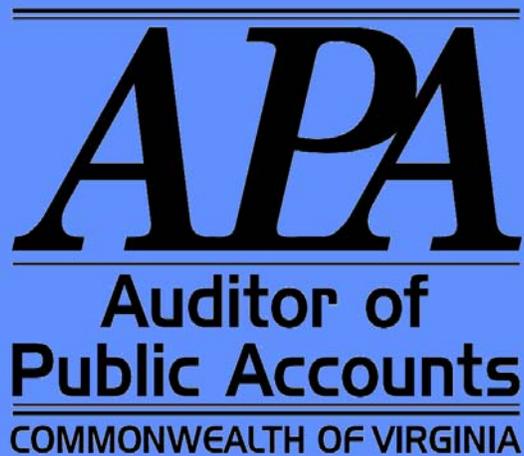


**REVIEW OF PERFORMANCE MEASURES**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2006**



## EXECUTIVE SUMMARY

Our review this year focused on agency performance measure information on Virginia Performs. Virginia Performs, launched in January 2007, is the Commonwealth's new performance management website. The Council of Virginia's Future (the Council) and the Department of Planning and Budget (Planning and Budget) implemented the new website as part of the statewide implementation of a new performance management structure. The new structure seeks to provide a stronger link between the budget and performance management information. Virginia Performs provides statewide as well as agency strategic planning and performance information.

Our review focused on agency performance measures reported on Virginia Performs for fiscal year 2006, and included those items the Governor identified as significant to an agency's mission and goals, referred to as key measures. We reviewed the completeness, accuracy, and reasonableness of 42 key agency performance measures. Our review found that 26 of the 42 measures (62 percent) had some type of error, and several of the measures had multiple errors. The majority of these errors related to information that was not complete; however, these errors when taken as a whole, bring into question the usefulness of the information reported.

We recognize that Virginia Performs is a work in progress and the Council and Planning and Budget will need to continue to work together to refine the newly implemented performance management system. While there have been improvements in the process since our first review, we believe some of the issues reported here continue to exist because no one has sole responsibility for the completeness and accuracy of the information on Virginia Performs. This is a shared responsibility between Planning and Budget and the agencies. Our report includes recommendations on the following issues.

- The Governor needs to address the shared responsibility aspect of Virginia Performs, and clearly define and document the various roles and responsibilities over performance information reported on Virginia Performs.
- Agencies and Planning and Budget need to strengthen procedures to improve the completeness of performance information reported on Virginia Performs.
- Agencies and Planning and Budget need to strengthen procedures to improve the accuracy and reasonableness of performance information reported on Virginia Performs.
- Planning and Budget needs to strengthen access controls over information in Virginia Performs.

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# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

June 22, 2007

The Honorable Timothy M. Kaine  
Governor of Virginia  
State Capital  
Richmond, Virginia

The Honorable Thomas K. Norment, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission  
General Assembly Building  
Richmond, Virginia

Gentlemen:

We have completed our annual review of the **Commonwealth's performance measures**. The Department of Planning and Budget (Planning and Budget) maintains and reports these measures on the Virginia Performs website. We conducted our review in accordance with standards for performance audits set forth in the Government Auditing Standards issued by the Comptroller General of the United States.

## Purpose

We performed our review to satisfy the requirements of Section 30-133 of the Code of Virginia. The Code of Virginia requires the Auditor of Public Accounts to review and report annually on whether state agencies are providing and reporting appropriate information on financial and performance measures to Planning and Budget. It also requires that we review the accuracy of the management systems used to accumulate and report the results and make recommendations for new or revised performance measures.

Our objectives in reviewing the performance measures information were to:

- Determine whether 2006 performance measure information is accurate and can be understood by an average user;
- Determine whether 2006 performance measure information is complete for all measures;
- Determine whether Planning and Budget and agency internal control processes and procedures are adequate to ensure integrity of performance information;
- Determine whether Planning and Budget's information system controls over Virginia Performs are sufficient to ensure that only authorized users have access to update information in the system;

- Determine the status of prior year recommendations; and
- Make recommendations to improve the usefulness of the performance measures reported and the new performance management system.

### Scope and Methodology

Our review of agency performance measures was limited to executive branch agency performance measures reported and published by Planning and Budget on the Virginia Performs website. We did not include higher education performance measures, which are the responsibility of the State Council of Higher Education.

Our work included reviewing the performance measures reported in the Virginia Performs database for completeness. In addition, we selected a sample of performance measures for detailed review. We obtained supporting documentation for each performance measure in the sample and information related to internal controls. We also reviewed the information system controls over access to the Virginia Performs website.

Finally, we verified whether agencies in the sample published their strategic plans to the website as required by Section 2.2-5510 of the Code of Virginia. We communicated with agencies, the Council on Virginia's Future (the Council), and Planning and Budget to obtain information needed to complete our review.

### Results of Review

Our review found that agencies are attempting to update their measures as instructed by Planning and Budget; however, agencies are not completing all fields as required by Planning and Budget. We also found that agencies need to improve controls to ensure that information reported on Virginia Performs is accurate and reasonable.

Our review of internal controls at Planning and Budget and within the sampled agencies continues to indicate a need for stronger, documented controls to ensure the accuracy, understandability, and reasonableness of performance measures. We found that one agency had not posted their strategic plan to the website as required by the Code of Virginia.

Planning and Budget and individual agencies have not taken adequate corrective action with respect to some of the previously reported findings. Accordingly, we included and identified repeat findings in this report. Planning and Budget and individual agencies have taken adequate corrective action with respect to audit findings reported in the prior year that are not repeated in this report.

This report is intended for the information and use of the Governor, the General Assembly, agency management, and citizens of the Commonwealth of Virginia and is a public record.

### EXIT CONFERENCE

We discussed this report with Planning and Budget management on July 12, 2007.

Walter J. Kucharski

LCW/whb

## REVIEW OF AGENCY PERFORMANCE MEASURES

This report summarizes our review of the executive branch agency performance measures and provides recommendations based on our observations. Section 30-133 of the Code of Virginia requires the Auditor of Public Accounts to conduct an annual audit of performance measures and to review the related management systems used to accumulate and report the results. The current performance management system has components for strategic planning, performance measurement, program evaluation, and performance budgeting. Together, these components should provide information to manage strategy and improve and communicate the results of government services. Section 2.2-1501 of the Code of Virginia requires Planning and Budget to develop, coordinate, and implement a performance management system. Planning and Budget ensures that the information is useful for managing and improving the efficiency and effectiveness of state government operations, and is available to citizens and public officials.

The report has three separate sections. The first section includes background information on Virginia Performs and discusses roles and responsibilities over information in the system. We have included this section because this is a new performance management system and the first time we have reviewed information in this system. The second section outlines the scope of work and the method of review. The third section presents the results of the work performed and provides recommendations based on observations made during the course of our work and best practices for reporting and communicating performance information.

### Background Information

Performance management provides tools and information to help policy and decision-makers, the general public, and state employees, evaluate the results of government services. An effective performance management system is comprised of four linked processes: strategic planning, performance measurement, program evaluation, and performance budgeting. Performance measures provide feedback about whether strategies implemented to achieve goals are working effectively. Performance measures are a part of the program evaluation process to adjust and allocate dollars towards a stated goal.

The Commonwealth first implemented a performance management system in the mid 1990's, and this effort has continued in various forms since then. In 2000, the General Assembly passed legislation requiring Planning and Budget to develop, implement, and manage an Internet-based performance information system. In response, Planning and Budget developed and implemented the Virginia Results website that made agency performance data available to the public. In 2003, the General Assembly established the Council on Virginia's Future (the Council) to develop a unified vision for the Commonwealth and to guide Planning and Budget in aligning strategic plans and performance measures to the vision.

At the direction of the Council, Planning and Budget directed a statewide reorganization of the budgeting and agency strategic plan structures effective July 1, 2006. The effort seeks to achieve an integrated performance management structure that could link strategic planning and budgeting. The common coding structure is a service area, and each service area has objectives, measures, baseline performance, and performance targets.

The Governor's proposed budget and Executive Budget document for the 2006-2008 biennium introduced the new service area budget structure and performance measures. The Executive Budget document included proposed appropriations for each agency service area, the performance measure, baseline, and targets for the applicable performance measures. The Executive Budget document did not include performance measure results because of the revisions made to the performance measures.

In conjunction with this effort, the Council and Planning and Budget launched the Virginia Performs website in January 2007. This website replaces Virginia Results, and provides users with performance management information about state agencies and programs. Virginia Performs does not include performance information for colleges and universities since the State Council on Higher Education will report this information. Planning and Budget has the following statutory requirements related to Virginia Performs from Section 2.2-1500 of the Code of Virginia.

*11. (Effective until July 1, 2008) Development, coordination, and implementation of a performance management system involving strategic planning, performance measurement, evaluation, and performance budgeting within state government. The Department shall ensure that information generated from these processes is useful for managing and improving the efficiency and effectiveness of state government operations, and is available to citizens and public officials.*

*12. Development, implementation, and management of an Internet-based information technology system to ensure that citizens have access to performance information.*

In meeting these requirements, Planning and Budget has assumed responsibility for maintenance of the Virginia Performs website, which includes controlling access to the website as well as tasks related to keeping the website up and running. Planning and Budget also issues instructions to agencies on when they must update the information in Virginia Performs. These instructions do not list required fields agencies must complete; however, Planning and Budget has built edit checks into Virginia Performs which require certain information before an agency can proceed. Lastly, Planning and Budget provides guidance and training on issues related to presentation of information on Virginia Performs; however, they have no authority to enforce the guidance.

Planning and Budget does not take responsibility for the accuracy or completeness of the information presented on Virginia Performs. According to Planning and Budget management, each individual agency's management has responsibility for the information accuracy and completeness. Planning and Budget analysts must review agency performance measure data before its publication on the website. Planning and Budget management has provided analysts with instructions for reviewing and publishing data in Virginia Performs. Analysts must review data to ensure the following:

- All key objectives and measures are identified and have not been altered;
- Clarity of data sources and calculations;
- Inclusion of historical data or explanatory note of why the information is missing;
- Inclusion of target and target date;
- Completion of all fields or appropriate explanatory notes; and
- Explanatory notes for all anomalies in data.

*Recommendation #1*

*The Governor needs to address the shared responsibility aspect of Virginia Performs and clearly define and document the various roles and responsibilities over performance information reported on Virginia Performs. Although certain responsibilities have evolved over time, this system involves both a central agency and individual agencies, and it is prudent that the Governor designate who is responsible for what and clearly define data ownership. We have previously recommended this in our earlier reports and are including this again given the accessibility of information on Virginia Performs to the public. (This recommendation was in a previous report.)*

Agencies must report performance measure information on Virginia Performs for fiscal year 2006. Each measure reported on Virginia Performs includes the following elements which we will refer to throughout this report using *italics*. A brief description of each element is also included in the table below to aid the reader in understanding the results of our review.

Name of Element	Description of the Element
<i>2006 Results</i>	Indicates the performance measure results for fiscal year 2006.
<i>Measure Methodology</i>	Explains how the results were derived in addition it lists the source of the data.
<i>Target data</i>	Level of performance the agency is striving to achieve.
<i>Target date</i>	Expected date that the agency will achieve the target value.
<i>Measure type</i>	Indicates whether the measure is an input measure, output measure, or outcome measure.
<i>Measure frequency</i>	Indicates how often the agency will report the measure results.
<i>Preferred trend</i>	Indicates which direction the measure results should be trending.
<i>Key Measures</i>	Indicates if the measure is one of the Governor's key performance measures.
<i>Explanatory information</i>	Indicates reasons for blank fields, explains large variations in data, and includes additional information the agency would like to report.
<i>Historical data</i>	Reports measure results for previous reporting periods.
<i>Baseline</i>	Indicates a starting point for which the agency is trying to improve.

#### Scope and Method of Review

We obtained a copy of the Virginia Performs database from Planning and Budget as of February 16, 2007. The database duplicates information presented on the Virginia Performs website and was the basis for our work. The database contained over 1,400 performance measures for all executive branch agencies. Of these measures, the Governor identified 223 as key measures.

We evaluated the completeness of information for all 223 performance measures. We reviewed the following data elements to determine if agencies had updated their information on the Virginia Performs website:

- *2006 results*
- *Target data*
- *Target date*
- *Measure type*
- *Measure frequency*
- *Measure methodology*
- *Preferred trend*
- *Key measures*
- *Explanatory information*
- *Historical data*
- *Baseline*

In those instances where we found incomplete data, we reviewed the explanations provided in Virginia Performs to determine if the agency had a reasonable explanation for not including the information in all data fields. If the agency provided an adequate explanation for not including data, we did not consider the data field to be incomplete.

We selected a sample of 42 of the 223 performance measures to review for reasonableness and accuracy. We used guidance provided from Planning and Budget to evaluate the measures and we discuss our specific approach to each of these below.

Our review assessed the reasonableness of the information for the following data elements:

- *Target data*
- *Target date*
- *Baseline*
- *Explanatory information*
- *Historical data*
- *Measure frequency*
- *Measure methodology*

We evaluated the reasonableness of *Explanatory information* and *Historical data* using the information on the Virginia Performs website and the guidance from Planning and Budget. This guidance required agencies to provide an explanation for any blank fields. Planning and Budget also asked agencies to provide *Historical data* for existing measures that they had included in their strategic and service area plans. We gained an understanding of how the agency determined *Target data*, *Target date*, *Baseline*, and *Measure frequency* in order to assess the reasonableness of the information in the data fields. We consider the agency's *Measure methodology* reasonable if it followed the guidelines provided by Planning and Budget. Planning and Budget instructed agencies to specifically explain how they reported data values and where the information came from when listing their data source.

Our review assessed the accuracy of the following data elements: *2006 results*, *Measure type*, *Key measure* and *Preferred trend*. We reviewed supporting documentation and recalculated performance measure results, where feasible, to determine the accuracy of the *2006 results*. We reviewed the performance measure to determine if agencies accurately identified the *Measure type* and *Preferred trend*. We also evaluated if the agency accurately identified the performance measure as a *Key measure* on the website.

We reviewed instructions and presentation materials published by Planning and Budget and the Council in order to understand requirements of the new performance management system. We communicated with agencies within our sample and Planning and Budget to evaluate the existing internal controls over the performance measures reviewed. We verified that the agencies in our sample had published their strategic plan on their websites. In addition, we also reviewed the information system controls over access to the Virginia Performs website. We also followed up on prior year recommendations to determine if the recommendations were satisfactorily resolved.

## Results of Review

We reviewed 223 performance measures on the Virginia Performs website for completeness. In addition, we reviewed 42 of 223 performance measures for reasonableness and accuracy. Of the 42 measures we reviewed, we found 26 (6 percent) measures had some type of error either related to completeness, reasonableness or accuracy. There were also some measures that had multiple errors. The review results and our findings and recommendations are below.

### *Completeness of Performance Measures*

We reviewed the completeness of 223 measures listed in the Virginia Performs database as of February 16, 2007 to determine if agencies are updating data fields. In October 2006, Planning and Budget

instructed agencies to update performance measure information in Virginia Performs by November 29, 2006. As mentioned earlier, Planning and Budget’s *Instructions for Updating Agency Performance Measure* did not identify required data fields.

Overall, we found 102 out of the 223 (46 percent) performance measures that had incomplete data fields. Of the 102 performance measures with incomplete data fields, 42 of these had valid reasons for the incomplete data fields. Examples of valid reasons were a new measure with no prior information or fiscal year information that was not available until after the deadline.

We consider the remaining 60 performance measures incomplete since the agency did not include an adequate explanation on the Virginia Performs website. In some cases there were multiple incomplete data fields for a single performance measure; in those cases, we only counted the measure once to arrive at a total of 60 measures. Although Virginia Performs has controls to ensure agency personnel enter required information, it does not appear this control is working as intended.

The following table summarizes the results of our completeness review by data field. In some instances, one performance measure may have multiple incomplete data fields. For purposes of this table, we calculated each data field separately. We have also included a detailed list of exceptions by agency and measure from our completeness review in Appendix B.

**Results of Completeness Review**

Data Field	Total
<i><u>2006 results</u></i>	
Incomplete without adequate reason	6
Incomplete with adequate reason	25
Complete	<u>192</u>
Total	<u>223</u>
<i><u>Target data</u></i>	
Incomplete without adequate reason	2
Incomplete with adequate reason	-
Complete	<u>221</u>
Total	<u>223</u>
<i><u>Target date</u></i>	
Incomplete without adequate reason	-
Incomplete with adequate reason	-
Complete	<u>223</u>
Total	<u>223</u>
<i><u>Measure Type</u></i>	
Incomplete without adequate reason	-
Incomplete with adequate reason	-
Complete	<u>223</u>
Total	<u>223</u>

Measure Frequency

Incomplete without adequate reason	-
Incomplete with adequate reason	-
Complete	<u>223</u>
Total	<u>223</u>

Measure Methodology

Incomplete without adequate reason	-
Incomplete with adequate reason	-
Complete	<u>223</u>
Total	<u>223</u>

Preferred Trend

Incomplete without adequate reason	10
Incomplete with adequate reason	-
Complete	<u>213</u>
Total	<u>223</u>

Key Measures

Incomplete without adequate reason	-
Incomplete with adequate reason	-
Complete	<u>223</u>
Total	<u>223</u>

Explanatory Information

Incomplete without adequate reason	6
Incomplete with adequate reason	-
Complete	<u>217</u>
Total	<u>223</u>

Historical data

Incomplete without adequate reason	47
Incomplete with adequate reason	1
Complete	<u>175</u>
Total	<u>223</u>

Baseline

Incomplete without adequate reason	4
Incomplete with adequate reason	16
Complete	<u>203</u>
Total	<u>223</u>

### *Recommendation #2*

*We recommend strengthening procedures at both the agencies and Planning and Budget to ensure information on Virginia Performs is complete. At the agency level, management should perform a supervisory review of the data to ensure its completeness and accuracy before submission to Planning and Budget.*

*Planning and Budget should review the “required field” controls built into Virginia Performs to ensure they are functioning as intended. In addition, Planning and Budget management needs to ensure staff are following internal procedures for review of the information submitted by the agencies. Finally, Planning and Budget should include required fields in their instructions to agencies.*

*A lack of complete information for individual performance measure affects the user’s ability to interpret the measure and the results.*

### *Reasonableness of Performance Measures*

We assessed the reasonableness of the information reported for the following data elements: *Target data, Target date, Baseline, Explanatory information, Historical data, Measure methodology, and Measure frequency*, and found the following.

- *Explanatory Information* for three of the 42 performance measures was unreasonable because the agencies failed to include relevant information in the field. We found instances where agencies did not explain large variations in data nor did they include explanations for blank fields.
- *Historical data* for four of the 42 performance measures was missing from the database. Agencies provided the following reasons for not including *Historical data* in the database – new performance measure for fiscal year 2006 and changes in how the measure results were calculated, and we did not consider these omissions unreasonable.
- *Measure Methodology* for 16 of the 42 performance measures tested was unreasonable for two main reasons – lack of source data and inadequate descriptions of how to calculate the measure results. Agencies received specific instructions on how to explain the values they calculated and the source of information. We also continue to find the use of jargon and inadequately defined terms making information understandable to an insider, but not the general public.
- We did not find any unreasonable information for the following data elements – *Target, data, Target date and Measure frequency*.

### *Accuracy of Performance Measures*

As indicated earlier, we selected 42 performance measures and we assessed the accuracy of the following data elements: *2006 results, Measure type, Key measure, and Preferred trend*. We found the following.

- *2006 results:* four (9.5 percent) out of the 42 performance measure were inaccurate due to data entry errors, rounding without adequate explanations, and measure results not supporting the measure objectives. In some instances the auditor could not recalculate results because results were computer generated; however, the auditor has some assurance about data reliability given testing of system controls on agency audits.
- *Measure type:* two of 42 *Measure types* were inaccurate because the agencies incorrectly identified measures as an outcome measure rather than an output measure.
- We found all *Key measures* and *Preferred trends* properly identified.

Refer to Appendix A, Results of Performance Measure Sample, for a complete list of measures tested, descriptions, and individual agency results.

*Recommendation #3*

*Planning and Budget should expand the guidance on the required information for the various data fields. We think this would help to provide greater consistency and improve the information on Virginia Performs. In addition, Planning and Budget should provide guidance to agencies on suggested internal control procedures for information on Virginia Performs. Strengthened controls will help ensure that information is accurate and reasonable. If Virginia Performs is a representation of the Virginia's actions, then a more accurate database is essential. (This recommendation was in a previous report.)*

*Access Controls over Virginia Performs*

In our previous reviews, we have made various recommendations to strengthen information systems controls. Planning and Budget's updated annual instructions to agencies documents procedures for gaining access to Virginia Performs; however, this document does not address some system controls. Planning and Budget has no procedures that require users to periodically change their passwords. In addition, Planning and Budget does not have a procedure to delete user logon ids and passwords when an employee terminates or their job responsibilities change.

*Recommendation #4*

*Planning and Budget should strengthen access controls by developing policies and procedures to address the following.*

- *Delete access when authorized users terminate employment or change job assignments*
- *Changing passwords on a cyclical basis*
- *Review Virginia Performs active user listing on a cyclical basis*

*Information system access controls ensure the integrity of the data in Virginia Performs. (We reported this recommendation in a previous report.)*

### *Strategic Plans*

During the course of our review, we determined if each agency in our sample had published their strategic plan to their website, as directed by the Code of Virginia. We found that one of the 36 (2.7 percent) executive branch agencies reviewed did not properly publish their strategic plan to their agency website. This represents a significant improvement since our last review where 75% of the agencies in our sample had not posted their strategic plans to their website.

### Other Issue for Consideration

Based on our review, we did find an issue that did not represent an internal control weakness in the current process, but would further strengthen the process and improve the usefulness of information on Virginia Performs. We discuss this issue below.

### *Consolidate Guidance to Agencies*

Planning and Budget should strengthen their guidance to agencies by consolidating multiple pieces of material as well as expanding guidance in some cases. Planning and Budget should consolidate their agency guidance on performance measures and Virginia Performs. Planning and Budget has issued the following instructions and manuals, in addition to their annual instructions, some of which duplicate each other.

- Planning and Budget issued an Agency Handbook in September 2006 which is a guide for agency strategic planning and performance measurement. This guide also includes some information on performance measures, some of which duplicates information in the annual instructions.
- Planning and Budget, in conjunction with the Council of Virginia's Future, also issued additional guidance to agencies on refining performance measures through workshops held in April 2006. This guidance repeats some of the same information in the instructions and handbook mentioned above. It also includes a quick reference guide that has high level "dos and don'ts" for performance measures.

While the guidance provided by Planning and Budget is thorough, several of these resources duplicate each other. Planning and Budget should review and consolidate their guidance to make it easier for the user. One possibility is having a Virginia Performs user manual, similar to the FATS manual; another possibility is expanding the Agency Handbook to include a chapter on Virginia Performs. If Planning and Budget would do either of these, then the annual instructions would only communicate dates and deadlines and would not need to include guidance on fields and what to include.

## **APPENDICES**

**Appendix A**

**RESULTS OF PERFORMANCE MEASURE REVIEW BY AGENCY**

<b>Agency Name</b>	<b>Performance Measure</b>	<b>2006 Result</b>	<b>Proposed Baseline</b>	<b>Proposed Target</b>	<b>Review Results</b>
Alcohol Beverage Control (ABC)	We will enhance the Underage Buyer (UAB) compliance rate for retail alcohol licensees.	87	91	93	ABC should develop and implement internal controls over performance measures.
Business Assistance (BA)	We will increase the number of jobs created and retrained through the Workforce Services Jobs Investment Program.	575	440	488	BA should develop and implement internal controls over performance measures.
Commonwealth Attorney Services Council (CASC)	We will increase opportunities for prosecutor training by offering sufficient available training hours through CASC programs.	13	6	9	CASC should develop and implement internal controls over performance measures.
Compensation Board (CB)	We will achieve a high level of overall customer satisfaction with Compensation Board activities, as demonstrated by the ratings (percentage) received in an annual survey of all constitutional officers.	85	82	88	<p>CB should develop and implement internal controls over performance measures.</p> <p>CB's measure methodology should include specific information on how their measure results were derived and the data source used.</p> <p>CB should include historical data for previous year's results.</p> <p>CB should properly identify their measure as a key measure on the Virginia Performs website.</p>
Comprehensive Services for At-Risk Youth and Families (CS)	We will increase the proportion of children served at home, in school and in the community.	13	6	9	<p>CS should develop and implement internal controls over performance measures.</p> <p>CS should include specific information on how their measure results were derived.</p>

Agency Name	Performance Measure	2006 Result	Proposed Baseline	Proposed Target	Review Results
Education- Direct Aid	Percentage of schools rated Fully Accredited.	92	92	100	Education should develop and implement internal controls over performance measures. Education should include historical data for previous year's results.
	Percentage of high school graduates earning the Advanced Studies Diploma.	51	51	57	Education should develop and implement internal controls over performance measures. Education should include historical data for previous year's results.
	Percentage of students enrolled in Algebra I by the eighth grade.	30	30	45	Education should develop and implement internal controls over performance measures.
	We will increase the percentage of third graders passing the third grade reading Standards of Learning test.	84	84	95	Education should develop and implement internal controls over performance measures. Education's measure methodology should include the data source.
Environmental Quality	We will reduce the annual number of days when ozone levels are above the 8-hour ozone standard.	66	73	37	Environmental Quality should develop and implement internal controls over performance measures.
Fire Programs	We will reduce the number of fire casualties.	435	525	472	Fire Programs should develop and implement internal controls over performance measures. Fire Programs should include historical data for previous year's results. Fire Programs measure methodology should explain how the results were derived.
Forestry	We will decrease the percentage of forest land burned by wild fires to no more than .075 percent.	0.109	0.1	0.075	Forestry should develop and implement internal controls over performance measures. Forestry should include historical data for previous year's results.

Agency Name	Performance Measure	2006 Result	Proposed Baseline	Proposed Target	Review Results
General Services	We will increase by at least 10 percent the number of local government eVA users.	1490	1490	1693	<p>General Services should develop and implement internal controls over performance measures.</p> <p>General Services should include historical data for previous year's results.</p> <p>General Services measure methodology should explain how the results were derived and include the data source.</p>
Labor and Industry (LI)	We will reduce the rate of workplace fatalities in the high-hazard construction industry per 100,000 workers.	14.5	14.12	13.14	<p>LI should develop and implement internal controls over performance measures.</p> <p>LI's measure methodology should explain how the results were derived.</p>
Library of Virginia (Library)	Acquire, process and preserve manuscript, printed, and electronic materials related to Virginia's history and culture.	2,502,718	2,502,718	2,612,221	<p>Library should develop and implement internal controls over performance measures.</p> <p>The Library's measure methodology should explain how the results were derived.</p> <p>The Library should include historical data for previous year's results.</p>
Medical Assistance Services (MAS)	Well-child visit rate	41	51	70	<p>MAS should develop and implement internal controls over performance measures.</p> <p>MAS result should include results for both age groups noted in the measure methodology.</p>
Mines, Mineral and Energy (MME)	We will increase the amount of saved energy costs achieved through energy conservation and procurement strategies.	5	5	6	<p>MME should develop and implement internal controls over performance measures.</p> <p>MME should report accurate performance measure results.</p> <p>MME measure methodology should include specific information on how the measure results were derived and the data source.</p>

Agency Name	Performance Measure	2006 Result	Proposed Baseline	Proposed Target	Review Results
Motor Vehicles	We will reduce the average wait time for majority (75%) of customers conducting business in Customer Service Centers.	23	23	20	Motor Vehicles should develop and implement internal controls over performance measures.  Motor Vehicles measure methodology should include specific information on how the measure results were derived.  Motor Vehicles should explain large variations in data.
	We will reduce the average number of times a citizen is required to interact with DMV to complete a single transaction.	1.82	1.82	1.5	Motor Vehicles should develop and implement internal controls over performance measures.  Motor Vehicles measure methodology should include specific information on how the measure results were derived.
	Reduce the number of traffic fatalities.	957	946	926	Motor Vehicles should develop and implement internal controls over performance measures.
Museum of Natural History (MNH)	We will increase the number of scientific collaborations.	11	5	12	MNH should develop and implement internal controls over performance measures.  MNH's measure methodology should include specific information on how the measure results were derived and the data source.  MNH should report accurate 2006 data results on the Virginia Performs website.
Rail and Transportation (Rail)	We will increase the number of passenger trips/person on public transportation systems in urbanized areas of the Commonwealth.	23.29	23.29	23.52	Rail should develop and implement internal controls over performance measures.  Rail's measure methodology should include specific information on how the measure results were derived and the data source.

Agency Name	Performance Measure	2006 Result	Proposed Baseline	Proposed Target	Review Results
Science Museum of Virginia (SMV)	Annual Attendance to increase by 2 percent over previous year.	375,697	335,000	340,000	SMV should develop and implement internal controls over performance measures.  SMV's measure methodology should include specific information on how the measure results were derived and the data source.  SMV's strategic plan should be located on the agency's website as required by the <i>Code of Virginia</i> .
State Police	We will decrease the average response time to emergency calls.	18.9	18.9	18.5	State Police should develop and implement internal controls over performance measures.
Transportation	We will decrease the number of traffic fatalities by 100 by 2010 as established by the Secretaries of Transportation and Public Safety in the 2006 Strategic Highway Safety Plan.	958	1071	926	Transportation should develop and implement internal controls over performance measures.
Virginia Racing Commission (VRC)	We will increase the number of licenses issued and renewed to 4,545 in calendar year 2007.	5,128	4,500	4,545	VRC should develop and implement internal controls over performance measures.  VRC should report accurate 2006 results in Virginia Performs.
Woodrow Wilson Rehabilitation Center (WWRC)	WWRC will work to ensure that 80 percent of graduates of its training programs are employed.	74	70	80	WWRC should develop and implement internal controls over performance measures.  WWRC's measure methodology should include the source of the data.

### **Quarterly Performance Measures**

Agency Name	Performance Measure	2006 1 <sup>st</sup> Quarter	2006 2 <sup>nd</sup> Quarter	2006 3 <sup>rd</sup> Quarter	2006 4 <sup>th</sup> Quarter	Proposed Baseline	Proposed Target	Review Results
Corrections	We will have no escapes from confinement.	-	-	-	0	2	0	Corrections should develop and implement internal controls over performance measures.  Corrections measure methodology should include the data source.

Agency Name	Performance Measure	2006 1 <sup>st</sup> Quarter	2006 2 <sup>nd</sup> Quarter	2006 3 <sup>rd</sup> Quarter	2006 4 <sup>th</sup> Quarter	Proposed Baseline	Proposed Target	Review Results
Correctional Education (CE)	We will increase the percentage of inmates tested on the WorkKeys assessment that earn a Career Readiness Certificate.	-	-	-	93.1	93	95	CE should develop and implement internal controls over performance measures.  CE's measure methodology should include specific information on how the measure results were derived and the data source used.  CE should properly label this measure as an outcome measure rather than an output measure.
Forensic Science (FS)	We will increase the percentage of DNA and mitochondrial samples that are analyzed and the results reported to the requesting authority (Certificate of Analysis issued).	-	-	-	69	80	84	FS should develop and implement internal controls over performance measures.
Historic Resources (HR)	We will add information on at least 18,000 properties to the DHR historic resource inventory data-sharing system by 2009.	172,042	172,639	173,005	178,823	170,000	188,000	HR should develop and implement internal controls over performance measures.
	We will reach an audience of at least 14,500 people each year through historic preservation training and environmental education programs, classes, exhibits, and events.	2,639	162,084	2,800	29,563	10,000	14,500	HR should develop and implement internal controls over performance measures.  HR should correctly label this measure as an output measure rather than an outcome measure.

Agency Name	Performance Measure	2006 1 <sup>st</sup> Quarter	2006 2 <sup>nd</sup> Quarter	2006 3 <sup>rd</sup> Quarter	2006 4 <sup>th</sup> Quarter	Proposed Baseline	Proposed Target	Review Results
Mental Health, Retardation and Substance Abuse Services (MHMRSAS)	We will reduce the percent of consumers who are readmitted to state facilities by providing community-based services and supports that respond to their individual needs.	19	20	19	.18	20	17	MHMRSAS should develop and implement internal controls over performance measures.
Rehabilitative Services (RS)	DRS will work to ensure that 58% of vocational rehabilitation consumers achieve their employment goals and work satisfactorily for at least 90 days upon completion of their programs.	-	-	-	54.6	53.7	58	RS should develop and implement internal controls over performance measures.
Social Services (SS)	Child support dollars that are owed will be collected.	-	-	-	61.6	61	65	SS should develop and implement internal controls over performance measures.  SS measure methodology should include specific information on how the measure results were derived and the data source.
Taxation (Tax)	We will issue current year refunds for 98 percent of electronically filed returns within 12 days of receipt of the return.	-	-	98	99	98	98	Tax should develop and implement internal controls over performance measures.  Tax should report historical data for previous year's results.
Transportation	We will provide On-time and On-Budget (both) construction and maintenance (both) project delivery	-	-	-	75.1	75.1	77	Transportation should develop and implement internal controls over performance measures.

Agency Name	Performance Measure	2006 1 <sup>st</sup> Quarter	2006 2 <sup>nd</sup> Quarter	2006 3 <sup>rd</sup> Quarter	2006 4 <sup>th</sup> Quarter	Proposed Baseline	Proposed Target	Review Results
Treasury	We will exceed the industry benchmark by 15 basis points.	61	56	47	38	38	15	Treasury should develop and implement internal controls over performance measures.
	We will deliver over 99.7 percent of checks in a timely and accurate manner.	100	100	98.6	100	99.7	99.7	Treasury should develop and implement internal controls over performance measures.
Virginia Employment Commission (VEC)	We will increase the percentage of participants employed one calendar year after exiting the Wagner-Peyser Program who were unemployed at the time they started in the Program.	70.2	-	-	-	71	76	VEC should develop and implement internal controls over performance measures.  VEC's measure methodology should include specific information on how the measure results were derived.
Virginia Information Technology Agency (VITA)	Percentage of telecommunications users with access to local E-911 emergency services.	-	-	-	95	95	100	VITA should develop and implement internal controls over performance measures.  VITA should include historical data for previous year's results.
	Percentage of major IT projects completed on time and on budget against their managed project baseline.	100	100	100	100	100	95	VITA should develop and implement internal controls over performance measures.

## Appendix B

### RESULTS OF COMPLETENESS REVIEW BY DATA FIELD

#### Incomplete Target Data

Agency	Measure
Office of Commonwealth Preparedness	Level of satisfaction of Governor's office and Legislative Liaison Office as expressed in the Office of Commonwealth Preparedness survey document.
Office of Commonwealth Preparedness	Level of satisfaction of Governor's office and Cabinet Secretaries as expressed in the Office of Commonwealth Preparedness survey document.

#### Incomplete Preferred Trend

Agency	Measure
Charitable Gaming	We will increase the number of qualified organizations and suppliers audited by 5 percent.
Charitable Gaming	We will work with organizations to increase the percentage completing and filing required financial reports by the due dates.
Charitable Gaming	We will reduce the number of regulatory actions taken against organizations by providing proactive training, inspections, and conducting audits of charitable gaming financial records.
Corrections	We will operate a Therapeutic Community Treatment program that will result in a recidivism rate of 15 percent or below.
Employment Dispute Resolution	We will pilot additional early intervention services to help manage and resolve workplace conflict before it escalates.
Motor Vehicle Dealer Board	We will increase the percentage of correspondence responded to within 3 business days.
Motor Vehicle Dealer Board	We will increase the percentage of salesperson applications processed within 4 working days.

Agency	Measure
Blind and Vision Impaired	We will work to insure that 70 percent of vocational rehabilitation consumers achieve their employment goals and work satisfactorily for at least 90 days upon completion of their programs.
Eastern Virginia Medical School	We will achieve student pass rates on the national USMLE (United States Medical Licensing Exam) Part II exam comparable to the national pass rates.
Human Resource Management	We will provide high-level customer service.

**Incomplete Baseline**

Agency	Measure
State Board of Elections	We will increase the number of local counties/cities having an approved Voting Systems Security Plan.
Rail and Public Transportation	We will facilitate timely execution of Phase 1 of the Dulles Corridor Metrorail Project.
Treasury	We will achieve an average yield on bond issuances equal to or better than the market proxy (Delphis Hanover Scale) for comparable bond issuances.
Planning and Budget	We will conduct a survey of the Governor's Office and Cabinet to assess their rating of the timeliness and quality of DPB's analyses with respect to budget issues, proposed legislation, economic forecasting, regulatory review and evaluation status.

**Incomplete 2006 results**

Agency	Measure
Juvenile Justice	Percentage of juveniles convicted of a new misdemeanor or felony within a year of being released from a juvenile correctional facility.
Mental Health	We will increase the proportion of persons served in intensive community services versus state facilities.

<b>Agency</b>	<b>Measure</b>
Minority Business Enterprise	We will increase the number of DMBE-certified SWAM vendors.
Office of Commonwealth Preparedness	Percentage of State Agencies that have certified their compliance with Continuity Of Operations Plans.
Office of Commonwealth Preparedness	Level of satisfaction of Governor's office and Legislative Liaison Office as expressed in the Office of Commonwealth Preparedness survey document.
Virginia Employment Commission	We will increase the percentage of participants who enter employment after participating in the Workforce Investment Act (WIA) program. This measure is known as the "Adult Entered Employment Rate."

**Incomplete Explanatory Information**

<b>Agency</b>	<b>Measure</b>
Virginia Employment Commission	We will increase the percentage of participants who enter employment after participating in the Workforce Investment Act (WIA) program. This measure is known as the "Adult Entered Employment Rate."
Office of Commonwealth Preparedness	Percentage of State Agencies that have certified their compliance with Continuity of Operations Plans.
Office of Commonwealth Preparedness	Level of satisfaction of Governor's office and Legislative Liaison Office as expressed in the Office of Commonwealth Preparedness survey document.
Science Museum	We will provide a museum experience that will result in a good or excellent rating from at least 95 percent of museum visitors.
Mental Health	We will increase the proportion of persons served in intensive community services versus state facilities.
Minority Business Enterprise	We will increase the number of DMBE-certified SWAM vendors.

**Incomplete Historical Data**

<b>Agency</b>	<b>Measure</b>
Advanced Learning Research	Number of visits by private sector businesses to the IALR
	Cumulative number of participants in service region attending IALR sponsored science, technology, engineering, math, and entrepreneurship (STEM-E) programs, workshops, courses, and seminars
	The number of intellectual property, contract research and development service and commercial testing contractual agreements between companies and the IALR
	Dollar amount of competitive research sponsored awards
Commonwealth Attorney Services Council	We will increase attorney satisfaction with training programs to meet MCLE requirements. The Virginia State Bar requires all attorneys to attend 13 hours of continuing legal education annually to maintain a license to practice law.
	We will increase opportunities for prosecutor training by offering sufficient available training hours through CASC programs.
Compensation Board	We will achieve a high level of overall customer satisfaction with Compensation Board activities, as demonstrated by the ratings (percentage) received in an annual survey of all constitutional officers.
Department of Accounts	We will review and process all payrolls by the final certification date.
	We will receive the Certificate of Excellence in Financial Reporting for the 19th consecutive year.

Agency	Measure
Agriculture	We will maintain Virginia's Tuberculosis-, Brucellosis- and Pseudorabies-free status.
	We will increase the economic value of products inspected, graded and certified, plus annual economic sales values from forest products (export only), marine products and wine by 2 percent each year from the five-year rolling average.
Alcohol Beverage Control	We will improve the accuracy of ABC Profit Forecasts.
Charitable Gaming	Number of days to process, review, and take final action on permit applications from qualified organizations.
	We will ensure charitable funds raised by organizations are appropriately accounted for and being used for the organization's charitable purpose by increasing the number of qualified organizations and suppliers audited by 5 percent.
	We will reduce the number of regulatory actions taken against organizations by providing proactive training, inspections, and conducting audits of charitable gaming financial records.
Game and Inland Fisheries	The Commonwealth will, in conjunction with private and public partners, preserve for conservation purposes 400,000 acres of land statewide by 2010.
Correctional Education	We will increase the passing rates for the SOL's.
	We will increase the number of Industry-Based Certification programs for adult construction trade areas.
Corrections	We will operate a Therapeutic Community Treatment program that will result in a recidivism rate of 15 percent or below.
Criminal Justice Services	We will provide training and education to criminal justice practitioners and professionals that are rated at or above satisfactory by those attending the training.

Agency	Measure
Education	Percentage of students successfully completing Algebra I by the eighth grade.
	Number of industry certifications, state licenses, and successful National Occupational Competency Testing Institute Assessments received.
	Percentage of high school students earning the Advanced Studies Diploma.
Fire Programs	We will increase the percentage of fire departments participating in the Virginia Fire Incident Reporting System.
	Through our training and educational outreach programs, VDFP will strive to help reduce the number of fire casualties.
Forensic Science	We will increase the percentage of DNA and mitochondrial samples that are analyzed and the results reported to the requesting authority (Certificate of Analysis issued).
	We will increase the percentage of drug samples that are analyzed and the results reported to the requesting authority (Certificate of Analysis issued).
Forestry	We will maintain the existing number of reforested and improved acres through FY 2007.
	We will decrease the percentage of forest land burned by wild fires to no more than .075 percent.
	We will increase the percentage of harvest sites with sediment not reaching streams to 94 percent.
Health Professions	We will process applications for licensure within 30 days of receipt of a completed application.
Mines, Minerals, and Energy	We will increase the amount of saved energy costs achieved through energy conservation and procurement strategies.

<b>Agency</b>	<b>Measure</b>
Minority Business Enterprise	We will increase the number of DMBE-certified SWAM vendors.
Motor Vehicles	We will reduce the average number of times a citizen is required to interact with DMV to complete a single transaction.
Professional and Occupational Regulation	Data source is the licensing database. After excluding records containing stop codes, calculate the days between application receipt or exam post date and license issue data for each record. Divide the number issued in 30 days or less by the total licenses issued to calculate the percentage of licenses issued within 30 days.
	We will reduce the proportion of complaints that are resolved through the official disciplinary process by using more efficient alternatives.
Rail and Public Transportation	We will increase the number of passenger trips/person on public transportation systems in urbanized areas of the Commonwealth.
State Police	We will increase the percentage of the investigations successfully closed involving sex offenders failing to register.
Human Rights Services Council	We will process complaints received from the public within 45 days of the time the complaint is filed in our office.
Innovative Technology Authority	We will assist a significant number of firms to receive institutional and angel funds.
Motor Vehicle Dealer Board	We will increase the percentage of salesperson applications processed within 4 working days.
Roanoke Higher Education Authority	We will provide facility and support services that receive high satisfaction ratings from our members and facility rental customers.

<b>Agency</b>	<b>Measure</b>
Library of Virginia	Acquire, process and preserve manuscript, printed, and electronic materials related to Virginia's history and culture.
	Create, develop and enhance a variety of information portals to facilitate citizen access to the Library's collections.
	Offer workshops, lectures, student programs, training opportunities and outreach activities
Board for People with Disabilities	Increase community living for nursing home residents with DD by transitioning 5% of existing nursing home residents to community settings with appropriate supports.
Port Authority	We will enhance the number of TEU's handled per acre per year.



# COMMONWEALTH of VIRGINIA

Richard D. Brown  
Director

*Department of Planning and Budget*

1111 E. Broad Street  
Room 5040  
Richmond, VA 23219-1922

July 24, 2007

Mr. Walter J. Kucharski  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218

Dear Mr. Kucharski:

Thank you for the opportunity to comment on the Auditor of Public Accounts' (APA) 2006 audit of information contained in Virginia Performs. Our response to each of the APA's recommendations follows.

**Recommendation #1: The Governor needs to address the shared responsibility aspect of Virginia Performs and clearly define and document the various roles and responsibilities over performance information reported on Virginia Performs.**

The Department of Planning and Budget (DPB) will provide agencies with written guidance that defines their responsibilities with regard to data entered into Virginia Performs. DPB will also document in writing its role in the review of performance measurement information entered into Virginia Performs by agencies.

**Recommendation #2: Agencies and the Department of Planning and Budget need to strengthen procedures to improve the completeness of performance information reported on Virginia Performs.**

The Virginia Performs system which captures performance measurement data for state agencies is less than one-year old. Because of time constraints, DPB was unable to build and test all the controls it had envisioned in the system to help ensure data completeness. Since the APA's audit, DPB has put in place controls that will prevent agencies from submitting data to Virginia Performs if essential fields are incomplete.

**Recommendation #3: Agencies and the Department of Planning and Budget need to strengthen procedures to improve accuracy and reasonableness of performance information reported on Virginia Performs.**

In order to improve agency performance measure information on Virginia Performs, DPB will provide state agencies with detailed training in August that will address the basics of

Walter J. Kucharski  
July 24, 2007  
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performance measurement. This training will also provide agency personnel with guidance on how to construct good performance measures, including key Governor's measures. Furthermore, DPB will provide additional written guidance to DPB budget staff to assist them with their review relative to the completeness and reasonableness of performance measurement data submitted by the agencies.

DPB appreciates the APA's willingness to participate in this training to provide agencies with a short overview explaining what APA staff looks for when auditing agency submitted performance measurement data.

**Recommendation #4: The Department of Planning and Budget should strengthen access controls over information in Virginia Performs.**

As recommended by the APA, the Department of Planning and Budget will strengthen access controls by: (1) notifying agencies each September via email to delete agency personnel no longer requiring access to Virginia Performs, (2) programming password changes into Virginia Performs that will require users to change passwords every 90 days, and (3) reviewing the Virginia Performs user listing each time an agency requests access to eliminate the possibility of multiple user logons.

Sincerely,



Richard D. Brown

cc: Don Darr, Associate Director of Budget Operations

