

# *Office of Legislative Auditor*

*Steve J. Theriot, CPA, Legislative Auditor*

## **Annual Assessment of Performance Progress Reports**

**August 2004**



*Audit Control No. 04503808*

Louisiana Revised Statute 39:87.3 requires the legislative auditor to provide annually a summary assessment of those state agencies that are deficient in their capacity to execute the requirements relative to the production of performance progress reports to the Joint Legislative Committee on the Budget. This report provides a summary of the results of our examinations of performance data reported for certain programs of certain state agencies for fiscal years 2002 and 2003 and the first quarter of fiscal year 2004.

For the first quarter of fiscal year 2004, we tested the reliability of two performance indicators in one department of state government. One (50%) of these indicators was reliable and one (50%) was unreliable.

For fiscal year 2003, we tested the reliability of 28 performance indicators in four departments of state government as detailed below:

- Ten indicators (36%) were reliable.
- Fourteen indicators (50%) were unreliable.
- Four indicators' (14%) reliability could not be determined because of insufficient source documentation.

For fiscal year 2002, we tested the reliability of 10 performance indicators in two departments of state government. Six (60%) of the indicators were unreliable. We could not determine the reliability of the other four indicators (40%) because insufficient source documentation was provided.

I hope this report will benefit you in your legislative decision-making process.

Sincerely,

Steve J. Theriot, CPA  
Legislative Auditor

## **Background**

Our examinations primarily focused on determining whether the values of performance indicators reported in the Louisiana Performance Accountability System (LaPAS) are reliable and accurate. To assist in determining the reliability of performance indicators, we assess agency management controls to determine if they provide assurance that data used to compile the performance indicators are reliable.

This report addresses the reliability of performance indicator values reported by five state agencies for the first quarter of fiscal year 2004, fiscal year 2003, and fiscal year 2002. The Office of Legislative Auditor previously reported the information contained in this report in separate performance audit reports. Findings from those audit reports are summarized below and include the issue date for each report.

### **Southern University Agricultural Research and Extension Center**

*(Report issued October 15, 2003)*

Our review of the six performance indicators reported for the second quarter of fiscal year 2003 and of one indicator reported for fiscal year 2002 found the values of all seven indicators (100%) to be unreliable. The values were unreliable because of insufficient management controls. The Southern University Agricultural Research and Extension Center (SUAREC) had no written policies and procedures for collecting data and entering the data into LaPAS. Most field agents did not submit any source documentation to support performance information, and SUAREC officials had no formal procedures for checking the reliability of the performance information submitted by field agents and researchers.

### **Louisiana State University Agricultural Center**

*(Report issued October 15, 2003)*

For fiscal year 2002, we found the values of five of the nine performance indicators (56%) reported for the Louisiana State University Agricultural Center (LSU AgCenter) to be unreliable. We were unable to determine whether the remaining four indicators (44%) were reliable because of a lack of source documentation. The LSU AgCenter's management controls did not provide assurance that the data used to report performance indicators were accurate and reliable.

## **Department of Economic Development**

### **Office of Business Development, Business Services Program, Small and Emerging Business Development (SEBD) Initiative**

*(Letter report issued January 21, 2004)*

The Department of Economic Development (DED) submitted a proposal for a reward for the SEBD initiative based on the Exceptional Performance and Efficiency Incentive Program (Louisiana Revised Statute 39:87.5). The SEBD group based its proposal on the exceptional performance of program staff. We reviewed one of the SEBD initiative's five indicators for fiscal year 2003 and could not determine whether it was reliable. The DED could not provide sufficient documentation to support the reliability of this indicator titled *Percentage by which SEBD-certified companies' 2-year survival rate exceeds similar companies*.

### **Office of Business Development, Resource Services Program, Economic Development Award Program (EDAP)**

*(Report issued May 12, 2004)*

For the first quarter of fiscal year 2004, we found the value of one of the two performance indicators (50%) reported for EDAP to be reliable and the value of the other indicator (50%) to be unreliable. For fiscal year 2003, we found the value of one of the five performance indicators (20%) reported for EDAP to be reliable and the value of the other four indicators (80%) to be unreliable.

The values for the indicators that were unreliable were not based on actual performance, but rather on information contained in contracts DED executed with companies receiving EDAP awards. Therefore, the values were based on anticipated, not actual, outcomes. The legislature should consider not allowing any program to use estimates as performance indicators.

## **Department of Public Safety and Corrections, Public Safety Services**

### **Office of State Police, Louisiana State Police Crime Laboratory**

*(Report issued June 23, 2004)*

Our review of the 12 performance indicators reported for fiscal year 2003 for the State Police Crime Laboratory found the values of six indicators (50%) to be reliable and three indicators (25%) to be unreliable. The values of the remaining three indicators (25%) are considered unreliable because we were unable to replicate the methodology for calculating these values. Of the three indicators with unreliable values, two were unreliable because of erroneous calculations and the other value was unreliable because the Crime Laboratory was unclear about what to report for the value.

## **Department of Natural Resources**

### **Louisiana Coastal Resources Program**

*(Report issued March 3, 2004)*

Our review of four of the eight performance indicators reported for this program for fiscal year 2003 found that the values of three performance indicators (75%) were reliable and the value of one indicator (25%) was unreliable. One indicator's value was unreliable because of inconsistent calculations used to determine its value.

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### **Need more information?**

Contact Steve Theriot, Legislative Auditor, at (225) 339-3800.  
A copy of this report is available on our Web site at [www.lla.state.la.us](http://www.lla.state.la.us).

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