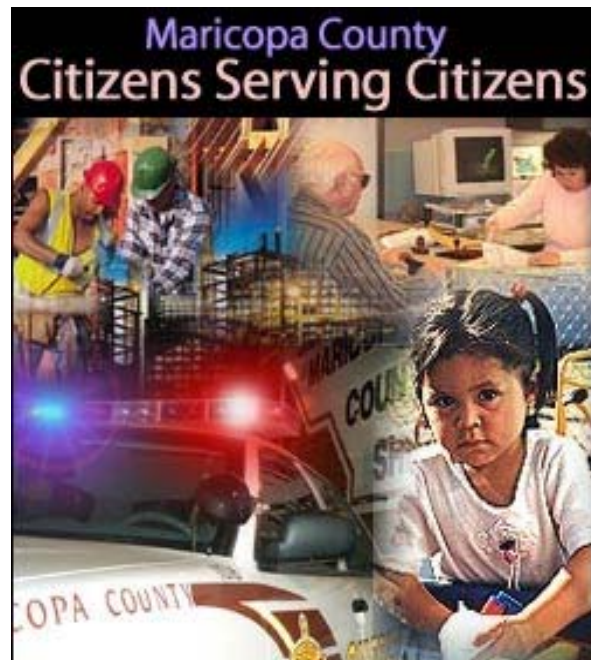




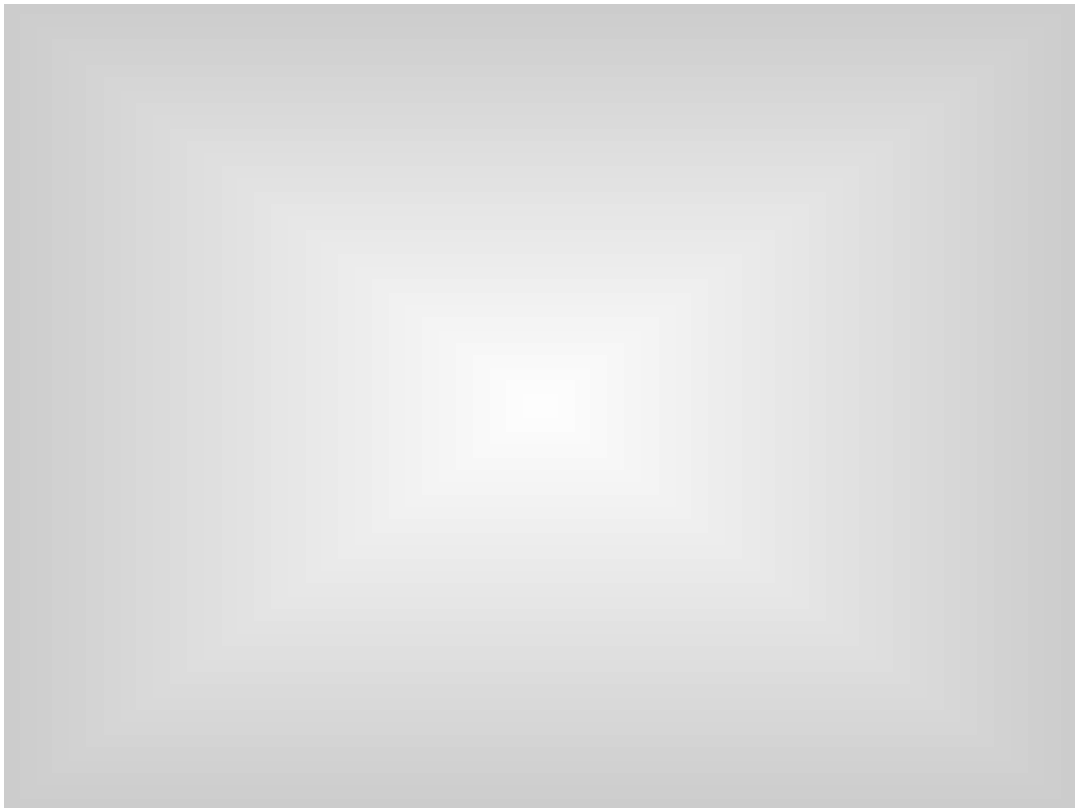
Internal Audit

Managing for Results - PMC
Performance Measure Certification

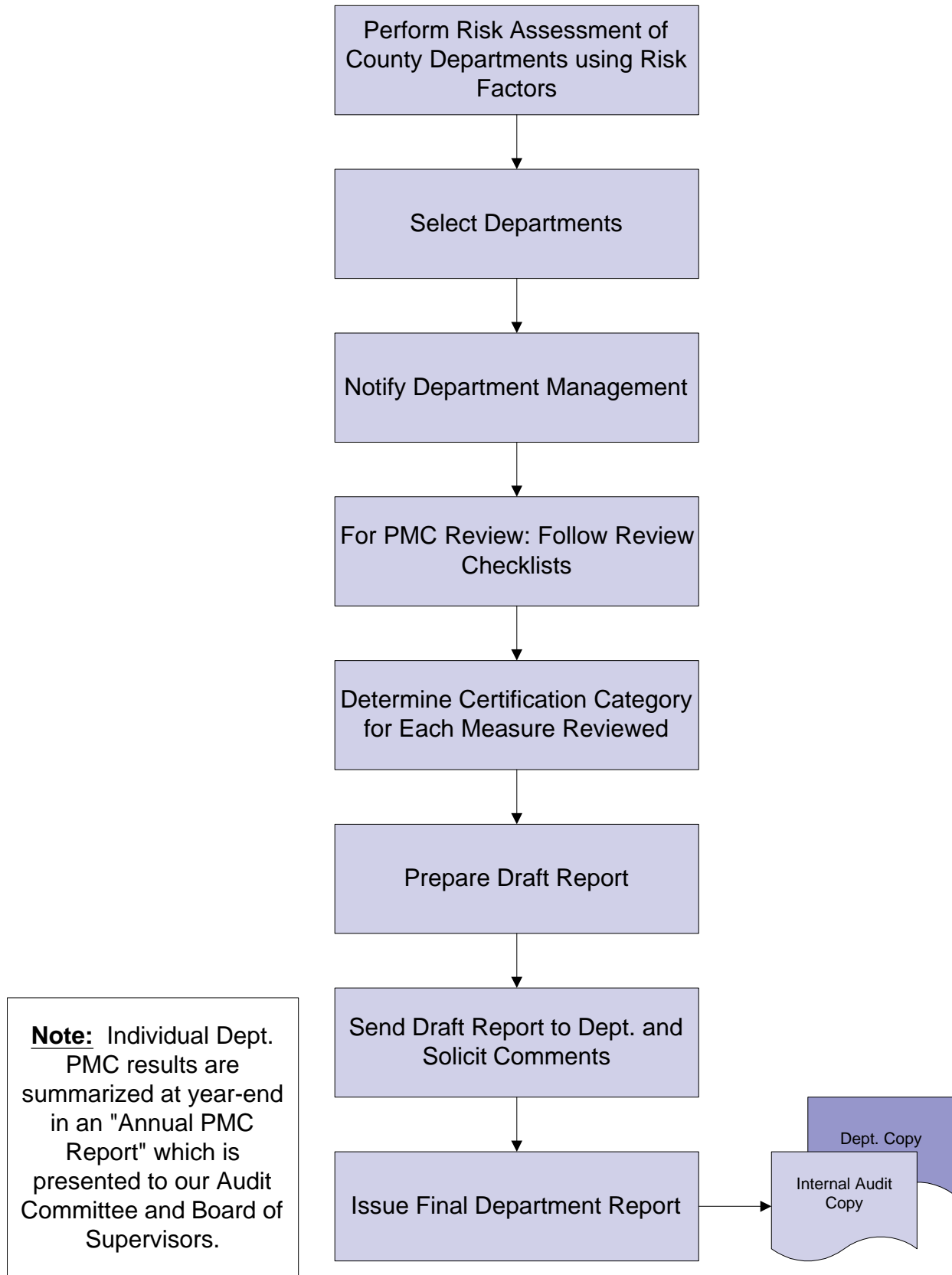
Program Information Package
June 2003



***National Association of Local Government Auditors
2002 Special Projects Award
Medium Size Shop***



PMC PROCESS



CERTIFICATION CATEGORIES

Category	Definition
Certified (acceptable)	The reported performance measurement is accurate (+/-5%) <i>And,</i> Adequate procedures are in place for collecting and reporting performance data
Certified with Qualifications (acceptable)	Reported performance measurement is accurate (+/- 5%) <i>But,</i> Adequate procedures are not in place for collecting and reporting performance data
Factors Prevented Certification (unacceptable)	Actual performance measurement data could not be verified due to inadequate procedures or insufficient documentation <i>This rating is used when there is a deviation from the department's definition, preventing the auditor from accurately determining the performance measure result</i>
Inaccurate (unacceptable)	Actual performance is not within 5% of reported performance <i>And / Or,</i> The error rate of tested documents is greater than 5%
Not Applicable	Performance measurement data is not yet available

REVIEW CHECKLISTS

Once a department has been selected and notified of our review, we meet with department management at the Opening Conference to explain the process. We convey that our role in Performance Measure Certification is to simply evaluate the accuracy, validity, and reliability of the key performance measures chosen and reported by the department. We submit the first of two checklists to the department director. This first list is a self-assessment tool designed to address the department’s overall strategic plan and to stimulate a self-review of the alignment between overall department goals, key measures to monitor progress, and individual performance plans. The second checklist is used by the auditor to document each measure reviewed.

(Department Name) STRATEGIC PLAN ISSUES SELF-ASSESSMENT				
	Yes	No	N/A	Target Date
PROGRAMS/ACTIVITIES/SERVICES				
1. Do programs presented by the department on the EBC (County Intranet site) as its’ strategic plan consist of an Activity or group of Activities that have a common purpose or result?				
2. Do the Activities presented by the department meet the criteria of being a set of Services grouped together around a common purpose or result?				
3. Do the Activities presented by the department include a Family of Measures (Results, Output, Demand, and Efficiency)?				
4. Are the Services that comprise an Activity deliverables or products that a customer receives?				
MEASURES				
1. Are Key Results Measures directly related to the Program Purpose Statements (Do they attempt to measure the “...so that...”)?				
2. Do each of the Key Results Measures actually measure the impact that the Program has on citizens/customers?				
PERFORMANCE PLANS				
1. Are individual performance plans in place throughout all departmental areas?				
2. Are individual performance plans in place in some departmental areas?				
3. Have individual employees agreed to performance plans established for their particular area of responsibility?				
4. Do individual performance plans link to department goals?				

PMC FIELDWORK CHECK LIST

Department Name:

A. DATA COLLECTION	Y	N	REF	Initials
1. Is the data <u>collection method</u> consistent with the measure's definition?				
2. Flow-chart the data collection/calculation/reporting process. Be sure to include the event(s) that begins the process and all events that occur through the reporting of data.				
3. How and where is data stored and maintained during the collection period?				
B. MEASURE DEFINITION				
1. Is the <u>calculation method</u> consistent with the measure's definition?				
C. CONTROLS FOR ACCURACY				
1. Are there written procedures and guidelines covering the <u>initial point</u> that performance information is recorded?				
2. Are there written procedures for <u>collecting</u> and <u>calculating</u> the information?				
3. Are personnel trained in all these procedures to assure uniformity?				
4. Is there a regular review of the initial information (rough numbers)? By whom?				
5. Is there a review of the measure calculations and summary documentation before the performance measure information is reported? By whom?				
6. Is the performance measure data input reviewed by the person responsible for the accuracy of the data?				
7. Are there adequate controls over third-party sources of information?				
D. AUTOMATION				
1. Is a computer used primarily for calculation and tracking?				
2. If a computer program is used to calculate performance data, is the correct information being captured and are the calculations performed correct?				
3. Does the information come from: Advantage HRMS Adaytum Other (specify)				

PMC FIELDWORK CHECK LIST

	Y	N	REF	Initials
4. If the information comes from "Other" above, have the following areas been addressed: Data Base Security Software/hardware Controls Data Access Controls Data Completeness controls Data Backup Controls Data Output Controls Program and Application Maintenance Note: Information systems controls are reviewed during department audits by the IT Auditors. IT Auditors should be notified of any system used for Performance Measures during the preliminary audit work and should complete this section.				
E. RE-CREATE REPORTED PERFORMANCE MEASURE				
1. Is there summary documentation that supports the reported performance measure?				
2. If adequate controls in place, use a small judgmental sample.				
3. If one exception is noted, expand the judgmental sample.				
4. If controls appear to be inadequate, use the expanded judgmental sample. (If more than two exceptions are found in the expanded judgmental sample, controls are considered NOT to be in place and the measure is considered inaccurate).				
5. Does the source documentation support the number reported?				
6. Are there documents associated with events that prove the activity occurred?				
7. Re-calculate the measure for each reported quarter. Is the re-calculated performance measure within an acceptable tolerance range? (+/- 5%)				
F. CERTIFICATION CATEGORY				
1. CERTIFIED REASON:				
2. CERTIFIED WITH QUALIFICATIONS REASON:				
3. FACTORS PREVENTED CERTIFICATION REASON:				
4. INACCURATE REASON:				
5. NOT APPLICABLE REASON:				

Goals and Challenges

One of our goals is to publish a Citizens' Report, similar to a Service Efforts and Accomplishments Report, that would provide an attractive, readable portrayal of program inputs, outputs, efficiencies, and outcomes. We have developed prototypes for such a publication but realize we are only in the initial phase of a long-term project. Inadequate data collection systems, lag times for realizing tangible program outcomes, and costs are but a few of the challenges we face in developing our PMC program into our ultimate vision.

We welcome your questions, suggestions, and examples of similar projects.

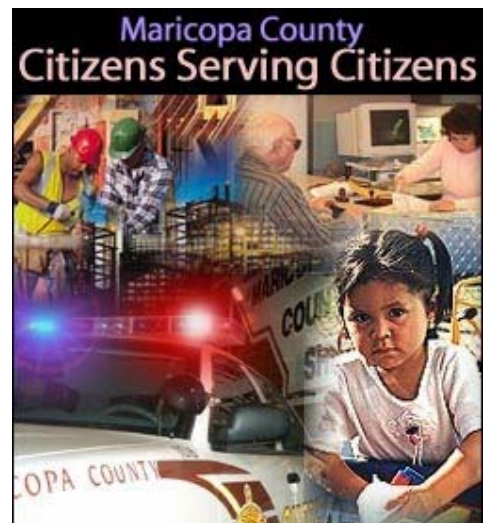
You may see our PMC report at
www.maricopa.gov/internal_audit/pma.asp.

Comments and questions are welcome
and may be directed to:

John Schulz (602-506-1777)
Jschulz@Maricopa.gov

or

Richard Chard (602-506-7539).
Rchard@Maricopa.gov



**Maricopa County Subject: Managing for Results Policy
Policies and Procedures**

**Number: B6001
Issue Date 9/00**

Approved: Andrew Kunasek

Initiating Department: Office of Management and Budget

1. PURPOSE

This policy establishes a framework that integrates planning, budgeting, reporting, evaluating and decision making for all Maricopa County departments and agencies. This framework is called Managing for Results; a management system that establishes the requirements to fulfill the County's Mission and Vision of accountability to its citizens.

This policy is promulgated as part of the annual County budget process under the authority of the Board of Supervisors.

2. DEFINITIONS

Managing for Results System – Managing for Results means that an entire organization, its management system, its employees and the organizational culture (beliefs, behavior and language) are focused on achieving results for the customer. Managing for Results provides direction for making good business decisions based on performance, and makes departments/agencies accountable for results.

Strategic Plan – A Strategic Plan sets forth the mission, strategic goals, performance measurements for a department, agency and the County. A Strategic Plan provides information to department/agency staff, corporate decision-makers, the Board of Supervisors and the public about how the department/agency is organized to deliver results and what results the department/agency is accountable for achieving. It also provides the opportunity for all County employees to see how they contribute at all levels in the organization.

Managing for Results Resource Guide – This guide describes Maricopa County's strategic planning process, and how to develop and implement a plan. The Resource Guide is available to all County employees.

Department/Agency – This includes appointed departments, offices, elected departments, special districts and the judicial branch.

3. GENERAL POLICY

All Maricopa County departments/agencies will participate in the Maricopa County Managing for Results system and shall comply with this policy.

4. GENERAL REQUIREMENTS

A. Planning for Results

1. Each department/agency will develop and submit to the Office of Management and Budget a department/agency strategic plan as part of the budget process.
2. All strategic plans will be developed and presented to the Office of Management and Budget in required format as outlined in the Managing for Results Resource Guide. All strategic plans will be submitted according to the annual budget calendar.
3. All managers will work with assigned employees to establish performance plans that align with department/agency strategic plans. Performance plans will be developed in accordance with Performance Management policy
4. The County Administrative Officer will develop and present to the Board of Supervisors a Countywide strategic plan, which contains strategic priorities and key result measures.

B. Budgeting for Results

1. The Office of Management and Budget and the Department of Finance will develop and maintain a financial structure aligned with the Managing for Results system.
2. The Board of Supervisors directs the Office of Management and Budget to review department/agency strategic plans and performance measures as a basis for making funding recommendations.

C. Reporting Results

1. Departments/Agencies will report quarterly to the Office of Management and Budget on their family of measures for budget and planning purposes according to the annual budget calendar.
2. The Office of Management and Budget will prepare and distribute a summary of measures.

D. Evaluating Results

1. Internal Audit will review and report on strategic plans and performance measures.

E. Decision Making and Accountability

1. The Board of Supervisors directs all Management to use performance information to manage activities effectively and efficiently.
2. Management will consider performance information in making policy and program decisions.

Contact Maricopa County Internal Audit

You may see our PMC report at
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