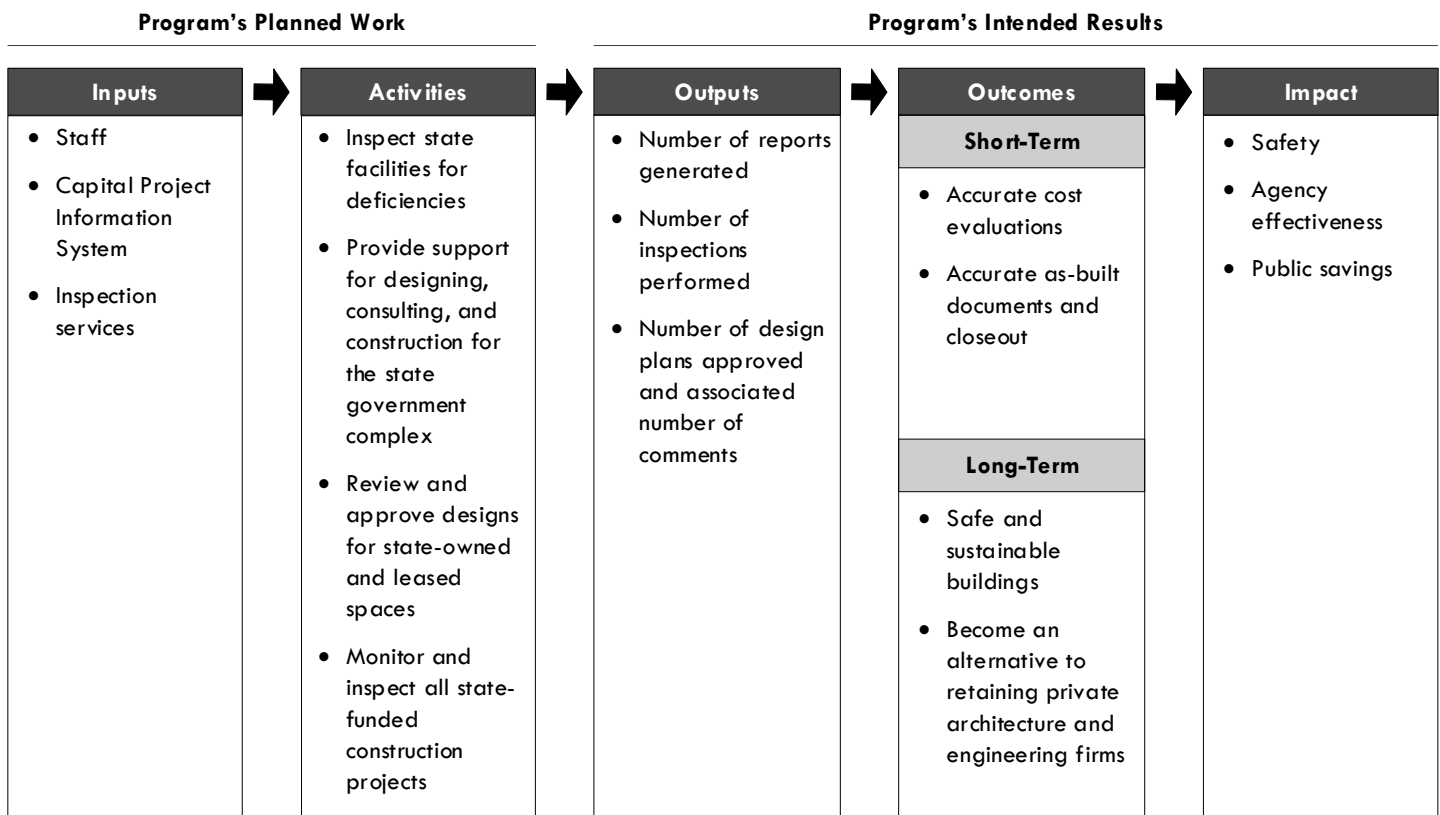
- **Mission:** To provide professional design, plan review, and inspection services to ensure facilities funded and constructed by the State of North Carolina are safe, sustainable, efficient, and cost effective
- **Statutory Authority:** N.C. Gen. Stat. §§ 143-64; 143-128,129; 143-135.25, 26; 143-139(e); 143-143.2; 143-336; 143-341; 153A-357; and Executive Order 123
- **Covered Entities:** State agencies, universities, and community colleges

## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$6,513,768	\$6,331,984	\$6,331,984
Total Receipts	(\$684,911)	-	-
Appropriation	\$5,828,857	\$6,331,984	\$6,331,984
<b>Total Positions</b>	<b>61</b>	<b>61</b>	<b>61</b>

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the State Construction Office.

# Program Name: State Construction Office

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the State Construction Office’s Manual describes other state agencies’ involvement in building construction and review, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Office cannot demonstrate how it is unique from other related programs. The Office provided no documentation of coordination efforts. Without an inventory, the Office cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Office should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify federal, state (e.g., Department of Insurance), and municipal programs—along with non-governmental organizations—that address building safety and construction. Then, the Office should create an inventory that identifies other current programs active in the policy area that address the same goal as the Office. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Office should include itself in the inventory so that it is clear which services the Office provides that no other programs provide. The inventory should demonstrate how the Office is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Office should update the program inventory periodically.

# Program Name: State Construction Office

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.			✓
2.2 Problem definition identifies the major factors contributing to the problem.			✓
2.3 Problem definition identifies current gaps in services or programs.			✓
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>			✓

Description: Although the State Construction Office’s Manual identifies problems it is intended to address (e.g., construction cost overruns, inconsistent inspections, dangerous construction in flood plains), it does not have a problem definition based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the program serves.

Suggestions: The Office should create a problem definition, in one document, that describes the statewide problem it is intended to address. For example, duplication and inefficiencies result from decentralized management of state construction. The problem definition should be based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the Office serves. The problem definition should identify the major factors contributing to the problem and identify current gaps in services.

# Program Name: State Construction Office

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.		✓	
3.3 Logic model includes specified outputs.		✓	
3.4 Logic model includes specified short-term and long-term outcomes.		✓	
3.5 Logic model includes specified impacts.		✓	
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The State Construction Office has a logic model with specified inputs, such as staff and the Capital Project Information System. Although the logic model includes activities (e.g., inspecting state facilities for deficiencies, reviewing and approving designs, monitoring state-funded construction projects), outputs (e.g., reports generated, inspections performed), short-term outcomes (e.g., accurate cost evaluations), long-term outcomes (e.g., safe and sustainable buildings), and impacts (e.g., safety), the logic model does not address all of the operations performed by the Office.

The Office did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Office did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Office's logic model should include specified activities, outputs, outcomes, and impacts that represent all of its operations (e.g., allocation of energy efficiency tax deduction, administration of flood plain guidelines). The Office should share its logic model with staff and key stakeholders. The Office should update its logic model periodically and indicate on the document when it was last updated. In addition, the Office's logic model could be strengthened in the following ways:

- phrase outputs in terms of quantity (e.g., number of reports generated, number of inspections performed, number of design plans approved),
- differentiate outcomes that are achievable in the short-term (e.g., accurate cost evaluations) from those that are achievable in the long-term (e.g., safe and sustainable buildings),
- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased), and
- differentiate long-term outcomes from impacts.

# Program Name: State Construction Office

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓

Description: The State Construction Office did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Office should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.



# Program Name: State Construction Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the State Construction Office is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Office did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Office should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

# Program Name: State Construction Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
Overall Indicator Rating	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The State Construction Office has a mission statement: “to provide professional design, plan review, and inspection services to ensure facilities funded and constructed by the State of North Carolina are safe, sustainable, efficient, and cost-effective.” The Office has a vision statement: “State Construction identified that there was room for improvement, especially in promptness of service. Planned changes included promoting the technical capability of staff through the annual conference and website, and expediting the workload through the Office with efficiency improvements such as better utilizing the web-based project environment and electronic plan reviews.” The Office has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Office updates its strategic plan every two years in accordance with biennium budgets. The Office is in the process of updating its strategic plan to include goals, objectives, and performance measures.

Suggestions: The Office should update its strategic plan, in one document, to include program-specific goals, objectives, and performance measures.

# Program Name: State Construction Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.		✓	
7.2 Performance measures assess key outputs.		✓	
7.3 Performance measures assess efficiency/process.		✓	
7.4 Performance measures assess quality.		✓	
7.5 Performance measures assess key outcomes.		✓	
7.6 Program has a defined method for collecting performance data.		✓	
7.7 Program has a standard format for reporting performance data.		✓	
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.		✓	
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.		✓	
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: For one of the State Construction Office’s activities (i.e., design and construction of capital facilities), the Office has performance measures that assess key inputs (e.g., staff, funding, and technology), outputs (e.g., reports generated on Interscope, comments issued to designers, inspections and field reports), outcomes (e.g., expert reports to be utilized by owners and designers for renovations; safe, sustainable, efficient, and cost effective buildings; verification of bid compliance and field inspections). In addition, for that same activity of the Office, the Office has performance measures that assess efficiency/process (e.g., funding amounts by scores/quality ratings of capital facility construction projects) and quality (e.g., quality ratings of capital facility construction projects). Therefore, for this activity, the Office has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts. However, the Office did not provide documentation demonstrating it has performance measures for all of the operations performed by the Office.

For one of the Office’s activities (i.e., design and construction of capital facilities), the Office has a defined method for collecting performance data, has a standard format for reporting performance data, and regularly reports its performance measures to managers, staff, and key stakeholders. However, the Office did not provide documentation demonstrating it has the above elements for all of the operations performed by the Office. Finally, the Office did not provide documentation demonstrating it validates its performance measures periodically for any of its operations.

Suggestions: For all of its operations (e.g., facility assessment), the Office should have performance measures that assess key inputs (e.g., staff, funding), outputs (e.g., comments issued to designers, inspection and field reports), and outcomes (e.g., safe, sustainable, efficient, and cost-effective government buildings). Similarly, for all of its operations, the Office should have performance measures that assess efficiency/process (i.e., the inputs used per unit of output) and quality (i.e., the

## **Program Name: State Construction Office**

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degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive).

For all of its operations, the Office should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). Similarly, for all its operations, the Office should develop a standard format for reporting performance data. In addition, for all its operations, the Office should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. Finally, for all its operations, the Office should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

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# Program Name: State Construction Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓
<p>Description: Although the State Construction Office has a system for tracking the performance of contractors (e.g., Interscope), this system is not a quality improvement system. Therefore, the Office did not provide documentation demonstrating it has a quality improvement system.</p>			
<p>Suggestions: The Office should create a quality improvement system that sets annual objectives and then tracks performance towards these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Office's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Office should take remedial action if there is a performance shortfall.</p>			

# Program Name: State Construction Office

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the State Construction Office not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Office.

Suggestions: The Office should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Office should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Office should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: State Construction Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The State Construction Office follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Office to conduct two years of financial forecasting, the Office did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Office did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Office should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: State Construction Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	✓		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
Description: The State Construction Office does not require state entities to pay for its services.			
Suggestions: None.			



# Program Name: State Construction Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the State Construction Office did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Office should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

# Program Name: State Construction Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The State Construction Office uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: State Construction Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>	N/A		

Description: The State Construction Office has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Office did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Office did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Office should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Office should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.

# Program Name: Division of State Parking

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	157
2. Program has a problem definition.			✓	158
3. Program has a logic model.		✓		159
4. Program is evidence-based.			✓	160
5. Program has conducted a scalability analysis.			✓	161
6. Program has a strategic plan.		✓		162
7. Program has performance measures.		✓		163
8. Program has a quality improvement system.			✓	164
9. Program has a risk assessment.		✓		165
10. Program has a financial forecast.		✓		166
11. Program has cost sharing documents.	✓			167
12. Program has conducted a staffing analysis.			✓	168
13. Program has an accounting system.	✓			169
14. Program is audited.		✓		170

# Division of State Parking

State Parking is a division within the Department of Administration.

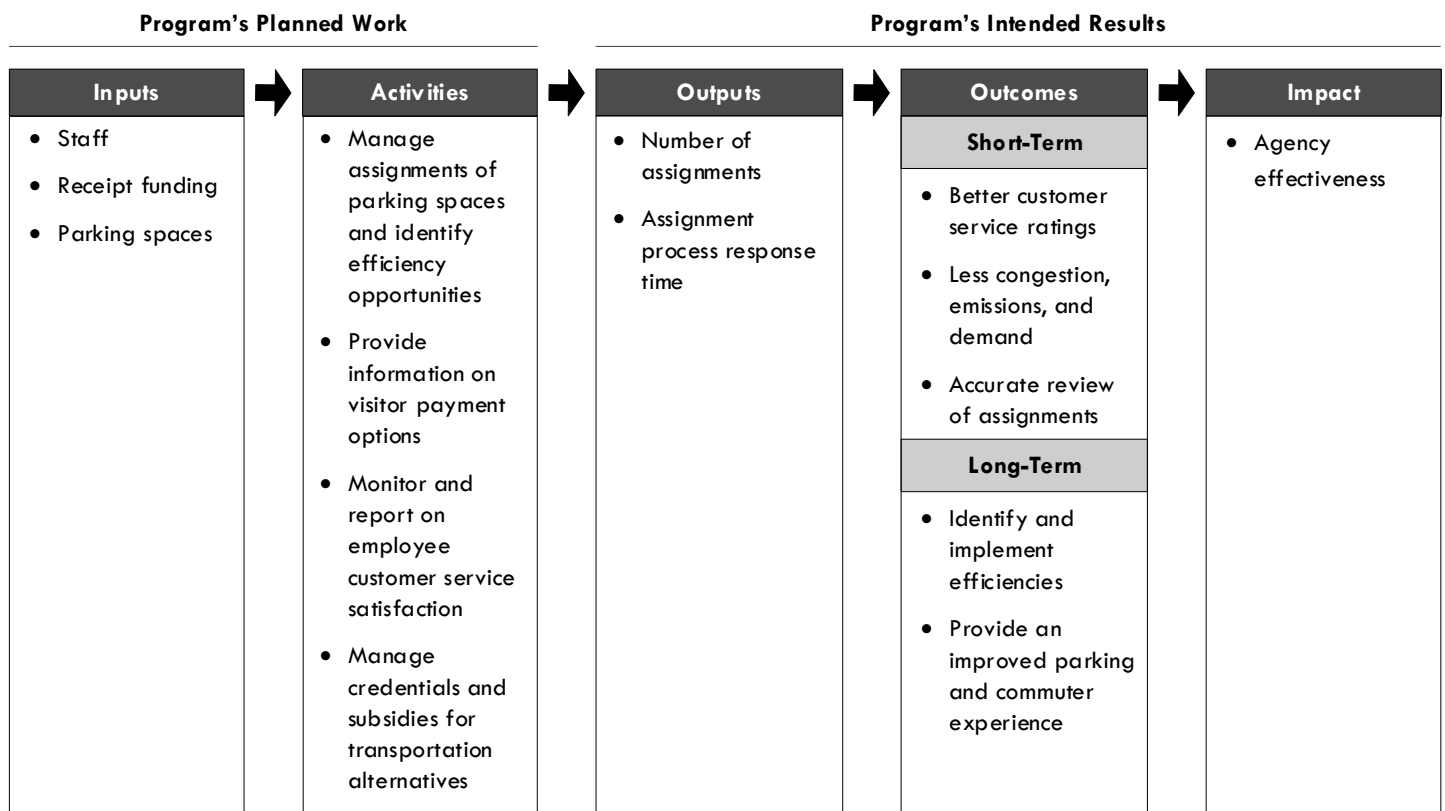
- **Mission:** To provide effective and efficient parking and transportation options that enable employees, departments, and visitors to have access to the downtown state government complex
- **Statutory Authority:** N.C. Gen. Stat. § 143-340
- **Covered Entities:** State employees and visitors to the downtown state government complex

## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$1,696,825	\$1,729,761	\$1,729,761
Total Receipts	(\$2,635,722)	(\$2,173,830)	(\$2,173,830)
Change in Fund Balance	\$938,897	\$444,069	\$444,069
<hr/>			
Total Positions	14.75	19	19
<hr/>			
Note: For Fiscal Year 2016–17, BEACON shows the Division having 19 positions as of June 30, 2017, instead of 14.75.			

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Division of State Parking.

# Program Name: Division of State Parking

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the Division of State Parking has a list of state agencies with which it coordinates state parking and an inventory of parking spaces, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Division cannot demonstrate how it is unique from other related programs. The Division provided no documentation of coordination efforts. Without an inventory, the Division cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Division should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify other state programs (e.g., the General Assembly) and municipal programs that handle parking for state employees. Then, the Division should create an inventory that identifies other current programs active in the policy area that address the same goal as the Division. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Division should include itself in the inventory so that it is clear which services the Division provides that no other programs provide. The inventory should demonstrate how the Division is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Division should update the program inventory periodically.

# Program Name: Division of State Parking

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.			✓
2.2 Problem definition identifies the major factors contributing to the problem.			✓
2.3 Problem definition identifies current gaps in services or programs.			✓
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>			✓
<p>Description: The Division of State Parking Division does not have a problem definition based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the program serves.</p>			
<p>Suggestions: The Division should create a problem definition, in one document, that describes the statewide problem it is intended to address. For example, duplication and inefficiencies result from decentralized management of state parking. The problem definition should be based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the Division serves. The problem definition should identify the major factors contributing to the problem and identify current gaps in services.</p>			

# Program Name: Division of State Parking

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Division of State Parking has a logic model that includes specified inputs, such as staff and receipt funding. The logic model includes specified activities, such as managing parking space assignments, providing information on visitor payment options, and monitoring employee customer service satisfaction. Although the logic model identifies the types of participants in the Division's activities, it does not include specified outputs. The logic model includes specified short-term outcomes (e.g., better customer service ratings) and long-term outcomes (e.g., improved parking and commuter experience). The logic model includes impacts, such as agency effectiveness. The Division did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Division did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Division should include specified outputs in its logic model, such as number of assignments and assignment process response time. The Division should share its logic model with staff and key stakeholders. The Division should update its logic model periodically and indicate on the document when it was last updated. In addition, the Division's logic model could be strengthened in the following ways:

- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased) and
- differentiate long-term outcomes from impacts.



# Program Name: Division of State Parking

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓
<p>Description: Although the Division of State Parking provided annual reports that assess division operations, these reports are not impact evaluations. Therefore, the Division did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.</p>			
<p>Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.</p>			

# Program Name: Division of State Parking

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the Division of State Parking is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Division did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

# Program Name: Division of State Parking

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.		✓	
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The Division of State Parking has a mission statement: “to provide effective and efficient parking and transportation options that enable employees, departments, and visitors to have access to the downtown state government complex.” The Division has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Division updates its strategic plan every two years in accordance with biennium budgets. The Division is in the process of updating its strategic plan to include goals, objectives, and performance measures.

Suggestions: The Division should update its strategic plan, in one document, to include a program-specific vision statement and program-specific goals, objectives, and performance measures.

# Program Name: Division of State Parking

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.	✓		
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.	✓		
7.4 Performance measures assess quality.	✓		
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

**Description:** The Division of State Parking has performance measures that assess key inputs, such as staff and revenue. The Division has performance measures that assess key outputs, such as number of assignments. In addition, the Division has performance measures that assess efficiency/process (e.g., average daily revenue per visitor space) and quality (e.g., customer satisfaction). The Division has performance measures that assess key outcomes, such as better customer service ratings. Therefore, the Division has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts. In addition, the Division has a standard format for reporting performance data.

Although the Division has a defined place for storing performance data, the Division did not provide documentation demonstrating it has a defined method for collecting performance data. In addition, the Division did not provide documentation demonstrating it validates its performance measures periodically or regularly reports its performance measures to managers, staff, and key stakeholders.

**Suggestions:** The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). In addition, the Division should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. Finally, the Division should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

# Program Name: Division of State Parking

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓
<p>Description: The Division of State Parking did not provide documentation demonstrating it has a quality improvement system.</p>			
<p>Suggestions: The Division should create a quality improvement system that sets annual objectives and then tracks performance towards these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Division's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Division should take remedial action if there is a performance shortfall.</p>			

# Program Name: Division of State Parking

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Division of State Parking did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Division.

Suggestions: The Division should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Division should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: Division of State Parking

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.	✓		
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.		✓	
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Division of State Parking follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. In addition to the Office of State Budget and Management’s budget development process that requires the Division to conduct two years of financial forecasting, the Division also provided documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. Although the Division’s financial forecast shows trends in dollar amounts, the forecast does not attempt to explain why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should expand upon its trend analysis by attempting to explain why revenue and expenditures are expected to increase or decrease.

# Program Name: Division of State Parking

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
<p>Description: The Division of State Parking requires cost sharing. As an internal service fund, the Division charges state employees and visitors to pay for parking spaces. The Division provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.</p>			
<p>Suggestions: None.</p>			



# Program Name: Division of State Parking

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Division of State Parking did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Division should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

# Program Name: Division of State Parking

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Division of State Parking uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Division of State Parking

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Division of State Parking has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Division did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.

# Program Name: State Property Office

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	173
2. Program has a problem definition.			✓	174
3. Program has a logic model.			✓	175
4. Program is evidence-based.			✓	176
5. Program has conducted a scalability analysis.			✓	177
6. Program has a strategic plan.		✓		178
7. Program has performance measures.		✓		179
8. Program has a quality improvement system.			✓	181
9. Program has a risk assessment.		✓		182
10. Program has a financial forecast.		✓		183
11. Program has cost sharing documents.	✓			184
12. Program has conducted a staffing analysis.	✓			185
13. Program has an accounting system.	✓			186
14. Program is audited.	✓			187

# State Property Office

The State Property Office is a division within the Department of Administration.

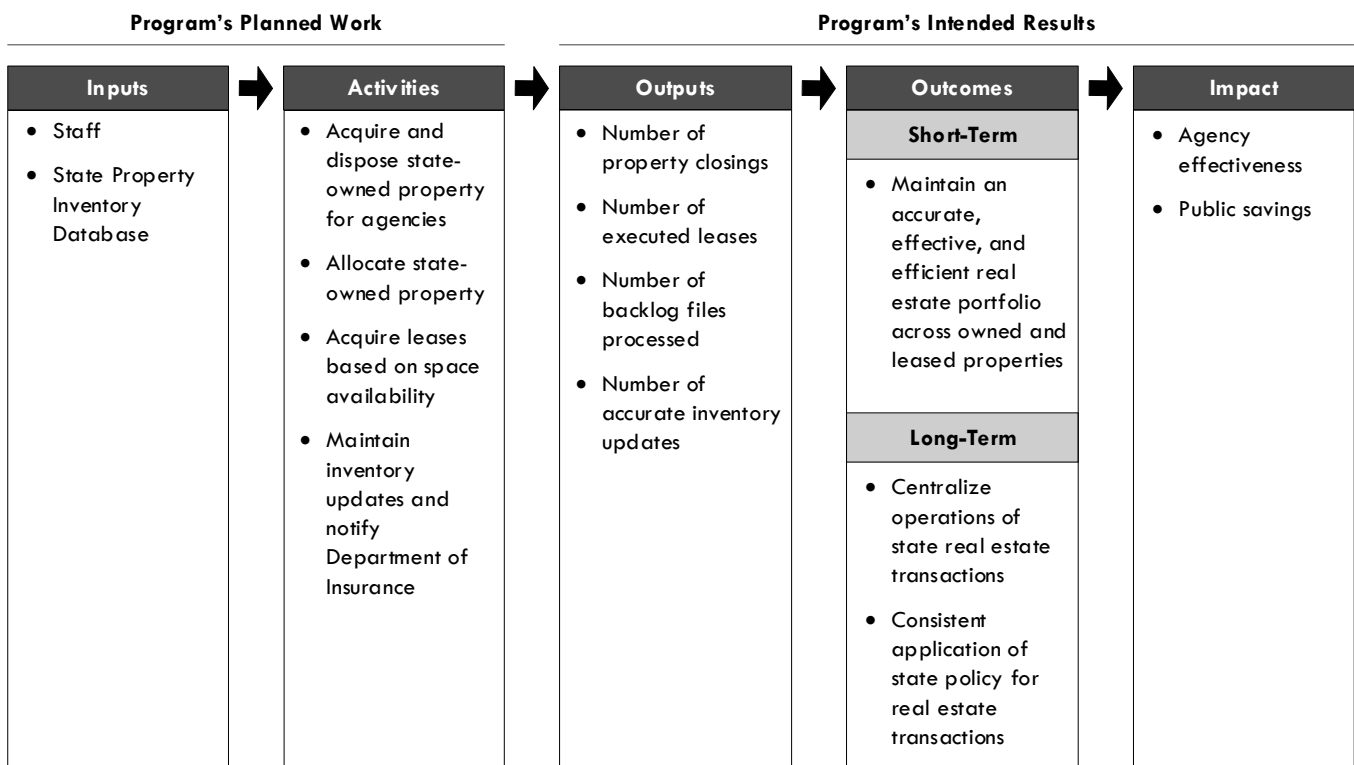
- **Mission:** To manage state real estate transactions on behalf of state agencies through deeds, leases, easements, licenses, or otherwise; administer the State's unappropriated and submerged lands; and maintain a complete and accurate inventory of state-owned lands, buildings, and space in buildings for use by state agencies to efficiently and effectively manage their allocated properties
- **Statutory Authority:** N.C. Gen. Stat. §§ 143-341 and 146
- **Covered Entities:** All state government entities without statutory exemption

## Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$2,738,934	\$1,688,254	\$1,688,254
Total Receipts	(\$1,207,688)	(\$738,107)	(\$738,107)
Appropriation	\$1,531,246	\$950,147	\$950,147
<hr/>			
Total Positions	27	19	19
<hr/>			
Note: For Fiscal Year 2016–17, BEACON shows the Office having 19 positions as of June 30, 2017, instead of 27.			

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the State Property Office.

# Program Name: State Property Office

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>			✓

Description: Although the State Property Office has a list of the state agencies for which it manages real estate transactions, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Office cannot demonstrate how it is unique from other related programs. The Office provided no documentation of coordination efforts. Without an inventory, the Office cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Office should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify federal, state, and municipal programs that manage state property. Then, the Office should create an inventory that identifies other current programs active in the policy area that address the same goal as the Office. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Office should include itself in the inventory so that it is clear which services the Office provides that no other programs provide. The inventory should demonstrate how the Office is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Office should update the program inventory periodically.

# Program Name: State Property Office

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.			✓
2.2 Problem definition identifies the major factors contributing to the problem.			✓
2.3 Problem definition identifies current gaps in services or programs.			✓
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>			✓

Description: Although the State Property Office states that it minimizes the problems associated with various state agencies managing their own real estate transactions, it does not have a problem definition based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the program serves.

Suggestions: The Office should create a problem definition, in one document, that describes the statewide problem it is intended to address. For example, duplication and inefficiencies result from decentralized management of state property. The problem definition should be based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the Office serves. The problem definition should identify the major factors contributing to the problem and identify current gaps in services.

# Program Name: State Property Office

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.			✓
3.2 Logic model includes specified activities.			✓
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.			✓
3.5 Logic model includes specified impacts.			✓
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>			✓

Description: Although the State Property Office has information on inputs, activities, outputs, outcomes, and impacts spread out among multiple documents, it did not provide documentation demonstrating it has brought this information together in the form of a logic model.

Suggestions: The Office should develop a logic model that includes

- inputs (e.g., staff and state property inventory database),
- activities (e.g., acquire and dispose of state-owned property for agencies),
- outputs (e.g., number of property closings),
- short-term outcomes (e.g., maintain an accurate, effective, and efficient real estate portfolio across owned and leased properties) and long-term outcomes (e.g., consistent application of state policy for real estate transactions), and
- impacts (e.g., agency effectiveness and public savings).

The logic model should be shared with staff and key stakeholders. The Office should update the logic model periodically and indicate on the document when it was last updated.



# Program Name: State Property Office

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓

Description: The State Property Office did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Office should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.

# Program Name: State Property Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the State Property Office is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. The Office did not provide documentation demonstrating it has conducted a scalability analysis.</p>			
<p>Suggestions: The Office should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

# Program Name: State Property Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.	✓		
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The State Property Office has a mission statement: “to manage state real estate transactions on behalf of state agencies through deeds, leases, easements, licenses, or otherwise; to administer the State’s unappropriated and submerged lands; and to maintain a complete and accurate inventory of state-owned lands, buildings, and space in buildings for use by state agencies to efficiently and effectively manage their allocated properties.” The Office has a vision statement: “to provide professional real estate services for state agencies.” The Office has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Office updates its strategic plan every two years in accordance with biennium budgets. The Office is in the process of updating its strategic plan to include goals, objectives, and performance measures.

Suggestions: The Office should update its strategic plan, in one document, to include program-specific goals, objectives, and performance measures.

# Program Name: State Property Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.		✓	
7.2 Performance measures assess key outputs.		✓	
7.3 Performance measures assess efficiency/process.			✓
7.4 Performance measures assess quality.			✓
7.5 Performance measures assess key outcomes.			✓
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.			✓
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: Although the State Property Office has performance measures that assess certain key inputs, such as funding, the Office did not provide documentation demonstrating it has performance measures for other key inputs, such as staff. In addition, although the Office has performance measures that assess certain key outputs, such as number of cases processed per day, the Office did not provide documentation demonstrating it has performance measures for other key outputs, such as number of property closings.

The Office did not provide documentation demonstrating it has performance measures that assess efficiency/process, quality, or key outcomes. Therefore, the Office did not provide documentation demonstrating it has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

In addition, the Office did not provide documentation demonstrating it has a defined method for collecting performance data, has a standard format for reporting performance data, validates its performance measures periodically, or regularly reports its performance measures to managers, staff, and key stakeholders.

Suggestions: The Office should have performance measures that assess all key inputs, outputs, and outcomes. The Office should have performance measures that assess efficiency/process (i.e., the inputs used per unit of output) and quality (i.e., the degree to which services are delivered in accordance with pre-determined standards and/or whether customers are satisfied with the services they receive).

The Office should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). The Office should develop a standard format for reporting performance data. In addition, the Office should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data. Finally, the Office should ensure that performance

## **Program Name: State Property Office**

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data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

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# Program Name: State Property Office

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓
Description: The State Property Office did not provide documentation demonstrating it has a quality improvement system.			
Suggestions: The Office should create a quality improvement system that sets annual objectives and then tracks performance towards these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Office's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Office should take remedial action if there is a performance shortfall.			

# Program Name: State Property Office

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the State Property Office did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Office.

Suggestions: The Office should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Division should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

# Program Name: State Property Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The State Property Office follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management’s budget development process requires the Office to conduct two years of financial forecasting, the Office did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Office did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Office build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.



# Program Name: State Property Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	✓		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
Description: The State Property Office does not require private individuals or entities that purchase real property from the State to pay for the Office's services.			
Suggestions: None.			

# Program Name: State Property Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.	✓		
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>	✓		
<p>Description: The State Property Office has a staffing analysis by the CBRE consulting firm (2017) that measures caseload (e.g., number of buildings acquired/disposed) and workload (e.g., square feet of buildings acquired/disposed). The CBRE report identifies trends (e.g., increasing collaboration workspaces) and establishes internal benchmarks for efficient operations (e.g., total portfolio cost for leased and owned real estate).</p>			
<p>Suggestions: None.</p>			

# Program Name: State Property Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The State Property Office uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: State Property Office

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.	✓		
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>	✓		

Description: The State Property Office has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. The Office provided an internal audit of its state-owned land inventory backlog to demonstrate it has a record of prior audits. The Office provided documentation demonstrating corrective actions taken in response to audit findings and recommendations.

Suggestions: The Office could improve its record of prior audits by listing key aspects of them (e.g., subject of audit, date completed, major findings, corrective actions) in a separate document from the audits themselves.

# Program Name: Division of Surplus Property

Measurability Assessment Conducted by Program Evaluation Division

## Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.		✓		190
2. Program has a problem definition.			✓	192
3. Program has a logic model.		✓		193
4. Program is evidence-based.			✓	194
5. Program has conducted a scalability analysis.			✓	195
6. Program has a strategic plan.		✓		196
7. Program has performance measures.		✓		197
8. Program has a quality improvement system.			✓	198
9. Program has a risk assessment.		✓		199
10. Program has a financial forecast.		✓		200
11. Program has cost sharing documents.	✓			201
12. Program has conducted a staffing analysis.			✓	202
13. Program has an accounting system.	✓			203
14. Program is audited.		✓		204

# Division of Surplus Property

Surplus Property is a division within the Department of Administration. The Division of Surplus Property is comprised of the State Surplus Property Agency and Federal Surplus Property Agency.

- **Mission:** To manage the disposition of all state-owned personal property through transfers, trade-ins, recycling, disposals, and sales; provide the audit trail of disposition services to client agencies on a cost reimbursement basis; to secure federal property and make it available to state agencies and non-profits
- **Statutory Authority:** N.C. Gen. Stat. §§ 20-28.3-9, 20-187.2, 143-63.1, and 143-64.02(2)
- **Covered Entities:** All state-owned property for all state government entities

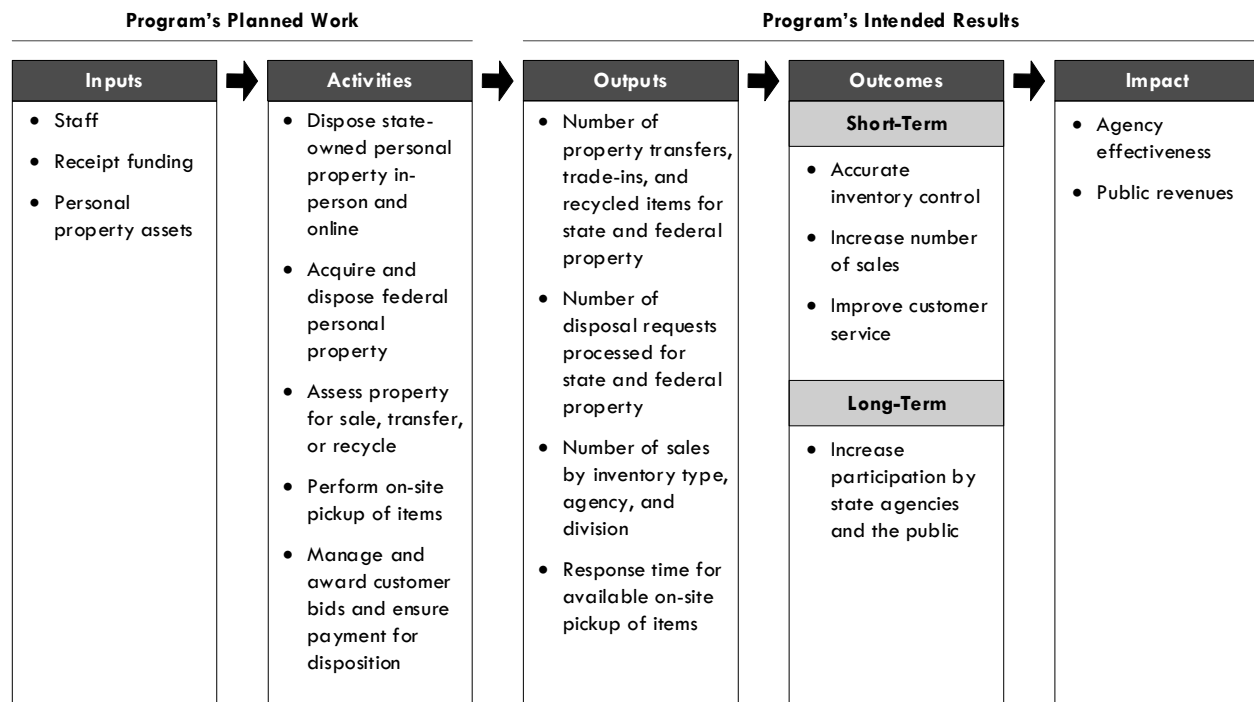
## Fiscal Snapshot

	State Surplus Property Agency			Federal Surplus Property Agency		
	FY 2016–17	FY 2017–18	FY 2018–19	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	\$1,895,534	\$1,855,184	\$1,855,184	\$712,565	\$635,496	\$635,496
Total Receipts	(\$1,896,311)	(\$1,867,356)	(\$1,867,356)	(\$710,138)	(\$589,064)	(\$589,064)
Change in Fund Balance	\$777	\$12,172	\$12,172	(\$2,427)	(\$46,432)	(\$46,432)
<hr/>						
Total Positions	29.25	26.94	26.94	8.75	6.05	6.05

Note: For Fiscal Year 2016–17, BEACON shows the State Surplus Property Agency having 26.95 positions and the Federal Surplus Property Agency having 6.05 positions, for a total of 33 positions, as of June 30, 2017, instead of 29.25 and 8.75 respectively for a total of 38 positions.

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

## Logic Model Created by PED



Source: Program Evaluation Division based on information from the Division of Surplus Property.

# Program Name: Division of Surplus Property

## Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.	✓		
1.2 Inventory demonstrates how the examined program is unique from the other related programs.	✓		
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.	✓		
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>1. Program does not duplicate other related programs.</b>		✓	

Description: The Division of Surplus Property has a program inventory that identifies

- governmental entities that handle their own surplus per law (Museums, Community Colleges, NC State University and Department of Agriculture timber sales); and
- governmental entities that conduct unique surplus disposition by longstanding agreements (Department of State Treasurer's Unclaimed Property Division, universities through campus surplus stores, Department of Transportation through live auctions).

The inventory also lists online private companies that sell property for a profit by auction (ebay, GovDeals, Public Surplus, Iron Planet, ActionTime, Webstore). The Division is unique because it provides an audit trail for the disposition of state- and federally-owned personal property for government entities that are not exempt from its authority. The inventory does not identify the purpose of each program; the services, products, or functions each program is providing; or the target population served by each program. The Division coordinates with other related programs to avoid wasteful competition and duplication in the following ways:

- coordinates with Departments of Environmental Quality, Health and Human Services, and Information Technology in the development of statewide contracts to handle the disposition of digitally and environmentally sensitive items to ensure no overlap of responsibilities or reporting; and
- coordinates with US General Services Administration's Southeast Sunbelt Region to ensure eligibility and compliance with federally mandated rules and regulations.

The Division did not provide documentation demonstrating it updates its program inventory periodically.

Suggestions: The Division's program inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Division should include itself in the inventory so that it is clear which services the Division

## **Program Name: Division of Surplus Property**

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provides that no other programs provide. The Division should update its program inventory periodically and indicate on the document when it was last updated. In addition, the Division's inventory could be strengthened by individually describing efforts to coordinate with related programs.

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# Program Name: Division of Surplus Property

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.			✓
2.2 Problem definition identifies the major factors contributing to the problem.			✓
2.3 Problem definition identifies current gaps in services or programs.			✓
2.4 If program is based on a “promising approach” or “best practice,” problem definition provides a rationale for the transferability of the approach to the population the program serves. <i>If program is not based on a “promising approach” or “best practice,” enter N/A.</i>	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>2. Program has a problem definition.</b>			✓
<p>Description: The Division of Surplus Property does not have a problem definition based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the program serves.</p>			
<p>Suggestions: The Division should create a problem definition, in one document, that describes the statewide problem it is intended to address. For example, duplication and inefficiencies result from decentralized management of state surplus. The problem definition should be based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the Division serves. The problem definition should identify the major factors contributing to the problem and identify current gaps in services.</p>			

# Program Name: Division of Surplus Property

## Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.	✓		
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.		✓	
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>3. Program has a logic model.</b>		✓	

Description: The Division of Surplus Property has a logic model that includes inputs, such as staff. The logic model has specified activities, such as disposing state-owned property in-person and online. The logic model includes outputs, such as transfers and trade-ins. The logic model has specified short-term outcomes (e.g., improve customer service) and long-term outcomes (e.g., increase participation by state agencies). The logic model has specified impacts, such as public savings. The Division did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. Although the Division states that it updates its logic model as necessary, the Division did not provide documentation demonstrating its logic model is updated on a regular basis.

Suggestions: The Division should share its logic model with staff and key stakeholders. The Division should indicate on its logic model when it was last updated (e.g., by using a timestamp). In addition, the Division's logic model could be strengthened in the following ways:

- phrase outputs in terms of quantity (e.g., number of property transfers),
- differentiate outcomes that are achievable in the short-term (e.g., accurate inventory control) from those that are achievable in the long-term (e.g., increase participation by state agencies and the public),
- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased), and
- differentiate long-term outcomes from impacts.

# Program Name: Division of Surplus Property

## Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>4. Program is evidence-based.</b>			✓
<p>Description: Although the Division of Surplus Property provided a financial audit by the Office of the State Auditor (2013) and stakeholder surveys (2015), these efforts are not impact evaluations. Therefore, the Division did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.</p>			
<p>Suggestions: The Division should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.</p>			

# Program Name: Division of Surplus Property

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.			✓
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.			✓
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.			✓
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>5. Program has conducted a scalability analysis.</b>			✓
<p>Description: Although the Division of Surplus Property is a statewide program established in statute, it could still conduct a scalability analysis to determine whether it could have a greater impact if it had more resources such as more staff or newer technology. Although the Division did provide information on current workload and the use of services by local governments, the provided documentation does not demonstrate it has conducted a scalability analysis.</p>			
<p>Suggestions: The Division should conduct a scalability analysis to determine whether it has robust evidence of its effectiveness and has the potential for substantially expanded reach and system adoption. The scalability analysis should determine whether an expanded program would be acceptable to target groups and settings and could be delivered at an acceptable cost.</p>			

# Program Name: Division of Surplus Property

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.		✓	
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>6. Program has a strategic plan.</b>		✓	

Description: The State Surplus Property Agency has a mission statement: “to manage the disposition of all state-owned personal property through transfers, trade-ins, recycling, disposals, and sales; provide the audit trail of disposition services to agencies and other governmental units on a cost reimbursement basis.” The Federal Surplus Property Agency has a mission statement: “to secure federal property for the State of North Carolina and make it available to state agencies and non-profits on a cost reimbursement basis.” The Division of Surplus Property has a values statement: “quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity.”

The Division updates its strategic plan every two years in accordance with biennium budgets. The Division is in the process of updating its strategic plan to include a vision statement, goals, objectives, and performance measures.

Suggestions: The Division should update its strategic plan, in one document, to include a program-specific vision statement and program-specific goals, objectives, and performance measures.

# Program Name: Division of Surplus Property

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.	✓		
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.	✓		
7.4 Performance measures assess quality.	✓		
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.			✓
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.	✓		
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>7. Program has performance measures.</b>		✓	

Description: The Division of Surplus Property has performance measures that assess key inputs, such as inventory and customers, and key outputs, such as number of client agencies served per month and gross sales. In addition, the Division has performance measures that assess efficiency/process (e.g., turn rate) and quality (e.g., measure of customer satisfaction). The Division has performance measures that assess outcomes, such as

- repurposed surplus items;
- non-profits benefit from state/federal surplus; and
- sale of surplus returned funds to agency budgets, which they report as receipts.

Therefore, the Division has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts. In addition, the Division has a standard format for reporting performance data and regularly reports this information to managers, staff, and key stakeholders.

Although the Division has a defined place for storing performance data, the Division did not provide documentation demonstrating it has a defined method for collecting performance data. In addition, the Division did not provide documentation demonstrating it periodically validates performance measures.

Suggestions: The Division should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). In addition, the Division should periodically validate the information that is being reported by reviewing data collection protocols and comparing reported information to a sample of source data.

# Program Name: Division of Surplus Property

## Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.			✓
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.			✓
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.			✓
8.4 Program takes remedial action if there is a performance shortfall.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>8. Program has a quality improvement system.</b>			✓
<p>Description: Although the Division of Surplus Property has a process for monitoring performance, this process is not a quality improvement system. Therefore, the Division did not provide documentation demonstrating it has a quality improvement system.</p>			
<p>Suggestions: The Division should create a quality improvement system that sets annual objectives and then tracks performance towards these objectives on either a quarterly or monthly basis. The objectives should have indicators, targets, and dates, and the objectives should be consistent with the Division's strategic plan and updated annually. Progress towards objectives should be monitored through an action plan and milestones. The Division should take remedial action if there is a performance shortfall.</p>			

# Program Name: Division of Surplus Property

## Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>9. Program has a risk assessment.</b>		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Division of Surplus Property did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Division.

Suggestions: The Division should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Division should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Division should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.



# Program Name: Division of Surplus Property

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>10. Program has a financial forecast.</b>		✓	

Description: The Division of Surplus Property follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Division to conduct two years of financial forecasting, the Division did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Division did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Division should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

# Program Name: Division of Surplus Property

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. <i>If program does require cost sharing, enter N/A.</i>	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. <i>If program does not require cost sharing, enter N/A.</i>	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. <i>If program does not require cost sharing, enter N/A.</i>	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>11. Program has cost sharing documents.</b>	✓		
<p>Description: The Division of Surplus Property requires cost sharing. As an internal service fund, the Division is supported on a cost-reimbursement basis by the state entities that utilize its services. The Division provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.</p>			
<p>Suggestions: None.</p>			

# Program Name: Division of Surplus Property

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>12. Program has conducted a staffing analysis.</b>			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Division of Surplus Property did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Division should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

# Program Name: Division of Surplus Property

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
Overall Indicator Rating			
	Meets	Partially Meets	Does Not Meet
<b>13. Program has an accounting system.</b>	✓		
<p>Description: The Division of Surplus Property uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.</p>			
<p>Suggestions: None.</p>			

# Program Name: Division of Surplus Property

## Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
<b>14. Program is audited.</b>		✓	

Description: The Division of Surplus Property has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Division did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Division did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Division should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Division should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.



STATE OF NORTH CAROLINA  
DEPARTMENT OF ADMINISTRATION

ROY COOPER  
GOVERNOR

MACHELLE SANDERS  
SECRETARY

April 5, 2018

John Turcotte  
Program Evaluation Division, Director  
North Carolina General Assembly  
212 Legislative Office Building  
300 N. Salisbury Street  
Raleigh, NC 27603

Re: Formal Response to Draft Report – *Measurability Assessments of the NC  
Department of Administration's 12 Programs*

Dear Mr. Turcotte,

On behalf of the North Carolina Department of Administration, thank you for the opportunity to review and provide our responses to the above-mentioned report. The Measurability Assessment provided a uniform set of 14 criteria to analyze the state's core business functions and advocacy programs. To our knowledge, this assessment is the first of its kind in our state and nation, so we embraced this opportunity to evaluate sound financial management practices, to better ensure that we are focused on results, and carry out our statutory mission across all 12 distinct divisions.

The Department of Administration oversees a diverse range of responsibilities: (1) Government operations, such as state building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, facility maintenance of 169 state owned buildings (2) Auxiliary services, such as courier mail delivery and state and federal surplus property sales, and (3) Advocacy programs, providing assistance and services through state and federal grants to diverse segments of the state's population that have been traditionally underserved.

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As a new administration, we have engaged division leaders to identify goals and objectives, review our processes, evaluate resources and better manage our operations. We plan to use this report in conjunction with our own analyses to build on process improvements and ensure accountability. Since 2008, the Office of State Budget Management has directed executive agencies to engage in strategic planning as part of each state biennium budget planning process.

The Department looks forward to formally updating our plans this fall under Governor Cooper's leadership and believes that any thorough results driven budget planning process must include the utilization of strategic planning, performance measurement, and quality improvements.

Program Evaluation Division appropriately acknowledged on page 2, "*some of the indicators are more appropriate for programs aimed at solving social problems, as opposed to the Department of Administration's programs aimed at improving state government functions*". These indicators cannot adequately assess DOA. They identify stretched standards that simply do not apply or fully acknowledge statutory directives and resources available:

- 1- Inventory that avoids duplication
- 2- Problem definition
- 4- Evidence-based
- 5- Scalability

Below are our responses to those indicators where partial credit and improvements have been suggested. Your comments are noted in bold print.

**Risk Assessment Although the Department of Administration has a system of internal control, most programs have not conducted a risk assessment to identify potential financial, fraudulent, or legal hazards. The Department of Administration should consider requiring that all programs have program-specific risk profiles and mitigation strategies.**

DOA Fiscal Management works with OSC annually with the EAGLE Program, not only to establish adequate internal controls, but also to increase fiscal accountability. Under the EAGLE Program, the agency performs an annual assessment of internal control over financial reporting and compliance. By performing this assessment, we can identify risks and compensating controls that reduce the possibility of material misstatements, misappropriation of assets and noncompliance with governmental rules and regulations.

**Financial Forecast** Although most programs annually conduct a financial forecast that breaks down projections in revenue and expenditure categories and that is based on a basic model of forecasting, most programs did not provide documentation demonstrating they project revenues and expenditures for at least five years or explain trends by discussing why revenues and expenditures are expected to increase or decrease. The Department of Administration should consider building these components into their programs' budget development processes.

The report suggests that DOA engage in a 5-year revenue and expenditure forecasting model. However, the entire budgetary framework in North Carolina is based on the 2-year biennium. DOA Fiscal Management works with OSBM regarding revenues and expenditures during the biennium and the year between. Long-range-planning (LRP) is an effective means outlining the path for an entity's future providing direction, insight into performance projections, and expected goal achievements for five years or more. However, LRP approaches are less relevant and valuable in environments where there is significant known uncertainty, cultural obstacles and dynamic agendas which inherently dictate future investments, priorities, and direction.

**Audits** Although all programs have a description of audit requirements and demonstrate accessibility of person, documents, and property, most do not have a record of prior audits or a record of corrective actions taken in response to audit findings and recommendations. The Department of Administration should consider developing these records across all of its programs.

DOA has an internal audit program which provides an independent compliance analysis of functions, policies, and programs. DOA will continue to strengthen and approve applicable documents management processes to further ensure timely access.

**Quality Improvement System** Most programs do not have a quality improvement system that sets objectives consistent with the program's strategic plan, monitors progress towards objectives through an action plan and milestones, and builds in remedial action if there is a performance shortfall. The Department of Administration should consider developing a quality improvement system for all of its programs.

With the change of administration in 2017, DOA's leadership identified and implemented the agency's strategic imperatives. Objectives and goals were implemented in alignment with each imperative. These goals and objectives are monitored and tracked against pre-defined action plans and timelines. Where appropriate, remedial actions are applied for any actions that do not meet the pre-defined timelines. The strategic imperatives, objectives, and goals were determined based on an evaluation of the agency's improvement needs and priorities in early 2017. Additionally, DOA continually identifies and implements improvement processes that eliminate waste, increase efficiency, and create value for taxpayers and/or customers.



DOA will further evaluate quality management tools and methodologies that may be appropriate to enhance similar quality improvement processes and create the supporting infrastructure. With completion of this review, DOA will determine which quality improvement system tools will improve customer satisfaction and increase efficiency as well as generate a sense of collaboration and motivation for agency employees. Most importantly, DOA will identify evidence-based quality improvement tools that further the goodwill of the agency. Upon budget approval for sufficient funding and resources, DOA will build the capacity and infrastructure to develop and implement a robust quality improvement system.

**Staffing Analysis Most programs do not have a staffing analysis that measures caseload and workload and that identifies trends and establishes internal benchmarks for efficient operations. The Department of Administration should consider requiring all programs to conduct a staffing analysis to determine if staffing levels are appropriate based on the volume of work programs are required to perform.**

Staffing levels are requested based on agency statutory responsibilities, volume of work, priorities and needs of government operations and NC citizen services. Staffing analysis which includes various staffing models may not provide meaningful, accurate data that will result in valuable use of time due to the following reasons:

- Require non-standardization of work flows for diverse functions
- Operational instability due to external factors
- Changing budgetary priorities approved each cycle
- Lack of accurate worker-to-workload depiction due to variability and qualitative nature of work associated with functions.

The Department appreciates the professionalism and insight provided by PED during this Measurability Assessment. We will consider your feedback in the spirit of our continuous improvement efforts. We believe that working with and in this framework over the past eight months highlighted areas for improvement as well as models for operational excellence currently in place within the Department of Administration. Additionally, our experience emphasizes an opportunity to adapt this framework for valuable, viable assessments of effectiveness and efficiency of statutory programs. Thank you for your consideration of our responses.

Sincerely,

A handwritten signature in cursive script that reads "Machelle Sanders".

Machelle Sanders