Performance Audit Report

Washington State Parks and Recreation Commission

Report No. 1000351

December 23, 2008

Washington State Auditor Brian Sonntag, CGFM

www.sao.wa.gov

A message to the citizens of Washington

Brian Sonntag, CGFM
State Auditor

In 2003, the Washington State Parks and Recreation Commission made a commitment to citizens to improve and clear backlogs of maintenance at parks and park facilities before the agency's 100-year anniversary. That commitment is captured in a 10-year strategic plan called Centennial 2013.

Our audit found the agency is not poised to achieve the goals in the Centennial 2013 plan. We have made recommendations the agency can use to do so.

The audit also found the agency's information technology systems are outdated and many of the state's parks are not connected to headquarters. The lack of connectivity has resulted in inefficient and duplicated manual data entry and increased travel costs for trainings and meetings.

The agency and the Office of Financial Management recognize the need for information technology upgrades and acknowledge that while such improvements require an investment, they will be offset by improved efficiency and lower travel expenses.

I would like to thank the Parks and Recreation Commission and its staff for embracing the audit and for their constructive response to the audit. Agency management and executives exemplified setting a positive and cooperative tone at the top for agency staff. The agency instituted the recommendations it was able to before the audit was complete.

What is Parks' Centennial 2013 Plan?

In 2003, the Parks and Recreation Commission developed a plan to prepare for the state park system's 100th birthday in 2013 and a second century of service to citizens. To guide preparations, the Commission adopted the Centennial 2013 Vision:

"In 2013, Washington's state parks will be premier destinations of uncommon quality, including state and regionally significant natural, cultural, historical and recreational resources that are outstanding for the experience, health, enjoyment and learning of all people."

The Centennial 2013 Plan is intended to focus agency staff, citizen volunteers, organizations and state policy-makers on a common goal. The plan includes three priorities and a call to action to citizens."

The plan is posted on Parks' Web site at: **http://www.parks.wa.gov/Centennial2013/**

Source: Washington State Parks and Recreation Commission

Mission Statement

The State Auditor's Office independently serves the citizens of Washington by promoting accountability, fiscal integrity and openness in state and local government. Working with these governments and with citizens, we strive to ensure the efficient and effective use of public resources.

Photos by Genevieve O'Sullivan and Kara Klotz

About the audit

Objectives

Our audit focused on whether Parks' strategic plan is a well-documented, comprehensive, and cohesive roadmap to achieve its vision. We also focused on whether the Commission has appropriately assessed and obtained the human, financial and information technology resources it needs; if it is monitoring and appropriately measuring its performance; and if its operations are efficient and economical. The audit also addressed each of the nine elements outlined in Initiative 900.

Scope

We reviewed data from 2005 through 2007. We conducted fieldwork between September 2007 and April 2008. The audit was conducted in accordance with generally accepted government auditing standards prescribed by the U.S. Government Accountability Office.

The cost for the audit contract and the State Auditor's Office costs as of Nov. 30 are $1,053,351.

Why is this audit important?

Washington has one of the largest and most beautiful state park systems in the country. More than 40 million people visit Washington state parks each year. The Commission manages 120 developed parks, miles of winter and summer trails and ocean beach, marine parks, watercraft launches, and historic buildings for public enjoyment. A recent public survey confirmed what parks staff say is communicated to them daily – citizens love Washington parks.

Though the state parks clearly benefit the state and its citizens, the park system is aging. Twenty years of restricted budgets and intermittent cuts have resulted in lost programs, such as interpretive programs, services such as lifeguards and seasonal park closures. Many parks and facilities are in serious need of minor repairs and major improvements, such as campground and cabin renovations, restroom upgrades and day-use facility improvements. Several parks have been turned over to municipalities or the federal government because the agency lacks funding to operate those parks.

The Commission recognizes the state park system needs to be protected for future generations. The Commission views the 100th birthday of the park system as an opportunity to improve the parks system to meet the expectations of the citizens of Washington. With help from an advisory committee of legislators, business leaders and citizens, the Commission created its Centennial 2013 Vision. It surveyed citizens and park users, held public meetings and attended meetings of citizens and local governments. With this information, the Commission created a Centennial 2013 plan, which the Governor and the Legislature approved. The Commission estimates it will require a capital investment of $250 million and an increase in the Commission's operating budget to execute the Centennial plan.

Initiative 900, approved by citizens in 2005, gives the State Auditor's Office authority to conduct performance audits of state and local governments. Each performance audits must address the following elements:

1. Identification of cost savings.
2. Identification of services that can be reduced or eliminated.
3. Identification of programs or services that can be transferred to the private sector.
4. Analysis of gaps or overlaps in programs or services and recommendations to correct them.
5. Feasibility of pooling auditee's information technology systems.
6. Analysis of the roles and functions of the auditee and recommendations to change or eliminate roles or functions.
7. Recommendations for statutory or regulatory changes that may be necessary for the auditee to properly carry out its functions.
8. Analysis of the auditee's performance data, performance measures and self-assessment systems.
9. Identification of best practices.

The complete initiative is posted at: **www.sao.wa.gov/PerformanceAudit/PDFDocuments/i900.pdf.**

What do the audit results mean?

The Washington State Parks and Recreation Commission has made extensive efforts to improve the parks system and facilities through its Centennial 2013 plan. The audit found Parks is at risk of failing to achieve all of the goals it communicated to citizens in the Centennial 2013 Plan. We provide recommendations to improve the Commission's strategy development and governance, including its performance management and information technology systems. Those improvements will help the Commission achieve its goals and result in more effective, efficient and economical operations.

To help achieve the goals outlined in its Centennial 2013 plan, the agency should:

- Review its strategy for any gaps and include all necessary functions and processes to ensure that the strategy will provide a comprehensive and cohesive roadmap for achieving its vision.
- Improve its governance to strengthen its central oversight of operations, risk management program, internal audit function, human resources program and communication between management and employees.
- Review and make necessary adjustments to its performance management system, in particular its performance measures, to ensure that the performance information is relevant and sufficient, and reliable and accurate.
- Continue its efforts to upgrade its information technology systems.
- Improve its documentation for all activities. The agency currently does not have complete documentation for its work.

Audit benefits

We identified efficiencies in the areas of information technology, employee training, and internal management meetings. We estimated Parks could achieve $50,000 in savings in the areas of employee training and internal management meetings if it follows our audit recommendations.

We could not calculate the cost savings, or the initial investment cost, for upgrading Parks' information technology. However, the agency could achieve significant savings if it establishes connectivity between the parks and its headquarters. Additional savings can be achieved by installing system interfaces that will reduce or eliminate manual data entry and will free resources to apply to other tasks.

The audit recommendations point to additional savings through:

- Improved productivity and a reduction in payroll processing costs.
- Improved procedures and monitoring for overtime.
- Reassessing roles to ensure tasks are not duplicated.
- Efficiencies in programs resulting from internal audits.
- Documenting policies and procedures to prevent errors and replicating work.

Audit results

Issue Area	Recommendation	Commendation or financial impact
1. The Commission's strategic plan lacks some key elements that can impact its achievement of its vision and goals.		
1-A. The Commission's strategic plan does not fully reflect all of its interest groups' expectations.	1. We recommend the Agency formally identify its interest groups and document their expectations to ensure the strategic plan and Centennial goals align with those expectations.	**Commendation:** The Commission used the upcoming Centennial anniversary as an opportunity to develop a Centennial 2013 Plan to improve the parks system and create a strategy that aligns strategic goals with the Plan. In response to the Commission's presentation of the Centennial Plan, the Legislature increased the Commission's 2007-09 operating budget by 24 percent.
1-B. The Commission's strategic plan does not identify some critical resources and internal processes needed to meet the plan's goals.	2. We recommend the Agency create a single strategic plan that identifies all interest groups, the strategies it needs to use to reach out to them, and how their expectations will be incorporated in the Commission's vision and goals.	
	3. We recommend the Agency do a comprehensive analysis of its resource needs and its available resources and develop strategies to ensure it has what it needs to achieve its vision and goals.	
1-C. The Agency does not consistently complete employee evaluations that identify job responsibilities and link expectations to strategic plan goals.	4. We recommend the Agency develop written, Agency-specific policies and procedures for employee evaluations. This process should: a. Ensure evaluations link employee responsibilities to the mission and goals of the Commission. b. Provide sufficient guidelines and standards for setting expectations and performance goals. c. Ensure supervisors perform timely, consistent evaluations that comply with state law and regulations. d. Ensure Agency staff receive adequate training through the Department of Personnel and/or internally developed training to ensure evaluations provide relevant, clear performance expectations and quantifiable measures. e. Communicate to Agency employees how each of their functions and services factor into the successful achievement of the vision. f. Ensure discussions between employees and supervisors regarding performance expectations are held and documented.	
	5. We recommend the Agency continue and improve its Executive Leadership Performance Evaluations to include quantitatively measurable goals and expectations with specific objectives linking to the Agency's mission, strategy, and Centennial Plan.	

Issue Area	Recommendation	Commendation or financial impact
2. The Commission needs to make improvements in governance to ensure it meets its vision, goals and objectives.	6. The Commission needs to improve its overall governance in order to meet its vision and strategic goals. Specifically we recommend the Agency: a. Strengthen central oversight by clearly defining its role and responsibilities regarding overall policy decisions and continuing to evaluate organizational structures, and improving how decisions are communicated to staff to ensure consistent direction and communication. b. Continue to develop its risk management program. c. Hire an internal auditor or outsource the internal audit function. Ideally the internal auditor should report to the Board. The activities of the internal auditor must comply with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing as required by law. d. Develop, document and implement a policy and procedure regarding ongoing feedback to employees and identify steps to improve the value of the feedback employees receive. e. Develop, document and implement a staff retention policy. The Agency should also conduct timely exit interviews and perform periodic analysis of staff turnover. f. Continue to identify and resolve specific communication issues between management and employees.	**Commendation:** The Commission has practices that contribute to effective and efficient governance. For example: • In order to ensure accountability and alignment with the Commission's direction, the Board and the Agency director enter into an annual Director's Performance Agreement that sets the goals the Director should achieve during the year. • The Agency works to keep the public informed about its Centennial 2013 plan and how it is working to achieve it. Interested parties can readily obtain information on the Agency's Web site and contact the Agency for additional information. • The Commission meets seven times a year in locations around the state and takes public comment at these meetings. The Commission actively uses its Web site to advertise meeting dates, times, and locations and posts agendas and summaries of all Commission meetings.

Issue Area	Recommendation	Commendation or financial impact
3. The Agency does not have a performance management system that provides reliable information to assess its progress in meeting goals and that allows it to make budget and operating decisions.		
3-A. The Commission does not have performance information that is relevant and sufficient, reliable and accurate, and measurable and obtainable.	7 . We recommend the Agency review the Centennial 2013 performance measures to determine if they are relevant and sufficient and, where appropriate, revise the existing measures and/or consider whether additional measures are needed.	

	8. We recommend creation of a performance measurement process that includes:
	• Documented procedures that address the collection, calculation, and reporting of results for all performance measures.
	• Detailed procedures that let employees who are charged with collecting, calculating, and reporting results know:
	  • What information should be collected.
	  • Where to find the information.
	  • Exact mathematical calculations that are required.
	  • To whom and in what format the information should be reported.
	  • What information should be reviewed for accuracy and by whom.	

	9. We recommend the Agency develop and document annual targets and retain the information. The Agency should consider benchmarking the targets. The Agency should perform an annual analysis to determine if it is achieving its targets. The Agency should track annual historical performance by park. The Agency should document this analysis and explain in the Centennial Progress Reports on its Web site why targets were not met or were exceeded, which would let the Legislature and the public know when the Centennial 2013 goals are met.	
	10. We recommend the Board perform a quarterly analysis to determine if the Agency is achieving its targets. When it appears the target will not be met, the Agency should make necessary changes to improve its performance or make adjustments in the target. Changes should have documented explanations.	
3-B. The Agency's performance information used in its budget proposal is not always reliable and accurate.	See Issue 3-A for performance information accuracy and reliability discussion.	

Issue Area	Recommendation	Commendation or financial impact
4. The Agency's information technology systems do not support efficient operations.		
4-A. The Agency cannot effectively, efficiently, and economically collect and report complete information due to shortcomings in its information technology systems.	11. We recommend the Agency continue to pursue its request for money from the Legislature to provide a technology solution for connectivity issues.	**Financial impacts:** With connectivity to its parks and with interfacing business operation systems, the Agency should experience increased efficiency and staff productivity and improved information accuracy. It will require a substantial investment to achieve those effects. Two areas that could realize immediate cost savings with upgraded IT systems are: • Automated timesheets so staff no longer spend hours twice a month sending and receiving faxes. • A significant reduction of manual data entry from one system into another. Manual data entry is time-consuming and increases error rates.
	12. We recommend the Agency, as it replaces old or inadequate information systems, ensure new systems interface with Agency and statewide systems.	
	13. We recommend the Department of Information Services provide assistance to the Agency to research and identify a possible connectivity solution.	
4-B. Numerous changes and a time-consuming process caused delays in obtaining approval and funding for two information technology projects.	14 . We recommend the Agency continue to seek the assistance of DIS executive management in obtaining funding to move forward with unfunded IT projects.	
4-C. The Agency's information systems are vulnerable to unauthorized access, loss of data and to producing inaccurate information.	15. We recommend the Agency establish and maintain policies and procedures over its IT systems that follow industry standards for access security.	
5. The Agency has not realized the efficiency and economy in its payroll and human resource processes that they expected to gain from HRMS.	16. We recommend the Agency: a. Revise its payroll processing procedures, including preparing and collecting timesheet information by employees to minimize processing. b. Develop written timesheet completion instructions that are provided to all employees to promote greater accuracy.	
	17. We recommend the Agency request additional training and ongoing guidance from Department of Personnel regarding HRMS functions.	
	18. We recommend the Agency continue its efforts to establish connectivity for its parks as discussed in Issue 4-A. The Agency could see additional benefits and reduced costs with an automated time entry system. However, until parks are connected to headquarters, the Agency will not have an effective time entry system or fully benefit from HRMS.	

Issue Area	Recommendation	Commendation or financial impact
6. The Agency's decentralized approach to governance and lack of documentation can lead to practices and procedures that do not comply with state law, Agency policy, and do not promote the most efficient and economical use of state resources.		
6-A. The Agency did not consistently follow state law and policy for purchases and contracts, which could mean less efficient, effective, and economical activities.	19 . We recommend the Agency develop, document and use formal polices and procedures to ensure all four regions are obtaining proper approvals prior to payment. These policies and procedures should be developed using the Purchasing Manual provided by the General Administration and the SAAM and should include requirements for the consistent review of procurement logs.	
	20. We recommend that the Agency develop a policy for spending authority that designates employees and/ or positions with authority to make purchases on behalf of the Agency. This policy should impose limits to that spending authority.	
	21. We recommend that the Agency centrally develop and document formal policies and procedures related to contracting, ensure they are provided to project representatives in the field, and require that they be followed. The policies and procedures should specifically address necessary documentation to be completed by project representatives and sent to the Department of Contracts to maintain within the contract file.	
6-B. The Agency did not have any documentation to show that the locations chosen for Commission meetings were the most economical.	22. We recommend that the agency: a. Maintain documentation of its analysis and justification for selecting Commission meeting locations. b. File all appropriate supporting documentation with employees' travel vouchers, including approvals for any exceptions to the state's rules and regulations.	
6-C. The Agency did not have documentation to show compliance with state guidelines on the selection of facilities for training, meetings, conferences, and conventions, and the approval for attendance at external training programs.	23. We recommend that the Agency remind supervisors that before approving training locations, SAAM guidelines must be considered and documented justification must be provided if the guidelines cannot be met.	
	24. We recommend that the Agency: a. Ensure that an approved Training Request Form be provided before paying for an individual to attend an external training event. b. Maintain training registration/ authorization records for three years, consistent with State document retention guidelines.	

Issue Area	Recommendation	Commendation or financial impact
	25. We recommend that the Agency: a. Consider conducting as many of its internal meetings as reasonable by teleconference. This would save the costs of travel and improve productivity. b. Investigate having employees use region office facilities for online training until the parks have IT connectivity. This also would save direct training costs, travel costs and should increase productivity. Once the parks have connectivity, employees should use online training whenever possible.	**Financial impacts:** a. The Agency could save $49 to $119 per person by conducting staff trainings online, rather than having employees travel to the Department of Personnel in Olympia. The Agency would save a minimum of $7,056 to $17,136, with increased savings when staff complete multiple online courses in a year. These potential savings require providing adequate connectivity to staff across the state. b. We also identified potential cost savings related to attendance at manager meetings the Agency holds at its headquarters and four regions, which often involve overnight stays. The Agency has the ability to teleconference, but has not use the technology for its manager meetings. We estimated travel savings for five managers to meet by teleconference at 12 meetings would range from $17,180 to $33,082.
6-D. The Agency does not consistently document the reasons for overtime and overtime payments. Documents to support overtime frequently had errors and/or omissions.	26. We recommend that the Agency develop written policy and internal procedures requiring documentation that explains the reason for overtime. Requiring written justification for approval of overtime promotes prudent and efficient use of overtime.	
	27. We recommend that the Agency review its policy regarding pre-approval of overtime to ensure that it has clear evidence the overtime was pre-approved, reasonable, and complies with the Collective Bargaining Agreement.	
	28. We recommend that the Agency develop policies and procedures that address supervisor responsibilities regarding monitoring of overtime hours and payments to identify potential abuse of overtime.	

Recommendations to other agencies

Recommendation 13: Department of Information Services

We recommend that the Department of Information Services provide assistance to the Agency to research and identify a possible connectivity solution.

What's next?

Initiative 900 requires the legislative bodies for the government agencies in this report hold at least one public hearing to consider the audit findings and to receive comments from the public within 30 days of this report's issue.

The corresponding legislative body must consider this report in connection with its spending practices. A report must be submitted by the legislative body by July 1 each year detailing the status of the legislative implementation of the State Auditor's recommendations. Justification must be provided for recommendations not implemented. Details of other corrective action must be provided as well.

The state Legislature's Joint Legislative Audit and Review Committee will summarize any statewide issues that require action from the Legislature and will notify the appropriate fiscal and policy committees of public hearing agendas.
Initiative 900 provides no penalties for audited entities that do not follow recommendations in performance audit reports.

Follow-up performance audits of any state or local government entity or program may be conducted when determined necessary by the State Auditor.

*Visit **www.sao.wa.gov/PerformanceAudit/audit_reports.htm** for:*

- *Full report*
- *Responses amd action plans*
- *Public hearing information*
- *Annual status reports*

About the Parks and Recreation Commission

The Legislature created the Washington State Board of Park Commissioners in 1913 with two properties — one in Chehalis and one in Bellingham. The Legislature restructured the organization in 1969 and renamed it the Washington State Parks and Recreation Commission, which is now responsible for all Washington State parks.

The Commission has seven board members who are appointed by the Governor to staggered six-year terms. The Board has the option to hire a director to manage the Agency's operations. The current Director was hired in 2003. The Agency has about 500 full-time, permanent employees; 500 seasonal employees; and 1,000 volunteers who contribute an average of 270,000 hours each year. The volunteers represent the equivalent of 130 full-time staff. Some 270 partner groups help maintain trails and other park features.

The Commission divided the state parks system into four regions: Eastern, Northwest, Southwest, and Puget Sound. The Commission headquarters is in Tumwater.

For more information

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Washington State Parks and Recreation Commission Web site
www.parks.wa.gov

Governor Christine Gregoire's Web site
www.governor.wa.gov

Washington State Legislature's Web site
www.leg.wa.gov

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Clifton Gunderson LLP
Certified Public Accountants & Consultants

December 11, 2008

The Honorable Brian Sonntag
State Auditor
P.O. Box 40021
Olympia, WA 98504-0021

Subject: Performance Audit of the Parks and Recreation Commission

Dear Mr. Sonntag:

We are pleased to report the completion of our performance audit of the Washington State Parks and Recreation Commission for state fiscal year 2007. Our engagement was performed under Generally Accepted Government Auditing Standards (GAGAS). The audit was conducted pursuant to contract number (0507-C-PKS-01).

We appreciate the assistance Linda Long, Theo Yu, and the rest of your staff provided us during this engagement. We also would like to acknowledge the cooperation of Director Rex Derr and his management staff at the Parks and Recreation Commission.

Please feel free to contact me at (512) 342-0800 if you have any questions or need additional information regarding our report.

Sincerely,
Clifton Gunderson LLP

Frank N. Vito, CPA
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Performance Audit of the

Washington State Parks and Recreation Commission

Clifton Gunderson LLP
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Letter of Transmittal

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About the Audit

Our Audit Authority

Voters approved Initiative 900 in November 2005, giving the Washington State Auditor's Office (Auditor) authority to conduct independent performance audits of Washington State (State) and local government entities on behalf of citizens. The purpose of conducting these performance audits is to promote accountability and cost-effective uses of public resources.

The Auditor engaged Clifton Gunderson LLP to conduct this performance audit in accordance with Government Auditing Standards.

After the Performance Audit

The release of this audit report triggers a series of actions by the State Legislature (Legislature). The appropriate committee(s) will:

- Hold at least one public hearing within 30 days of this report's issue to receive public testimony.
- Review this report to identify audit recommendations that request legislative action.
- Consider the issues and recommendations contained in this report during the appropriations process.

In addition, the Joint Legislative Audit and Review Committee (Committee), the Legislature's performance audit committee, will produce a report by July 1 of each year detailing the Legislature's progress in responding to the Auditor's recommendations. The Committee must justify any recommendations it did not respond to and detail additional corrective measures taken.

About the Parks and Recreation Commission

The Legislature created the Washington State Board of Park Commissioners in 1913. It started with two properties, one in Chehalis and one in Bellingham. The Legislature restructured the organization in 1969 and renamed it the Washington State Parks and Recreation Commission, which is now responsible for all Washington State parks.

The Commission has seven board members that are appointed by the Governor to staggered six-year terms. The Board has the option to hire a director to manage the operations of the Agency. The current director was hired in 2003. As of June 2008, the Agency had about 625 full-time, permanent employees; 400 seasonal employees; and 1,000 volunteers who contribute an average of 277,000 hours a year. Approximately 270 partner groups help maintain trails and other park features. The volunteers provide the agency an equivalent of 130 full-time staff.

The Commission has divided the park system into four regions across the State: Eastern, Northwest, Southwest, and Puget Sound. The Commission headquarters is in Tumwater.

For clarity the following terms will be used in this report:

- *Commission: Washington State Parks and Recreation Commission*
- *Board: The appointed governing body and its members*
- *Agency: The administrative and operations departments*

Why This Audit Is Important

The State has one of the largest and most beautiful state park systems in the country. Each year the parks have over 40 million visits. The Commission manages 120 developed parks, miles of winter and summer trails and ocean beach, marine parks, watercraft launches, and historic buildings for public enjoyment. A recent survey of the public confirmed what parks staffs say is communicated to them daily – citizens love their parks.

Though the State parks clearly benefit the State and its citizens, the park system is aging. Twenty years of restricted budgets and intermittent cuts have resulted in some unfortunate consequences for visitors, including a loss of programs and services, and seasonal park closures. Instead of parks that offer diverse activities and are safe and well-maintained, many of the facilities are in serious need of minor repairs and major improvements, such as campground and cabin renovations, restroom upgrades, and day-use facility improvements.

The Commission recognizes that the State park system gives great value and is a source of pride to the citizens of the State and needs to be protected for future generations. As the 100th birthday of the statewide park system approaches, the Commission views the centennial as an opportunity to improve the park system to meet the expectations of the citizens of the State. With help from an advisory committee made up of legislators, business leaders, and citizens, the Commission created its Centennial 2013 Vision. It gathered information from its interest groups by surveying citizens and park users, holding public meetings, and attending meetings of citizens and local governments. With this information, the Commission created a Centennial 2013 Plan to turn the vision into reality. The Governor and the Legislature approved the Centennial 2013 plan. To fund the plan, the Commission estimates it will require an extra capital investment of $250 million and an increase in the Commission's operating budget.

Our audit focused on whether the Commission's strategic plan (Strategic Plan) for implementing the Centennial 2013 Plan is a well-documented, comprehensive, and cohesive roadmap to achieve its vision. We also focused on whether the Commission has appropriately assessed and obtained the human, financial, and information technology (IT) resources it needs; is monitoring and appropriately measuring its performance; and is managing its operations efficiently and economically. The Commission needs to make improvements in its systems and processes; without changes, the Commission is at risk of not giving the citizens the park system they want or what the legislature expects for its investment.

Audit Results

Overarching Conclusion

The Commission has dedicated Board members, Agency management and employees who are working hard to improve the park system, including initiating and developing the Centennial 2013 Plan. Although the Commission's efforts to address the needs of the park system have been extensive, our audit work revealed areas in which the Commission needs to make changes.

Our overarching conclusion is that improvements are needed in the Commission's strategy development and governance, including its performance management and IT systems. Without improvements, the Commission will not be poised to achieve all of the goals it communicated to citizens in the Centennial 2013 Plan. We provide recommendations that, if implemented, will help the Commission achieve its goals and result in more effective, efficient, and economical operations.

Overarching Recommendations

We developed the following overarching recommendations:

- The Commission should review its strategy for any gaps and include all necessary functions and processes to ensure that the strategy will provide a comprehensive and cohesive roadmap for achieving its vision.
- The Commission should improve its governance to strengthen its central oversight of its operations, risk management program, internal audit function, human resources (HR) program and communication between management and employees.
- The Commission should review and make necessary adjustments to its performance management system, in particular its performance measures, to ensure that the performance information is relevant and sufficient, and reliable and accurate.
- The Commission should continue its efforts to upgrade its IT systems.
- The Commission should improve its documentation for all activities.

Potential Cost Savings and Benefits

Although we identified opportunities for cost savings in three specific areas - IT, employee training, and internal management meetings, we were able to quantify an estimate of savings for only the employee training and internal management meetings. We could not calculate the cost savings, or the initial investment cost, for upgrading the Commission's IT. However, once the investment is made, significant savings can be anticipated in the long term if the Commission can establish connectivity between its parks and its business services.

Further, though not quantifiable, other potential savings could be achieved through implementation of our recommendations, such as:

- Improved productivity and reduction in payroll processing costs.
- Improved procedures and monitoring of overtime.
- Reassessment of roles to ensure that activities are not duplicated.
- Efficiencies in programs resulting from internal audits.
- Documentation of policies and procedures to forestall errors and re-do of work.

Objectives, Scope and Methodology

This audit was designed to answer the following objectives:

Strategic Plan Audit Objectives.

a. Does the Commission's Strategic Plan for 2007 through 2013 reflect a clear understanding of current customer, citizen, policy maker and stakeholder expectations?
b. Do performance targets reflect the right balance between vision and available resources?
c. Are individual work plans and employee expectations clearly linked to organizational goals?
d. Do work plans specify who will do what by when?

Governance Audit Objective.

Does the Commission's current system of governance promote effective and efficient management of their operations? Consider the following:

a. Organizational structure
b. Lines of reporting
c. Span of control and responsibility
d. Management information used to make key decisions (nature and content)
    1. Regularly scheduled meetings
    2. Periodic Reports
e. Internal risk management of operations

Performance Information Audit Objectives

a. Does the State Parks and Recreation Commission have management information, such as performance measures and public reports, that are complete, accurate, and consistent to support performance and decision and policy making?
b. Does the State Parks and Recreation Commission have reliable, valid, and relevant budget proposals and related information to inform the Legislature?
c. Is the State Parks and Recreation Commission measuring the right performance areas?
d. Are the performance measures reported by the State Parks and Recreation Commission relevant, reliable and valid?
e. Is the State Parks and Recreation Commission achieving its stated targets?
f. What does analysis of the data suggest about future performance?

Commission's Information Systems Audit Objectives

a. What are the information systems the Commission currently has and do these systems allow for collecting and reporting of complete management information?
b. Has the Commission been able to obtain the support and assistance from the state it needs to enable the collection and reporting of management information from their information technology systems?

HRMS Impact Audit Objective

What is the impact of the implementation of the enterprise Human Resource Management System (HRMS) on the Commission's operations?

Economy and Efficiency of Operations Objectives

a. Is the State Parks and Recreation Commission achieving its mission, goals and objectives effectively and efficiently?
b. Are resources obtained at reasonable costs while meeting timelines and quality considerations?
c. Are employee travel costs:
    1. Directly work-related?
    2. Obtained at the most economical price?
    3. Both critical and necessary for State business?
d. Are Commission meetings achieved at the most economical price and is the frequency critical and necessary for State business?
e. Are meetings, conferences, conventions and training sessions scheduled to comply with the State Administrative and Accounting Manual?
    1. Has the Commission limited the number of persons attending a particular conference, convention, meeting or training sessions to the minimum necessary to benefit from the event?
    2. Has the Commission used State-owned or other publicly-owned, barrier-free facilities in lieu of renting or leasing other facilities?
f. Is the Commission's use of overtime prudent?

Initiative 900 Elements

Initiative 900 requires that each audit address nine specific elements:

1. Identification of cost savings.
2. Identification of services that can be reduced or eliminated.
3. Identification of programs or services that can be transferred to the private sector.
4. Analysis of gaps or overlaps in programs or services and recommendations to correct them.
5. Feasibility of pooling the entity's information technology systems.
6. Analysis of the roles and functions of the entity and recommendations to change or eliminate roles or functions.
7. Recommendations for statutory or regulatory changes that may be necessary for the entity to properly carry out its functions.
8. Analysis of the entity's performance data, performance measures and self-assessment systems.
9. Identification of best practices.

Appendix B correlates the elements of Initiative 900 to the detailed Issues.

Scope

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS) (GAO-03-673G, Government Auditing Standards, United States Government Accountability Office, June 2003). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of our audit included the Commission's Strategic Plan, systems of governance and performance evaluation, IT, and the economy and efficiency of operations for the biennium 2005 – 2007. We conducted fieldwork between September 24, 2007 and October 17, 2008.

Methodology

During the initial phase of the audit (the gain-an-understanding phase), we interviewed executive management and program management in order to obtain an overall understanding of the Commission. We also obtained and reviewed applicable laws, documents related to the Strategic Plan and operation of the Commission, reports prepared by the Office of Financial Management (Financial Management.) and on behalf of Financial Management., particularly the Berk and Associates capital budget performance audit, and the results of the Commission's Employee Survey conducted by the Department of Personnel (Personnel). We also reviewed the "Performance Audits Survey: Washington State Parks & Recreation Commission" conducted by Elway Research Inc. on behalf of the Auditor. We also reviewed the vote of no confidence against the Commission Director in 2007 acted on by the union and its members. Based on this information we performed a risk assessment to determine areas of the Commission potentially vulnerable to fraud, waste, and abuse. In addition, we conducted an assessment to identify areas that potentially present risk to the Commission and its stakeholders.

Strategy Mapping is defined as
"the visual representation of an organization's plans to turn its resources and assets, including intangibles such as knowledge and culture, into tangible outcomes linked to organizational objectives. Strategy maps provide a detailed picture of organizational objectives and the relationships between them. They [strategy maps] are used to help organizations manage corporate strategy and realize objectives through improvements in specific areas such as customer retention or faster cycle times. The concept of strategy mapping was developed by Robert Kaplan and David Norton as part of their work on the balanced scorecard."

Source: BNET Business Network "BNET Business Dictionary http://dictionary.bnet.com/definition/strategy+mapping.html

During fieldwork, we continued our interviews with Agency staff, Commissioners, Washington Federation of State Employees Union (Union) representatives, legislators, and staff from Financial Management., Personnel, and Department of Information Services (information Services). We requested documentation which we reviewed and evaluated. To evaluate the strategic plan, we created a strategy map, (See Appendix F) which allowed us to assess what and how the Commission planned to achieve its vision and goals. When appropriate, we performed quantitative analysis of randomly selected data samples or judgmental selection, including contracts, expenditures, travel costs, overtime payments, and performance measures data.

In addition, we reviewed IT systems and their controls; observed personnel performing their functions; observed IT system (applications) in use; and re-performed selected calculations.

We selected our samples in such a way that, whenever possible, the samples are representative of the populations and provide sufficient evidential matter. We used statistical random-based sampling and sequential (stop-or-go) attribute sampling methods. We also used haphazard sampling (a methodology that produces a representative selection for non-statistical sampling) and judgmental selection when data limitations prevented statistical sampling. In deciding which sampling methodology to use, we considered the audit objective and whether the total population of data was available. We identified specific attributes for testing each of the samples. Due to incomplete documentation, we did not test some attributes in some of our samples. When appropriate, we extrapolated our results to that population.

Based on our interviews, review of documentation, testing, and our analysis of the Agency's activities and performance, we prepared exceptions. These were provided to the Agency for a technical review and responses to ensure the accuracy of our results. We evaluated the responses to the exceptions and when appropriate, made corrections or modifications. Issues were then prepared with recommendations, sent to the Auditor for review and a final draft provided to the Agency for their response.

For criteria we used Washington State law (RCW), Washington Administrative Code (WAC), Executive Orders and Directives, the State Agency Administrative and Accounting Manual (SAAM), Washington State Department of Personnel's Performance and Development Plan (PDP) instructions, Information Services Board (Information Services) guidance, the Federal Information System Controls Audit Manual (FISCAM), and Financial Management Budget Instructions. To identify best practices we researched publications of nationally recognized organizations. Best practices may be defined as methods and techniques that have consistent results significantly better than those attained with other means, and which are used as benchmarks.

To minimize the risks associated with public disclosure of information relating to system security vulnerabilities that could expose the Commission to intrusion attempts; this report excludes details of the information system weaknesses we identified. We communicated details of these issues and recommendations to the Commission.

Detailed Audit Results and Recommendations

1. Washington Parks and Recreation Commission Strategic Plan

Issue No. 1 The Commission's Strategic Plan lacks some key elements that can impact its achievement of its vision and goals.

Background

Imperative to an organization's success are the efforts it makes to create its vision, an inspirational image of how it sees itself, and developing a strategy that provides the roadmap of how it will achieve this vision. The Commission set forth this strategy in its Centennial 2013 Plan.

In 2002, the Agency saw the parks system's upcoming centennial birthday in 2013 as an opportunity to engage citizens in a discussion about the parks and to revitalize the park system by developing a vision and a Centennial Plan. The Centennial Plan was created to show what could be done with the parks, how much money it would take, and provide a strategy to accomplish the goals.

In early 2003, the Agency created a team to craft a vision, establish measurable targets, and develop a strategic plan. In 2003, the Commission adopted the Washington Parks and Recreation's Centennial 2013 Vision. Once the vision was adopted, the Agency developed a plan to achieve the vision. This plan consisted of three parts: Commitment, Legacy, and Connections.

Centennial 2013 Vision

In 2013, Washington's state parks will be premier destinations of uncommon quality, including state and regionally significant natural, cultural, historical and recreational resources that are outstanding for the experience, health, enjoyment and learning of all people.

Source: Washington State Parks and Recreation Commission

- The Commitment section set a goal of renewing the commitment to maintain the core elements of the parks, such as park facilities, services, and community involvement. The State has 100 percent responsibility to fund this part of the plan.
- The Legacy section set a goal of expanding the park system in some way in order to leave something for future generations. The Agency planned that the cost of achieving this goal would be split 50-50 between the State and private donors.
- The 100 Connections section set a goal of citizen participation to complete 100 improvement projects in parks. The section made park managers responsible for deciding what each park needed and what was achievable.

When the Commission adopted the Centennial 2013 Vision, it estimated the cost of improving and adding to the system to be $250 million. The Commission proposed distributing the money over 10 years to finance each of the plan's three parts:

- $160 million to eliminate half of the capital improvement backlog.
- $40 million to eliminate the entire minor maintenance backlog.
- $50 million to fund the legacy portion of the Plan.

In 2004, the Centennial Advisory Committee, which was created to advise the Commission on the best way to implement the Centennial Plan, reviewed the plan and decided the Agency needed to make clearer the priorities of the plan. The result was the adoption of 3 priorities:

- Fix what you have.
- Expand what you have.
- Add new parks and trails.

The Agency developed eight goals and eleven measures to support the Centennial 2013 Plan. See Figure 1.

To evaluate the Commission's Strategic Plan and the planning process used to develop it, we interviewed executive management, Board members, and legislators; reviewed documents provided by the Commission; and compared the planning process to best practices. We also applied a process known as strategy mapping to identify gaps in the Strategic Plan.

Figure 1

CENTENNIAL 2013 GOALS

MEASURING SUCCESS

Annual progress report ending Dec. 31, 2006

Our Commitment

Stewardship – So that citizens understand and support the care of their parks and environment

1. **Goal:** All 120 parks have land-use plans supported by the public and Commission *(which includes the direction of care of historic buildings and sites and natural resources)*
   Progress: 30 parks have completed land-use plans

Enjoyment, health and learning – So that citizens can connect with Washington's heritage and pursue personal health

2. **Goal:** All 120 state parks have community events and interpretive programs
   Progress: 59 parks have community events and interpretive programs

Public service – So that citizens are confident their taxes are used wisely

3. **Goal:** On a scale of "A - E," agency public services rate B+ or better on surveys
   Progress to date: In a 2006 survey, citizens rated parks "A" and "B -" on facilities and services

Facilities – So that citizens have safe and modern parks ($198 million)

4. **Goal:** Rebuild half of the old park system
   Progress: $17.8 million in major renovation projects completed (Goal: $160 million over eight years)
   Progress: 1 Puget Sound/Hood Canal cleanup water quality project completed (Goal: 24 projects, $30 million)
   Progress: 1,860 minor deferred maintenance projects completed (Goal: 2,782 projects, $40 million over eight years)

Partnerships – So that citizens help improve their parks and recreation

5. **Goal:** Double volunteer help to 500,000 annual volunteer hours, 500 partners
   Progress: 293,000 annual volunteer hours; 312 partners

Financial strategy – So that citizens know that innovation and accountability will sustain their parks

6. **Goal:** All 120 parks have business plans with four revenue sources (taxes, facility fees, product and service revenues and donations) and cost savings
   Progress: Eight business plans completed, 75 more plans in draft

Your Legacy

Legacy – So that citizens prepare parks for a growing state ($82 million)

7. **Goal:** 1,000 new miles of winter/summer, land/water trails
   Progress: 704.5 new miles of added
8. **Goal:** Open three new parks, expand ten parks
   Progress: Three new park sites, expansion parks and trails identified
9. **Goal:** Four major historic sites renovated and open
   Progress: Sites identified, plans under way at Saint Edward Seminary, Fort Simcoe, Olmstead Place; Cle Elum Depot completed and open.
10. **Goal:** Tell the Ice Age Floods story
    Progress: Interpretive plan adopted, development under way

100 Connections

Connections – So that citizens contribute Centennial improvements to their favorite parks

11. **Goal:** 100 citizen gift projects in parks all over the state
    Progress: 39 citizen gift projects completed

Note: In this report the activities the Commission identifies as "goals" are referred to as "performance measures".

Issue No. 1-A. The Commission's Strategic Plan does not fully reflect all of its interest groups' expectations.

Condition

Strategic plans are long-term comprehensive plans used by organizations to ensure goals and objectives are met. They contain information on what the organization is, where it is going, and how it is going to get there. Generally, a strategic plan will include:

- A mission or vision statement, which is a broad description of the organization's image of its future.
- Strategic objectives and goals that describe measurable targets to achieve the mission or vision.
- An approach or an implementation methodology (strategy) that will lead to achieving a strategic objective.
- A plan of action (strategy) intended to accomplish a strategy.
- A process to monitor the progress of the plan.
- A systematic performance management process for comparing actual performance to planned performance.

Consulting with interest groups is important to the long-term effectiveness of an organization and helps it set new directions. The Commission's interest groups are citizens, park users, State agencies and local government, indigenous peoples, and other interest groups.

During the strategic planning process, the Commission gathered information from the public, Agency employees and others regarding their expectations of the park system. In addition, the Agency held public meetings to gather information from other groups. This information helped the Agency craft the Centennial 2013 vision, which later became the Centennial 2013 Plan and a primary driver of the Commission's Strategic Plan. The official plan is submitted to the Governor and Financial Management each biennium at the beginning of the biennial budget process. Beginning in the 2005-2007 biennium, the Centennial 2013 Plan elements appear as part of the Strategic Plan.

However, the Commission did not document who it talked to and what their expectations were. We could not determine if all interest groups were contacted and if their comments were considered or reflected in the Strategic Plan. We found some documentation of survey results and public meetings; however, verbal representations were rarely documented, and in one case where expectations were documented, they were not followed. Specifically,

- The Agency did not conduct surveys of State and local governments, indigenous peoples, and other interest groups.
- The Commission included its employees in a voluntary internet-based survey, but received only 76 employee responses. That represents less than eight percent of the full and part-time employees.
- A plurality of citizens who responded to a survey regarding alternative funding for the State park system felt that the park system should be maintained at its current size. The Agency, however, decided to include expansion of parks in the strategic plan. There was no documented explanation for this decision.

Cause

During the strategic planning process, it was not a Commission practice to create detailed written records of discussions with its stakeholders that identified the interest groups and what they expressed as their expectations.

Criteria

See Appendix D

Effect

By not documenting whom it spoke with and what the results of the discussions were, the Commission does not have a means to ensure that it considered the expectations of its interest groups.

Recommendation

Recommendation 1

We recommend that the Agency formally identify its interest groups and document their expectations to ensure that the Strategic Plan and Centennial goals align with those expectations.

Commission Response

State Parks agrees that improvements can be made in documenting stakeholder interest and input into the park system and planning efforts. During our most recent planning process, we solicited and received input from many parties, including customers, staff, citizens, and stakeholders. We will improve our documentation of stakeholder input and how it is integrated into agency plans. We will also ensure the list of stakeholders is regularly updated.

Financial Management Response

Requiring State agencies to document **and meet** all stakeholder or interest group expectations is unadvisable. There may be conflicting expectations between various individuals and/or a lack of available resources to meet all of the identified expectations.

Issue No. 1-B. The Commission's Strategic Plan does not identify some critical resources and internal processes needed to meet the plan's goals.

Condition

An organization must have resources to accomplish the goals in its strategic plan. If the resources are not available, the organization must devise a way to obtain them. For example, in the Centennial 2013 Plan, the Commission set a goal to rebuild half of the old park system. This requires resources, including skilled staff to assess and prioritize needs, develop plans, procure contract services, oversee projects, and maintain the rebuilt parks. It also requires money to pay for capital projects and operating expenses.

The Commission's Strategic Plan does not include essential internal processes such as:

- Goals or objectives designed to strengthen legislation, policy, and governance; improve the employee evaluation process; and improve labor relations.
- An analysis of staff, financial, and IT resources that are needed to achieve the goals.
- A recognition of expectations as discussed in Issue 1-A.

See Appendix F for the strategy map used to assess gaps in the Strategic Plan.

Cause

The Centennial 2013 Plan was created as a document for the public and policy makers. The Agency felt that the Centennial 2013 Plan was adequate for its intended purpose and discontinued further development of a strategic plan. It concluded that there was no need to further analyze internal processes and resources for inclusion in the plan and, therefore, did not develop strategies to obtain and use those resources to achieve its goals.

However, in the beginning of the 2005-2007 biennium, agencies were required to submit strategic plans to the Governor and Financial Management. The Agency developed its Strategic Plan by incorporating the goals of the Centennial 2013 Plan, which align with the Governor's Priorities of Government Management Accountability and Performance (GMAP). Although the Strategic Plan identified activities as the strategy to achieve each of the goals, it did not include the critical resources and processes as part of each strategy to achieve the goals. Agency management stated it did not initially see a need to develop a more detailed plan identifying required processes and resources that would be required to achieve its goals because the Agency was being restructured to allow the parks region managers to make more decisions regarding activities and procedures in their regions.

Criteria

See Appendix D

Effect

Without a single, comprehensive and documented plan, the Agency may not obtain the correct balance of resources needed to achieve its vision and goals to give the public the kind of park system it expects.

Recommendations

Recommendation 2

We recommend the Agency create a single strategic plan that identifies all interest groups, the strategies it needs to use to reach out to them, and how their expectations will be incorporated in the Commission's vision and goals.

Recommendation 3

We recommend the Agency do a comprehensive analysis of its resource needs, its available resources, and develop strategies to ensure it has what it needs to achieve its vision and goals.

Commendation

The Commission used the upcoming Centennial anniversary as an opportunity to develop a Centennial 2013 Plan to improve the park system and create a strategy that aligns strategic goals with the Centennial 2013 Plan. In response to the Commission's presentation of the Centennial 2013 Plan, the Legislature increased by 33 percent the Commission's 2007-2009 budget.

Commission Response

In addition to the state-required strategic plan, the Commission created a farther-reaching "Centennial 2013" Plan. This plan looks ahead ten years as State Parks prepares for its second century and a 100th birthday celebration in 2013.

Centennial 2013 complements the Agency's strategic plans by providing a wider framework, long-term vision, and list of desired accomplishments. However, this plan was not intended as a replacement of the required strategic plans, nor written to the same state-required guidelines. Strategic funding for resource needs and implementation plans are accomplished through State Parks' biennial budget submittals.

We will continue to analyze available and needed resources for the Centennial 2013 Plan. Although the resources required for an optimum park system may be beyond the State's current capacity, we will continue to advocate for the needs of the park system. We have developed strategies to optimize the chances of acquiring the necessary resources, in accordance with guidelines from OFM.

Financial Management Response

OFM requires agencies to produce a four-year strategic plan every two years, which is then used as part of the budget process. In addition, the Commission decided also to write a ten-year plan. Centennial 2013 complements and supplements the State's required strategic plan. It aligns with the required strategic plan and should not be required to be combined with it. Neither should Centennial 2013 be held to the same guidelines, because it is not practical or advisable to tie resource expectations so far into the future.

Emerging best practice. Not mentioned in the report is State Parks' emerging best practice of developing separate Classification and Management Plans (CAMPs) for **each of their 120 parks**. The CAMPs engage citizens with a transparent, public participation model that provides an excellent model for other states and entities to follow. The model works well because it meets stakeholders on their own ground and captures their concerns and interests where they connect with parks. These plans also include measurable park objectives to meet the overall vision and goals of state parks.

Issue No. 1- C. The Agency does not consistently complete employee evaluations that identify job responsibilities and link expectations to strategic plan goals.

Condition

State law requires employers to conduct annual reviews to measure their employees' performance against job expectations set by their agencies. The process promotes interaction between employees and supervisors set measurable goals, and supports employee development. The evaluation process is used to communicate the Agency's strategic goals and how employees' job expectations relate.

The performance review process includes all Commission employees. The Commission Director is evaluated based on an agreement with the Board that identifies his responsibilities and performance expectations. The four senior executives who report to the Director are evaluated using a Leadership Performance Evaluation Form. Other Parks employees are evaluated using a Performance Development Plan (PDP).

Director's Evaluation

The Agency Director has an annual agreement (Director's Performance Agreement) with the Board that identifies his responsibilities and specific performance activities. The Board annually evaluates the Director's performance based on the Director's Performance Agreement.

Executive Management

The Agency's executive managers are the direct link between the Director and Agency staff. These managers are expected to ensure employees work toward attaining the Agency's goals. We reviewed the evaluations of all executive managers and found they do not:

- Include formal documentation of performance expectations.
- Address expectations relating to the goals in the Centennial 2013 Plan.
- Address the requirements set forth in the Director's Performance Agreement.
- Specify the responsibilities of executive managers.
- Have specific requirements to include goals or measures linked to the Strategic Plan.

Employees' PDPs

We reviewed 65 randomly selected PDPs for employees in various positions and levels to determine if employee expectations were clearly linked to Strategic Plan goals and whether the employee work plans specified employee performance goals. We identified significant deficiencies. Specifically:

- 69 percent of the PDPs either did not clearly link (11 PDPs) or included no linkage (34 PDPs) to the Strategic Plan goals.
- 45 percent of PDPs did not include performance expectations for the employee and 22 percent that are included did not document that the supervisor and the employee had discussed the expectations.
- 23 percent of PDPs with performance expectations did not include goals that could be measured quantitatively.

Cause

The Agency lacks effective processes to ensure that employee evaluations are completed, work plans are linked to Agency goals, and performance goals are measurable.

Criteria

See Appendix D

Effect

Employee evaluations that do not clearly link job responsibilities to the Agency's vision and goals, and do not provide employees a clear understanding of how their work contributes to Agency goals and citizen expectations, can result in goals that are not met.

Without written performance expectations and measurable goals, employees may not know what they are expected to accomplish. Also, the evaluator or supervisor does not have specific performance criteria to measure quality of work and productivity or to hold employees accountable for accomplishing the Agency goals.

Recommendations

Recommendation 4

We recommend the Agency develop written, Agency-specific policies and procedures for employee evaluations. This process should:

a. Ensure evaluations link employee responsibilities to the mission and goals of the Commission.
b. Provide sufficient guidelines and standards for setting expectations and performance goals.
c. Ensure supervisors perform timely, consistent evaluations that comply with State law and regulations.
d. Ensure that Agency staff receive adequate training through either the Department of Personnel and/or internally developed training to ensure evaluations provide relevant, clear performance expectations and quantifiable measures.
e. Communicate to Agency employees how each of their functions and services factor into the successful achievement of the vision.
f. Ensure that discussions between the employee and supervisor regarding performance expectations are held and documented.

Recommendation 5

We recommend that the Agency continue and improve its Executive Leadership Performance Evaluations to include quantitatively measurable goals and expectations with specific objectives linking to the Agency's mission, Strategy Plan, and Centennial 2013 Plan.

Commission Response

State Parks uses employee evaluation policies that are established in DOP rules and collective bargaining agreements (CBAs). However, State Parks will improve documentation of agency procedures and accessibility of existing policies, CBAs, and agency procedures to employees.

State Parks agrees that training should be strengthened for managers and supervisors, and has begun to make improvements in the evaluation process. Implementation of a new employee performance evaluation policy is underway, with training to begin soon.

The Director will continue to improve the evaluation process for executive staff, including specific performance expectations as they relate to agency goals.

Action Steps and Timeframe for Strategic Plan Issues

- Ensure the list of stakeholders is regularly updated. **Completed.**
- Improve stakeholder documentation and integrate into detailed plans (Classification and Management Plans) for each of the 120 parks. **Completed.** (We have already started and will continue.)
- Complete comprehensive analysis of resource needs and strategies to achieve vision and goals. By December 2009.
- Implement new employee performance evaluation policy. By December 2008.
- Continue to use the DOP evaluation form and ensure the employee responsibilities link to the mission and goals. **Completed.**
- Document procedures and step-by-step instructions for evaluations for employees, supervisors, and managers. **Completed.**
- Annually complete Performance & Development Plans (PDP), consistent with the DOP rules and terms of the Collective Bargaining Master Agreement. By March 2009.
- Begin training all supervisors to ensure employee evaluations are completed on time and with quality. By March 2009.
- Make existing policies, collective bargaining agreements, and agency procedures accessible to employees. By August 2009.
- Schedule regular meetings with direct report employees to coach and/or mentor employees on their performance. By March 2009.
- Continue to improve the Executive Leadership performance evaluations process. By February 2009.

Financial Management Response

We commend the Commission's use of a Director's Performance Agreement, which is noted as a best practice later in the report.

We agree that State Parks should strengthen their internal processes to improve employee evaluations and provide additional training of managers based on available resources. However, we believe the level and type of non-compliance seen in the employee evaluations does not warrant the characterization of "significant deficiencies."

2. Governance

Issue No 2. The Commission needs to make improvements in governance to ensure it meets its vision, goals and objectives.

Background

In addition to developing a strategy that will guide the Commission to achievement of its vision, good governance is crucial to its success in implementing its strategy. Good governance requires the Commission to exercise its authority and leadership effectively to provide consistent management and cohesive policies, processes, and decision-making.

Commission policy is set by a seven-member volunteer Board appointed by the Governor to staggered six-year terms. The Board meets seven times a year, rotating its meetings throughout the State. The Board hired the current Agency Director in 2003. The role of the Director is to implement the Board's policies and to manage the operations of the Agency.

The Director has an executive management staff: a Deputy Director responsible for internal Agency business; a Budget Director; a Director of Intergovernmental Relations and Performance Management; and a Public Affairs Director. The organization chart (see Appendix H) shows the structure of the Agency during the audit period.

The Commission has divided the State into four regions: Northwest, Southwest, Eastern, and Puget Sound. (Fort Worden, although not an official region, is treated as one.) Regional park managers report to the Agency Deputy Director. The Agency's headquarters is located in Tumwater.

The Agency began a phased reorganization in 2003 to move toward allowing more decisions to be made in the regions. The Agency envisions this as a more efficient and effective management approach.

The Commission's governance challenges are many: interest groups with many and diverse expectations, the requirements in State law for services and park maintenance, needs for parks improvement, inadequate IT systems, and significant funding needs.

Whether an organization achieves its vision is largely dependent on the quality of its governance and the methods and processes it uses to achieve its goals.

To evaluate the status of the Commission's system of governance, we researched and identified best practices. We then assessed the Commission's practices by comparing them to the activities that promote effective and efficient governance and indicators that demonstrate those activities have been accomplished. We performed this comparison by developing a matrix of activities that generally promote effective and efficient governance, as well as indicators that those activities are in place. (See Appendix G)

Condition

The review of the governance practices showed the Commission is employing some best practices that are listed under **Commendations,** but also has areas for improvement.

Areas for Improvement

- **Board evaluation of its own performance.**

  The Board does not evaluate its own performance to assess its contribution to the overall effectiveness of the organization, identify areas for improvement, and benchmark its success.

- **Reduction of centralized oversight**.

  The Agency has shifted more decision-making to its local regions and managers, who are in the best position to know and respond to customer needs. However, decentralization has caused a reduction of central oversight and, therefore, a loss of consistency in interpretation and application of Agency-wide policies and procedures.

- **The Agency's risk management program is not fully developed.**

  Risk management is the identification, assessment, and mitigation of risks that could expose the Agency to loss. Risks include injury or death of employees and visitors, or property damage. It also includes lost human resources such as time, talent, and productivity of employees, decreased Agency operations, and damage to the Agency's reputation.

  Parks' risk management program addresses how to manage legal claims and employee safety, but does not identify and manage intangible risks, such as its reputation and employee retention. Its risk manager position has been vacant, which has delayed the development of the program.

  The Agency's Assistant Deputy Director has begun to look at creating a new risk management program. A draft Centennial Risk Management Strategic Plan has been completed. It proposes to create:

  - Regional reports that compare visitor claim and injury rates.
  - Employee groups that will identify and prioritize risks.
  - An employee survey to identify, rank, and manage perceived risks.

- **The Commission does not perform internal audits or control self-assessments (CSA).**

  Internal audits identify and report operational and financial deficiencies that could impede an Agency's ability to achieve its goals. Internal audits provide timely, objective information that aids decision-making and improves the organization's overall function.

  According to auditing standards, internal auditors report to the highest position of the entity or to those charged with governance. In this case, the internal auditor should report to the Board. Organizationally, the internal auditor should be located outside the staff or line-management function of the unit under audit.

  In addition to internal audits, managers have a tool known as a control self-assessment to examine the quality and effectiveness of internal controls, its exposure to risk and its compliance with policies and procedures. (The Institute of Internal Auditors provides information regarding how to use this tool.) Parks does not use such a process.

Due to the Commission's lack of an internal auditor and not performing a control self-assessment, no program, operational, performance or internal control audits or assessments have been conducted. Without independent and objective internal audits, the Commission may not identify control and procedural deficiencies that would cause it not to achieve its mission.

- **Employee retention**

  While staff retention is not currently a significant issue for the Agency, there are some risks to future staff retention that were identified by Agency personnel. For example more workers are becoming eligible for retirement, several Agency employees have scheduled their retirements, and park rangers may leave the Agency in search of higher salaries at other agencies.

  However, the Agency does not have a formal retention plan to ensure that the staff with the knowledge and skills needed to achieve the Agency's goals are retained.

  In addition, the Human Resource Section does not regularly conduct interviews with employees leaving the Agency; analyze the reasons for staff turnover; or analyze staffing and assignments. These actions could provide valuable information to assist in its staffing and retention plans to address retirements and/or employees who leave the Agency for other employment.

- **Communication between management and employees.**

  Good communication is essential to good workplace relationships. We conducted interviews, reviewed the results of the "Performance Audits Survey: Washington State Parks & Recreation Commission" conducted by Elway Research Inc., and considered the union's 2007 vote of no-confidence against the Director to assess the level and effectiveness of communication within the Agency.

  At the Agency, communication among staff and upper management and headquarters and the regions is not sufficient to provide needed direction and feedback among employees and management. Supervisors do not have a consistent process for informing staff of their performance throughout the year. Staff and management receive performance feedback through varying methods including: interim (midseason) evaluations, occasional informal communication, formal discussions, and daily discussions of performance through supervisory spot-checks.

  Some employees expressed frustration with insufficient Internet service that prohibits them from downloading large files, e-mails and newsletters they need to stay informed about Agency operations. Others stated the level of communication varies from region to region, and this can lead to misinformation and a lack of trust between management and front-line employees.

  The Board contracted with a consultant to make recommendations in four areas, including resolving communication issues.

Cause

As the Agency has moved toward greater decentralization, it has not determined the most consistent ways to communicate overall policies, procedures and decisions to field staff.

A 2003 reorganization of the Agency eliminated the Assistant Director of Operations to meet staff reductions required by the Legislature. This position had provided direction to and enhanced communication with the park managers. It was a key position given the Agency's move toward decentralization.

The Agency also eliminated the internal audit position in an earlier reorganization in the belief that it was not required or needed. A control self-assessment has not been performed because generally the assistance of an internal auditor is needed when the assessment is initially conducted.

The Agency stated that the unfilled position of risk manager delayed the completion and implementation of a risk management program.

Management has not established a policy to ensure that employees receive ongoing feedback through performance and development plans concerning their job performance.

Management of the Human Resource Section stated it did not have enough resources to create a formal staff retention policy, or conduct on a regular basis: exit conferences, analysis of Agency staff turnover, and analysis of staffing and assignments.

Criteria

See Appendix D

Effect

Taken in combination these governance issues jeopardize the Agency's ability to achieve its vision and goals.

The lack of central oversight has resulted in inconsistent practices among the regions, and errors and rework?

An incomplete risk management program can result in the failure to identify or correct control weaknesses, which increases the risks to the Agency. For example, there is a risk that fraud or abuse could occur or could go undetected, or that resources are not used efficiently or effectively to help the Agency attain its goals.

The lack of an internal auditor who reports to the Board may result in loss of independence and objectivity regarding the risks to and the activities of the Commission. Also, without the information that can be obtained from a control self-assessment, management may be unaware of issues regarding the quality and effectiveness of its internal controls, as well as issues regarding the effectiveness and efficiency of operations and the reliability of financial and operational reporting.

Failure to consistently provide feedback to staff generally results in staff not performing at their optimal performance.

Without an effective staff retention policy, the expected retirements of several senior managers and other long-term employees, could result in the loss of talented employees and cause a decline in the Agency's performance and its ability to achieve its goals.

Inadequate communication among staff, upper management, headquarters, and the regions adds to the lack of trust between upper management and staff. Communication issues contributed to tensions between Agency labor and management.

Recommendations

Recommendation 6

The Commission needs to improve its overall governance in order to meet its vision and strategic goals. Specifically we recommend the Agency:

a. Strengthen central oversight. by clearly defining its role and responsibilities regarding making overall policy decisions and continuing to evaluate organizational structures, and improving how decisions are communicated to staff to ensure consistent direction and communication..

b. Continue to develop its risk management program.

c. Hire an internal auditor, or outsource the internal audit function. Ideally this individual should report to the Board. The activities of the internal auditor must comply with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing as required by law.

d. Develop, document and implement a policy and procedure regarding ongoing feedback to employees and identify steps to improve the value to the employees of the feedback they receive.

e. Develop, document and implement a retention policy for Agency staff. The Agency should also conduct timely exit interviews and perform periodic analysis of staff turnover.

f. Continue to identify and resolve specific communication issues between management and employees.

Commendations

The Commission has practices that contribute to effective and efficient governance. For example:

- In order to ensure accountability and alignment with the Commission's direction, the Board and the Agency director enter into an annual Director's Performance Agreement. In the agreement, the Board sets the goals to be achieved during the year.
- The Agency works to keep the public informed about its Centennial 2013 Plan and how it is working to achieve it. Using the Agency's Web site, interested parties can readily obtain information and contact the Agency for additional information.
- The Commission meets seven times a year in locations around the State and takes public comments at these meetings. The Commission actively uses its Web site to advertise meeting dates, times, and locations, and to post agendas and summaries of all Commission meetings.

Commission Responses

We appreciate the auditors' recognition of best practices used by State Parks, including the Director's Performance Agreement with the Commission and communication with the public.

Decentralization. With state parks in every county, State Parks staff are assigned across the state. To increase efficiency and effectiveness, State Parks has pursued a deliberate strategy of delegating more management decisions and authority to its four regional offices. This decentralization strategy moves decisions and resources closer to the places where service delivery occurs.

Required budget cuts in management along with fewer management layers has resulted in some reduced capacity. However, safeguards and internal controls can be strengthened further to make the decentralized approach more effective in maintaining consistency and achieving agency goals.

Risk Management and Internal Audit. State Parks has a risk management program and internal audit function commensurate with current resources. Lead risk management officers have taken OFM's enterprise risk management training. In addition, safeguards are in place to protect assets and maintain a system of internal controls. We would like to have an internal auditor and will consider options to add capacity, given available funding.

Employee Retention. As the report states, employee retention is not a significant issue for State Parks. Regardless, we will reinstate exit interviews and use guidance from DOP on employee retention.

Communication. A major cause of communication breakdown is the inadequacy of high-speed connectivity between Olympia administration and outlying parks across the state. We will address areas more immediately within our control such as feedback on employee performance.

Action Steps and Timeframe for Governance Issues

- Revisit and reconfirm roles and responsibilities to improve overall governance. By July 2009.
- Appoint an acting Assistant Director of Operations to centrally coordinate operations activities, ensure management consistency across regions, and integrate business development activities. **Completed.**
- Consolidate the IT and Budget Offices for enhanced coordination and communication of similar activities. **Completed.**
- Consolidate the remaining administrative functions – payroll, risk management, finance – within the Finance, Technology, and Administration Office. By December 2008.
- Combine capital and operations staff functions in the field to create efficiencies and strengthen labor relations. By July 2009.
- Develop and implement agency risk management plan. **Completed.**
- Explore options for adding internal capacity (risk management, internal audit). By March 2009.
- Annually complete Performance & Development Plans (PDPs) by March, consistent with the DOP rules and terms of the Collective Bargaining Master Agreement. By March 2009.
- Conduct exit interviews. By December 2008.

- Review and analyze the agency's staff turnover. **Completed.**
- Establish semi-annual meeting between executives and managers and monthly Executive Management meetings to enhance communications. **Completed.**
- Conduct monthly joint communication team meetings with the union represented and non-represented State Parks employees. By April 2009.

Auditor's Concluding Comments

The Commission's response indicates that State Parks has an internal audit function. The Agency's internal audit function currently exists only as a responsibility assigned to the Director of Intergovernmental Relations and Performance Management. Without an employee specifically assigned to perform the functions of an internal auditor, the Commission has not received independent assessments regarding the operations of the various Agency sections. Audits performed by an internal auditor could contribute to the Commission's ongoing efforts to achieve its Strategic and Centennial 2013 Plans.

Financial Management Response

We look forward to working with State Parks in the normal budget process to identify a cost-effective approach to improving risk management and internal audit capacity.

State Parks does not appear to be impacted by the lack of a formal agency retention plan. In Fiscal Year 2007, State Parks had one of the lowest turnover rates of all State agencies. The State Parks permanent employee turnover rate, at just 4.3 percent, was slightly over half of the statewide turnover rate (8.3 percent). While a formal retention or succession plan is a good idea, State Parks is doing an excellent job retaining employees without a formal plan.

3. Performance Information

Issue No. 3. The Agency does not have a performance management system that provides reliable information to assess its progress in meeting goals and that allows it to make budget and operating decisions.

Background

A good performance management system provides effective oversight and gathers information that management needs to assess current performance and make needed changes. Management oversight of the Commission's performance is crucial to ensuring that it is accountable to the Legislature and the public for achieving its goals. Included in a performance management system are goals, measures and targets. Goals are the outcomes that the Agency wants to achieve; measures track the progress toward goals; targets are the quantifiable achievement.

A good performance management system includes performance measures that are:

- Relevant, sufficient and aligned with the organization's goals to ensure that the organization is measuring what's important and that there is enough information to know that progress is being made.
- Based on reliable, accurate and complete data that management can use to make informed decisions. Unreliable and/or inaccurate data shifts the focus to debate about whether information on progress is accurate. This shift in focus will cripple a performance management system.
- Measurable and obtainable. To be effective, targets must be quantifiable, focused on results and achievable. A target that is too ambitious or too easy does not motivate optimal performance.

The Agency established eight Centennial 2013 goals, and 11 targets that allow it to measure its progress on meeting them. These goals and measures are reported to the Governor and are published on the Commission's Web site.

The Commission's performance goals and targets can be improved in each of these areas: relevancy, sufficiency, accuracy, reliability, measurability, and obtainability. Some of the Centennial 2013 performance measures do not appear achievable as planned unless the Agency changes or adjusts its performance.

Issue No. 3-A. The Commission does not have performance information that is relevant and sufficient, reliable and accurate, and measurable and obtainable.

Condition

In 2004 when the Agency was developing its strategic plan, it established performance targets for each biennium through 2013, beginning with 2005-2007. The targets were based on discussions among the Director, executive management and staff regarding what they thought would be good outcomes for the public in the context of what the Agency could achieve. The Agency did not use previous performance information to set these targets.

The Centennial 2013 plan focuses on 11 performance measures. Overall, these measures are not adequate to drive performance, assess progress or give management the information it needs to meet Parks' vision and goals.

Relevant and sufficient

The Agency did not establish sufficient measures that provide enough useful information for the Board or management to assess progress toward achieving its Centennial 2013 goals and to make adjustments if progress is not satisfactory. We also found one performance measure that was not relevant to its related goal.

The Agency did not develop measures for activities and functions that are necessary to support the achievement of the Centennial goals. These types of measures should be used in conjunction with the Centennial 2013 measures to assess progress toward achieving the Commission's vision and goals. The use of limited measures for goals often results in lag type measures that report only the final results after performance periods have ended. Without measures that are used on an interim basis, the effectiveness of the performance measurement system in driving performance toward desired results is limited.

Accurate and Reliable

We evaluated seven of the Centennial measures to determine if they were reported accurately. (Two of the Centennial measures have two parts each, thus, we tested a total of nine Centennial measures.) The Agency had not accurately reported five of the performance measures we evaluated. Therefore, those measures cannot be relied on for assessing progress toward the Centennial 2013 goals or making management decisions. We also evaluated three additional measures that are reported to Financial Management and Personnel; these were reported accurately.

Of the nine Centennial measures we tested, only two (Land-use Plans and 1000 New Miles of Trails) did not have errors greater than five percent. The remaining seven measures had errors resulting from:

- Failure to follow the measure definition.
- Missing data or documentation.
- Inaccurate calculation.

The following table identifies the measures and the results of our assessments for relevancy and sufficiency, and reliability and accuracy.

Summary of Performance Measures
Relevancy & Sufficiency and Reliability & Accuracy

Goal	Measure	Relevant & Sufficient	Reliable & Accurate
Stewardship – So that citizens understand and support the care of their parks.	All 120 parks have land -use plans supported by the public and Commission.	Relevant/ insufficient	Reliable & Accurate
Enjoyment, health and learning – So that citizens can connect with Washington's heritage and pursue personal health.	All 120 parks have community events and interpretive programs.	Relevant/ insufficient	Not Reliable & Inaccurate *Issue: Missing documentation*
Public Service – So that citizens are confident that their taxes are used wisely.	On a scale of "A-E," Agency public service rates B+ or better on surveys.	Relevant/ insufficient	Not tested
Facilities – So that citizens have safe and modern parks.	Rebuild half the old park system by completing (1) major renovation projects and (2) deferred maintenance projects.	Relevant/ insufficient	Not Reliable & Inaccurate *Issue: Missing data, incomplete information*
Partnerships – So that citizens help improve their parks and recreation.	Double volunteer help to 500,000 annual volunteer hours and 500 partners.	Relevant/ insufficient	Not Reliable & Inaccurate *Issue: Inaccurate calculations*
Financial Strategy – So that citizens know that innovation and accountability will sustain their parks.	All 120 parks have business plans with four revenue sources (taxes, facility fees, product and service revenues, and donations) and cost savings.	Relevant/ insufficient	Not Reliable & Inaccurate *Issue: Definition not followed*

Goal	Measure	Relevant & Sufficient	Reliable & Accurate
Legacy – So that citizens prepare parks for a growing state.	1,000 new miles of winter/summer, land/water trails.	Relevant/ sufficient [1]	Reliable & Accurate
	Open three new parks and expand ten parks.	Relevant/ sufficient	Not tested
	Four major historic sites renovated and open.	Relevant/ sufficient	Not tested
	Tell the Ice Age Floods Story.	Not Relevant	Not tested
Connections – So that citizens contribute Centennial improvements to their favorite parks.	100 citizen gift projects in parks all over the state.	Relevant/ sufficient	Not Reliable & Inaccurate *Issue: Missing data and definition not followed*

[1] These performance measures taken individually would not be sufficient, but together would appear to provide adequate performance information for this goal.

Measurable and Obtainable Target

The Agency expected steady progress to be made each year in achieving the performance targets; therefore, it originally decided that the targets would be equally divided over the biennia for all measures but one. It later set targets starting with the 2005-2007 biennium. The Agency does not have annual targets that would allow it to gauge whether the targets and goals will be achieved.

The Agency reports that it met the 2003, 2004, 2005, and 2006 targets. However, because the Agency retained only the actual results and not the targets for prior years, we were unable to independently verify that the Agency had, in fact, attained its targets for those years.

We also analyzed potential risks to future achievement of the Centennial goals based on the results reported in the Director's Agreement for 2003 – 2007. Three of the Centennial 2013 performance measures (the Plan refers to these as *goals*) may not be achievable as planned unless the Agency changes or adjusts its performance. These include:

Measures that may not be achieved

Measure [1]	Achieved Average per year (2003-2007)	Current Total Reported in 2007	Estimated 2013 Results if Average is Maintained for 2008-2013	Difference Between 2013 Target and Estimated Results	Increase Needed per year to Reach 2013 Target
All 120 state parks have land-use plans supported by the public and the Commission.	11	42	108	-12	Increase to 13

Measure [1]	Achieved Average per year (2003-2007)	Current Total Reported in 2007	Estimated 2013 Results if Average is Maintained for 2008-2013	Difference Between 2013 Target and Estimated Results	Increase Needed per year to Reach 2013 Target
All 120 Parks have community events and interpretive programs.	6	66	102	-18	Increase to 9
Double participation to 500,000 annual volunteer hours.	1.34% increase	291,000[2]	315,231	184,769	9.4% increase

[1] Measures are titled *goals* in the Commission's Centennial 2013 Plan
[2] The results for this measure are not cumulative, but represent the total number of volunteer hours contributed to the Agency each year.

Although the performance measures lack important elements that impact their effectiveness, they still help indicate that if the Commission does not adjust its operational plan, it will have difficulty in meeting its goals in the future. This analysis also illustrates the effectiveness of using performance measures to identify when adjustments are needed to achieve future goals

Cause

When the Agency developed its Strategic Plan, it established only eleven measures that it associated with its eight Centennial 2013 goals. The Agency felt that goals with only one simple measurement would be appropriate to ensure that citizens and customers understood what the Agency is measuring.

The Agency has not developed a performance measurement process that ensures its performance data is accurate and reliable. There are no established policies, procedures, or training for staff regarding the collection, calculation, and reporting of performance measures. For example:

- Definitions for the performance measures are sometimes confusing and incomplete.
- What is to be counted and how the measure should be calculated is not documented.
- The Agency does not maintain summarized information regarding its performance measures.
- The Agency does not require and maintain documentation to support its performance data.
- Performance data is not reviewed for accuracy before it is reported.
- The Agency has not assigned a single employee or position responsible for compiling performance data.
- Agency management believed that they would be able to set valid targets because of their combined knowledge and experience.

Management did not retain any past performance data including targets. The Agency published its annual targets for 2006 and 2007 in the Progress Report on the Agency website; however, when new performance information was posted, the previous year's target was overwritten.

When the targets for the performance measures were established, the Agency did not base the targets on past performance data or other benchmarks. The result may be that the targets for Stewardship, Enjoyment and Health, and Partnerships were set too high.

The Agency does not have sufficient accurate data to adjust its activities and/or resources to improve its performance.

Criteria

See Appendix D

Effect

Without sufficient and relevant performance measures, management will not have enough of the right information to determine if adequate progress is being made and whether adjustments should be made in order to achieve its goals.

Inaccurate performance data can lead to misrepresentation of performance results, which in turn can lead to errors in the management decisions that are made based on inaccurate information.

If past performance data or other benchmarks are not used when establishing targets, there is a risk that the targets may be too conservative or may not be attainable.

When targets are not retained for past years, information is unavailable to determine the Agency's progress and impact in reaching it goals. As a result, the Board and Agency will not be able to evaluate the efficiency or effectiveness of the programs and internal processes. They will be unable to make informed decisions to reallocate resources or change performance in order to accomplish their goals, improve efficiency, and reduce costs. Inconsistently reported performance information will not meet the expectations of the Board or the public to be accurately informed about the progress of the Agency.

If the Agency does not monitor its performance results and make appropriate adjustments, it risks not meeting its goals.

Recommendations

Recommendation 7

We recommend that the Agency review the Centennial 2013 performance measures to determine if they are relevant and sufficient and, where appropriate, revise the existing measures and/or consider whether additional measures are needed.

***Recommendation* 8**

We recommend that the Agency create a performance measurement process that includes:

- Documented procedures that address the collection, calculation, and reporting of results for all performance measures.

- Procedures that are detailed enough so that employees who are charged with collecting, calculating, and reporting results know:
  - What information should be collected.
  - Where to find the information.
  - Exact mathematical calculations that are required.
  - To whom and in what format the information should be reported.
- These procedures should also include details on what information should be reviewed for accuracy and by whom.

Recommendation 9

We recommend that the Agency develop annual targets, document them, and retain that information. The Agency should also consider benchmarking the targets. The Agency should perform an annual analysis to determine if it is achieving its targets. The Agency should track historical performance by park, by year. The Agency should document this analysis and explain in the Centennial Progress Reports posted on its Web site why targets were not met or were exceeded. This analysis would also let the Legislature and the public know when the Centennial 2013 Plan goals are met.

Recommendation 10

We recommend that the Board perform a quarterly analysis to determine if the Agency is achieving its targets. When it appears that the target will not be met, the Agency should make necessary changes that will improve its performance or make adjustments in the target. Changes should have documented explanations.

Commission Response

The collection of data and performance measurement is hampered by outdated computer systems and, therefore, the data may not be aggregated in the most efficient way.

Performance measurement aids decision-making and we agree that data collection, aggregation, and reporting should be improved. We have already adopted a revised framework for performance measurement, including providing definitions and identifying content to be reported. Staff will continue to build upon and refine that policy annually.

The Commission reviewed and updated the Centennial 2013 Plan and its measures in April 2008, to better align measures with goals. Staff will continue to review the Centennial 2013 performance measures regularly and will develop appropriate targets for these goals. These targets will be published and documentation about achievement of targets will be retained.

Agency management already follows the Governor's Executive Order (EO 05-02) to regularly review performance. We will continue to use these sessions to review progress at least quarterly, and take appropriate action to ensure objectives are met.

Financial Management Response

A performance **measurement** system, which gathers and reports performance **information,** is just one part of an overall performance **management** system. The terms "measurement" and "management" appear to be used interchangeably in the Background section, which makes the precise nature of recommendations somewhat unclear. For example, managing performance also requires regular agency and Commission review of information and decision-making based upon that review. State Parks holds regular sessions to review performance, in accordance with EO 05-02, to improve accountability.

There are a number of correct ways to establish targets. Targets should be related to strategic intent and answer the question, "Compared to what?" For example, if an organization wants to compare itself to its peers, then benchmarking may be an appropriate way to set targets. If it wants to compare performance over time, then historic performance by park may be appropriate. Ultimately, target-setting should be related to the agency's strategic and operational plans.

We agree with tracking progress, and caution against progress reports that focus on why annual targets were not met or were exceeded. Variation in data is normal. Making decisions solely from the last data point (i.e., justifying why one data point, like this year's annual performance, is above or below target) is a potential management fallacy.

Issue No. 3 – B. The Agency's current process is a reasonable method for conceptualizing and writing its budget proposal. However, the performance information used in the budget proposal is not always reliable and accurate.

Condition

The Agency's budgeting process begins with the Agency's program area staff creating decision package concepts. Decision packages are the budget requests prepared by the Agency that include supporting justification, such as performance information, for proposed changes. Senior management collects and reviews these concepts and then selects those that should be forwarded to the Board for discussion of what should be included in the decision packages. The program staff then creates the decision packages, which are reviewed by the budget director and submitted to the Board for final approval.

We evaluated the Commission's current processes for preparing the budget decision packages submitted to Financial Management. We also reviewed the 2007-2009 Agency budget decision package for compliance with Financial Management guidance and reviewed supporting documents. The processes used by the decision package authors to estimate and calculate the costs and the information in the package were reasonable and logical except for the Park Technology Assessment Study. This study appears to have been an estimate that was not based on research. The budget decision package complied with the Financial Management preparation guidance. Feedback from Financial Management confirmed that the Agency's budget submission demonstrated significant improvement over past submissions.

However, because the Agency's performance information was not accurate and reliable (as previously discussed in Issue 3-A), using this information to prepare and support budget proposals could produce unreliable and inaccurate results.

Cause

See Issue 3-A for performance information accuracy and reliability discussion.

Criteria

See Appendix D

Effect

Using inaccurate or unreliable performance information to prepare and support budget proposals can result in misleading proposals and erroneous decisions.

See Issue 3-A for performance information accuracy and reliability discussion.

Recommendations

See Issue 3-A for performance information accuracy and reliability discussion.

Commission Response

We believe the effect of imperfect information is overstated. State Parks staff do a good job of reporting results to the Board members, the Governor's Office, and the Legislature within available resources. As indicated above, we will continue to improve data collection, aggregation and reporting.

Action Steps and Timeframe for Issue No. 3: Performance Information.

State Parks has begun the following actions:

- Review and update the Centennial 2013 Plan and its measures. **Completed**. (We have already started and will continue.)
- Develop policies, procedures, and training to improve performance management. By March 2009.
- Develop appropriate targets related to the Centennial 2013 Plan. By March 2009.
- Continue to use regular meetings to review, on a quarterly basis, progress toward achieving annual targets and take appropriate actions. **Completed.** (We will continue.)
- Assign a designated staff person to review and coordinate performance information. **Completed.**

Auditor's Concluding Comments

Inaccurate and unreliable performance information can lead to misrepresentation of performance results, which in turn can lead to errors in management and budgeting decisions that are based on inaccurate information.

Financial Management Response

Ideally, all performance information should be completely relevant, sufficient, reliable, and accurate. In reality, we cannot wait for perfect information to inform decisions. "Perfect" information is extremely elusive – and expensive – and State Parks is making the best use of the information available to them. OFM has strengthened processes and procedures to ensure that all budget requests including information technology are evaluated in partnership with the Department of Information Services (DIS). However, performance information is only one element that goes into consideration of a given budget proposal, and there is an imperfect relationship between budget inputs and actual results.

4. Information Technology

Issue No 4. The Agency's Information Technology systems do not support efficient operations.

Background

IT affects the efficiency and economy of an organization and ultimately its success. Accurate and timely assessments of IT needs are imperative.

Parks has approximately 12 IT services staff who serve Agency employees throughout the State, including those in remote locations. The IT Section is structured into:

- Applications and Data Management (ADM), which is responsible for helpdesk support, computer hardware/software, database management, and application development and maintenance. This includes supporting approximately 770 desktops and laptops.
- Infrastructure and Network Management (INM) which is responsible for network services, telecommunications, and computer hardware maintenance. This would include support for 38 servers and 25 network switches.

A wide area network connects the headquarters location in Tumwater with the four regional offices. Only two parks, Ft Worden and Lake Sammamish, currently have direct access to the wide area network. The remaining parks use a dial-up connection to access the network at headquarters.

The major applications used by the Agency include statewide enterprise applications such as the HRMS, the Agency Financial Reporting System (AFRS), and the Budget Development System. Agency-specific applications include the Park Attendance Reporting and Accounting System (PARAS), the CAMIS reservation and registration system, and the Fort Worden reservation and registration system. The Agency also uses standard desktop software products.

Issue No. 4-A. The Agency cannot effectively, efficiently, and economically collect and report complete information due to shortcomings in its information technology systems.

Condition

The effectiveness and efficiency of the Agency's IT is hampered by very slow dial-up connections among most of the 120 staffed parks and Agency headquarters in Tumwater. The Agency states that 80 percent of State Parks staff work without fast, convenient access to information available to other State agencies and the public. These dial-up connections also are subject to expensive long distance telephone charges. In addition, the security associated with a dial-up connection is generally inadequate.

The Agency has identified several newly available State Parks information management systems that would benefit the daily operation of the parks but which cannot be used because of the lack of high-speed connectivity between headquarters and the parks.

In the past two budget requests, the Agency sought additional funding for a consultant to help develop a solution to resolve the connectivity issue, but the Financial Management denied funding the requests.
The Agency uses 41 technology systems, which do not interface with each other, to collect and report information. The lack of interface means data must be manually entered, at times in more than one system. Manual entry not only reduces employee productivity, it costs money, and it is prone to errors.

See Appendix I for the Commission's Information Technology Systems Inventory.

Cause

The Agency has not had the internal resources to identify an appropriate technology solution and has not been able to obtain Financial Management approval for funding from the Legislature to improve its technology systems.

The disparate systems at the Agency came about when the Agency built systems or developed applications as specific needs arose. These systems were not built to interface with each other. The lack of connectivity prohibits the use of Agency-wide applications.

Criteria

See Appendix D

Effect

The Agency's data collection, processing, and reporting capabilities are not efficient and economical. Systems that do not interface create extra work for employees and increase the risk that errors will be made during manual data entry. Therefore, information generated by the systems may not be reliable and useful for Board and management policy and decision making.

Without a high-speed connection between the Agency headquarters and the 120 parks, the Agency is severely limited in its efforts to consolidate and share information with its own employees and other State agencies.

This ultimately hampers the Agency's ability to meet the Centennial 2013 goal of providing services that can benefit the public.

Recommendations

Recommendation 11
We recommend the Agency continue to pursue its request for money from the Legislature to provide a technology solution for connectivity issues.

Recommendation 12
We recommend the Agency, as it replaces old or inadequate information systems, ensure that the new systems interface with Agency and statewide systems.

Recommendation 13
We recommend that Information Services provide assistance to the Agency to research and identify a possible connectivity solution.

Potential Cost Savings and Benefits

Although we cannot quantify cost savings, it is commonly recognized in business and government that there is usually a cost savings that is gained when IT is designed and implemented to meet the current needs of the user. With connectivity to its parks and with business operation systems that interface, the Agency should experience increased efficiency, accuracy of information, and productivity of the staff. However, a substantial investment would be required to significantly improve the Agency's IT systems before a cost savings would be recognized.

Two examples of areas that could see immediate cost savings with an upgrade of IT systems are:

- Automation of timesheets so that staff would no longer need to spend hours twice a month sending and receiving faxes.
- A significant reduction of manual data entry from one system into another; manual data entry is both time-consuming and increases error rates.

Issue No. 4-B. Numerous changes and a time-consuming process caused delays in obtaining approval and funding for two of the Agency's information technology projects.

Condition

The 2007-2009 Biennium Budget created the statewide IT Pool. The Legislature directed the agencies to leverage the use of statewide investments in systems, data, and other common solutions. Although the Legislature identified 70 agency IT projects to be funded from the IT pool, the appropriation was sufficient to support only 90 percent of these projects. The IT pool is managed by Information Services and Financial Management. Information Services has oversight responsibilities of those IT projects and Financial Management must approve the funding. Information Services and Financial Management developed a process for the allocation of funds from the IT Pool. A letter and background information on the process was sent to the agencies in June 2007. The Agency submitted its draft Computer Leasing Investment Plan in October 2007 and its draft Network Infrastructure Investment Plan in November 2007.

The Agency has two high-priority technology projects which are included in the statewide IT pool:

- The replacement of servers and the hosting of these servers in a proposed new State data center. (Proposed in the Agency's Network Infrastructure Investment Plan)
- A leasing project meant to replace workstations that are past their useful lives. (Proposed in the Agency's Computer Leasing Investment Plan)

The Agency's servers and the workstations are well past industry age standards for replacement, the current average age of workstations is seven years and the average age of the Agency's workstations is between four years and seven years. As servers age beyond their useful life, the risk of server failure greatly increases. The most recent server failure occurred in August 2006 and affected the entire park system network and files. The Agency's Network Infrastructure Investment Plan proposes a replacement strategy for its Network Infrastructure, which includes servers, backup tape libraries, network monitoring equipment and network wiring switches.

The Agency also proposed a Computer Leasing Investment Plan to standardize computer hardware across the agency and provide computer workstation equality across all programs and divisions within the Agency. Additionally, the Agency proposed a three-year lease cycle intended to formalize and provide funding for equipment lifecycle replacement.

The Agency and Information Services communicated extensively for several months to work through the appropriate approach and the technical and cost details of each proposal. The process was time-consuming and resulted in numerous changes, requests for additional information, and amendments to the investment plan requests. In addition, external factors required the Agency to amend its network infrastructure plan multiple times. For example, changes in the planned construction of the Information Services Data Center (a facility that would house State computer systems and associated components) required the Agency to amend its network infrastructure plan multiple times.

In June 2008, subsequent to our audit, the Agency received approval for its amended IT projects; however, by the time the projects were approved, the IT Pool no longer had adequate funds available to fully fund the projects. Information Services advised the Agency that should additional funds become available, they will be made available to the Agency for its projects.

Cause

The process to obtain approval for using IT Pool funds was time-consuming. Significant delays to obtaining approval resulted from numerous changes and the time needed to gather technical information, to prepare additional documents, and to review the documents.

Criteria

See Appendix D

Effect

The Agency did not receive full funding for its projects and was delayed moving forward with the computer leasing and network replacement projects. Because of this, the Agency continues to use outdated computer hardware with a high potential for failure and is unable to budget for State data center fees.

Recommendations

Recommendation 14

We recommend that the Agency continue to seek the assistance of Information Services executive management in obtaining the additional funding needed to move forward with the portion of its IT projects not funded.

Issue No. 4-C. The Agency's information systems are vulnerable to unauthorized access, loss of data and to producing inaccurate information.

Condition

The Agency's controls over access to its IT applications are inadequate. We have communicated the issues and recommendations to the Agency's management, Information Services, and Financial Management.

Recommendation

Recommendation 15

We recommend that the Agency establish and maintain policies and procedures over its IT systems that follow industry standards for access security.

Commission Response (Issues 4-A through 4-C)

We agree that Park's technology systems and the infrastructure to support them need significant improvements. We have already taken steps to modernize these systems within available funding. For example, we have shifted to an equipment lease program with DIS to replace obsolete computers and related equipment. An upgraded system that handles reservations of State Parks facilities and campsites is scheduled to be operational in December 2008. This system is user-friendly and will meet security requirements and audit standards. We are pursuing acquisition of an upgraded system to manage capital and maintenance projects. We are also updating IT policies and procedures to improve security and accountability.

The lack of computer network connectivity from agency administration in Olympia to the 120 parks across the state is one of our biggest technology challenges. Connectivity is a necessary first step in realizing the computer-related benefits outlined in this report. Whenever possible, and as funding permits, we are working with DIS to install a Virtual Private Network (VPN) in our larger parks. The VPN will allow secure, remote access to centralized agency systems.

We also are working with DIS to explore options and costs for improving our technology. This past year, we worked with that agency to develop a 2009-11 budget request to fund upgrades. For these preparations, DIS provided an array of solutions together with funding quotes.

Even with available funding, it will take a substantial amount of time to achieve savings, since all systems will need to be operational before system-wide savings can occur. To date, seven parks have been provided with high-speed Internet connections. State Parks will continue to make connectivity a high priority as funds become available.

Action Steps and Timeframe for Information Technology Issues

- With DIS, explore options and costs for improving our technology. **Completed.** (We have already started and will continue.)
- Consolidate the IT and Budget Offices for enhanced coordination and communication of similar activities. **Completed.**
- Enter equipment lease program with DIS to replace obsolete computers and related equipment. **Completed.**
- Complete reservations system upgrade. By December 2008.
- Pursue acquisition of new capital and maintenance projects system. By December 2008.
- Issue written IT policies and procedures. By June 2009.

Financial Management Response

4-A: Inclusion of funding for any initiative in OFM's proposed budget to the Legislature involves consideration of many factors. Since funding is limited, budget requests are prioritized based on the Priorities of Government process and include evaluation of an agency's business case, alignment with their strategic plan, demonstrated need, potential efficiencies and savings, benefits, and ongoing costs.

4-B: DIS will continue to work with State Parks to identify connectivity solutions. Decisions on funding from the IT Pool are dependent on a completed investment plan from agencies. This process is simpler and results in more timely decisions than the alternative of requiring agencies to develop feasibility plans for each request. Investment plans document project scope, schedule, and budget and allow decision-makers to evaluate and authorize projects. The early oversight through complete investment plans is a best practice for successful projects, and it has been used by the State for many years.

Agencies that had fully developed project plans consistent with the practices identified in the 2007-09 Biennial Operating Budget were quickly authorized access to the funds. DIS authorized both State Parks investment plans within thirty days of receiving the final versions of those investment plans from State Parks.

5. Impact of the Implementation of HRMS

Issue No. 5 - The Agency has not realized the efficiency and economy in its payroll and human resource processes that they expected to gain from HRMS.

Background

During the spring and summer of 2006, Personnel deployed the Human Resource Management System (HRMS), which is a State enterprise-wide system. Enterprise-wide systems are software systems that provide core services that are used by all State agencies, except higher education.

With the exception of higher education, HRMS is the human resource and payroll system used by all State agencies. Each Agency has its own payroll and HR staff that have access only to HRMS information specific to their agencies.

HRMS was developed to replace the PayOne system, which was not adequate to meet the data collection and processing requirements of a package of civil service reforms adopted by the Legislature in 2002.

Currently, only the payroll part of HRMS is functional. Personnel originally intended to purchase and use a time and leave entry system and a health insurance accounting module. At the time of our audit, there was no scheduled date for adding the time and leave entry components. The health insurance accounting module to replace PayOne is scheduled for implementation in 2010. PayOne is currently being used for benefits management by the Agency.

An HR employee initially sets up a new employee's basic information in HRMS. It is the Payroll Section's responsibility to input any additional deductions or additions that are beyond the basic employee data. This includes warrant or Electronic Funds Transfer (EFT) bank information, union dues, retirement plan contributions, W-4 tax allowances, and any other payroll adjustments needed.

Condition

The Agency identified effects, issues and potential causes related to using HRMS. For example, HRMS as installed does not support flexible work schedules, requiring payroll staff to manually calculate leave and overtime. The primary effect of HRMS has been felt by the Agency's Payroll Section.

With HRMS, the Human Resources and Payroll Sections operate through a single, integrated statewide system. Personnel actions (for example setting up a new employee or entering a pay action) are initiated in HR and completed by Payroll.

When it began using the system, the Agency expected improvements in tracking leave and automated calculation of hours and overtime pay. This would have provided a more efficient and accurate means to process payroll and to obtain reports useful in making management decisions.

Prior to HRMS, the Agency had four employees who processed payroll. It now has six, and according to management, processing payroll requires the assistance of an additional 8 employees who, for two days twice a month are diverted from their regular duties. (Assisting employees do not code their time to payroll so verification of the cost

of this to the Agency was not possible.) The timeframe available to complete the payroll process also has been shortened, creating the need for this additional assistance.

The Agency's management estimates at least 40 percent of its timesheets must be revised each payroll period due to errors and omissions, and previously mentioned connectivity issues that lead to most employees having to fax time sheets to headquarters. Because the Agency did not document the number of timesheets needing revisions, we could not confirm the estimate; however, our observation and review of timesheets identified a significant revision rate. The errors that we observed were similar to those asserted by Agency management.

No automated system is in place to detect time entry errors. Observation by the payroll staff during manual timesheet audit procedures is the only way errors are detected. Reasons for the errors are varied: scheduling changes, calculation errors, clerical mistakes, etc.

The Agency does not have an automated time entry system primarily because it lacks connectivity with its 120 parks. (See Issue 4-A) The Agency's payroll process requires each Agency employee not located at headquarters to fax their timesheets semi-monthly to the Payroll Section headquarters. The result is a process requiring several hours of employee time to send and receive the timesheets because of the high volume of timesheets which need to be processed during a short time-frame. To ensure that timesheets are received for all active employees, a payroll staff person tracks the receipt of timesheets using a local database. Any timesheet not received requires a payroll staff person to contact the employee or the employee's immediate supervisor. Tracking timesheets in this way is essentially the same process that the Agency used before HRMS. Changing this process to distribute some of these tasks, such as timesheet verification, to the regions could reduce the need for additional resources.

Entering hourly staff time is the most time intensive aspect of the payroll process. Approximately 240 park rangers work 160 hours over 28 days. HRMS, as installed, does not have a function that supports flexible schedules such as this, causing Parks to use a time-consuming reconciliation effort to keep track of the hours worked, leave used, and holiday hours of park rangers. During the busy summer season, the number of Agency employees nearly doubles from approximately 625 to over 1,000 employees. Most of these seasonal employees work varying schedules, creating an additional strain on payroll resources.

In addition, 72 project positions charged to capital projects are in the *Acquisition Planning and Development* program and/or *Special Capital Projects* program. These employees' timesheets must be manually entered into HRMS. Hours for these employees cannot be charged to a single cost center, but must be distributed to the cost center associated with the projects the employee worked on each day.

Based on our interviews with human resource staff, we found they were not familiar with some HRMS features and do not use them or preferred not to use certain features. For example, the staff uses a separate calendar program to notify them of a change in employee status, even though HRMS has the capability to track this type of change and produce a report. In addition, HR management are unaware of how to use HRMS to produce some reports, such as overtime expenses, that could help in Agency decision-making.

See Appendix J for a table which lists additional thoughts of Payroll and Human Resource staffs related to the implementation of HRMS.

Cause

HRMS is a schedule-driven system that does not support pay groups with schedules that vary daily. The Agency has several hundred employees whose time must be calculated and entered manually because of their work schedules.

Due to lack of connectivity and no automated means for employees to submit their time, most employees continue to fax timesheets to the Payroll Section.

Employees faxed their timesheets prior to HRMS, however, all timesheets now must be submitted on the same day due to shortened time to process payroll

Agency management believes the added complexity and data entry requirements affects turnover in payroll and, in turn, this affects payroll efficiencies.

In addition, the Agency has not familiarized its Payroll and Human Resources staff on all HRMS features they can use.

Criteria

See Appendix D

Effect

A most significant economic impact of the HRMS implementation on the Agency has been the need to increase the Payroll Section's resources. Since the Agency began using the new system, the Payroll Section has experienced over 100 percent turnover.

HRMS has not improved the economy and efficiency of the Human Resource and Payroll Sections' processes, but has contributed to an increased workload for Payroll staff, an increase in Payroll Section resources required to process payrolls, and an increase in the risk of errors. For example:

- The Agency has incurred a cost for hiring additional payroll employees.
- The Agency has experienced a high error rate for timesheets that increases the workload for payroll staff. The lack of training and/or procedures to reduce errors has allowed timesheets with errors to be sent to the Payroll Section.

  The paper timesheet submittal process is time-consuming, and depends on most employees submitting their timesheets by fax each pay period. Faxing timesheets is an inefficient, time-consuming, and labor intensive process.
- The manual payroll calculations and entry of time into HRMS for some pay groups increases the risk of errors. The previous system, PayOne, also required some manual calculations, but the calculations were significantly less complex.
- Additional Payroll staff time is required because staff must enter corrections to previous pay periods in HRMS. PayOne did not require payroll staff to enter corrections for prior pay periods.

Recommendations

Recommendation 16

We recommend that the Agency:

a. Revise its payroll processing procedures including the preparation and collection of timesheet information by employees to minimize processing efforts.

b. Develop written timesheet completion instructions that are provided to all employees to promote greater accuracy.

Recommendation 17

We recommend the Agency request additional training and ongoing guidance from Personnel for Human Resources and Payroll staff regarding available functions of HRMS.

Recommendation 18

We recommend the Agency continue its efforts to establish connectivity for its parks as discussed in Issue 4-A.

The Agency could see additional benefits and reduced costs with an automated time entry system. However, until the Agency has connectivity for its parks, the Agency will not be able to have an effective time entry system or fully benefit from HRMS.

Commission Response

The audit highlights that State Parks has a complex array of personnel classifications that makes administration of the payroll uniquely challenging. Some of these unusual conditions include:

- Unique provisions related to work periods for staff (rangers) designated as law enforcement.
- Time for many capital project employees is charged to a number of different budgets in a single pay period.
- Nearly a doubling of staff in spring and summer months, due to the seasonal nature of park services.
- Irregular work weeks in parks (7-day coverage) to meet public service demand.

Due to a lack of network connectivity and technology in our parks, we rely instead on a manual, paper-based time-tracking process. These conditions have limited the improvements we have been able to make to meet the requirements of HRMS and gain the efficiencies this new system can provide.

State Parks staff are making internal improvements and will continue to send payroll and human resources staff to the appropriate training sessions for HRMS. We look forward to participating in DOP's Cross-Agency Function Team, which addresses special issues of concern.

As mentioned under Issue 4, we are working to provide connectivity in selected parks. However, we cannot realize major payroll system improvements until, and unless, this technology is implemented in more state parks. This upgrade will require additional resources over time.

Action Steps and Timeframe for Implementation of the HRMS System Issues

- Review the Agency's entire payroll process and seek additional ways to minimize processing efforts. By March 2009.
- Review and revise timesheet instructions. **Completed.**
- Provide training to all staff on new timesheets. By March 2009.
- Participate in DOP's Cross-Agency Function Team to address special issues of concern. **Completed.** (We have already started and will continue.)
- With DIS, explore options and costs for improving technology. **Completed.** (We have already started and will continue.)

Financial Management Response

The Agency did not realize efficiencies from HRMS because it still relies on manual processes dictated by a lack of IT connectivity and automation internally.

We agree that the Agency would benefit from reviewing and improving its internal payroll processes. We encourage the Agency to work with DOP as it conducts the analysis so the new processes will leverage the HRMS capabilities.

Contrary to the report, HRMS does support pay groups with schedules that vary daily. However, it requires daily time entry, which currently is too burdensome for the manual processes used by State Parks. We agree that the Agency should continue to send their HR representatives to the appropriate DOP training sessions, as necessary. The Agency should also ensure that new HR employees are trained timely to mitigate exposure from turnover. DOP will continue to provide HRMS training and ensure that it is accessible.

6. Economy and Efficiency of Operations

Issue No. 6. The Agency's decentralized approach to governance and lack of documentation can lead to practices and procedures that do not comply with State law, Agency policy, and that do not promote the most efficient and economical use of State resources.

Background

Citizens have a high expectation that government agencies will make the most efficient and economical use of public resources and will comply with State laws and guidelines to provide citizens the best return on their investment.

In order to assess the economy and efficiency of the Commission's operations, we examined its purchasing and contracting policies and procedures; travel costs; scheduling of Board meetings; scheduling of Agency meetings, training, conferences and conventions; and the use of overtime.

In the areas we examined, we did not see specific evidence that resources obtained or operating costs were unreasonable or that they were not critical and necessary for State business. Our examination of travel costs did not identify any exceptions to state travel policies.

However, we did find pervasive issues related to a lack of documentation in all areas that we audited. In addition, the Agency did not consistently adhere to procedures and guidelines for purchasing and contracting; the selection of locations for Board meetings, trainings and conferences; approval for external training; and the planning for and approval of overtime.

Issue No. 6-A. The Agency did not consistently follow State law and policy for purchases and contracts, which could mean less efficient, effective, and economical activities.

Condition

The Agency's purchasing activities are not consistently conducted in accordance with policies and procedures or best practices. We examined expenditures for personal service contracts and goods and services expenditures for the 2007 fiscal year. We used a statistically valid, random sample of all expenditures exceeding $3300 for a total of 68 expenditures.

The table below includes the results of the attributes tested and the error rate specific to each attribute. Some expenditures do not comply with more than one attribute.

Attribute	No. of Applicable Files	No. of Files Not Compliant	Percent of Files Not Compliant
Were proper procurement guidelines followed? (advertise competitive bid) *Competitive bidding helps to secure the best value for citizens.*	17	2	11.8%
Was proper approval obtained to purchase good or service? (purchase requisition, A-19, or field order) *Proper approval helps safeguard against inappropriate purchases.*	49	5	10.2%
Was proper approval to pay or transfer costs obtained prior to payment for the good or service? *Approval prior to payment can avoid paying for goods or services that do not meet specifications.*	68	2	2.9%
Were expenditures paid timely in order to obtain all discounts, when applicable? *Obtaining discounts for timely payment saves money.*	24	1	4.2%

In addition to our sample of expenditures over $3300, we tested an additional sample of 10 expenditures less than $3300 and a sample of 6 expenditure adjustments. We found no errors in these items, and all appeared reasonable. We also examined an additional 14 expenditures selected from the entire population of expenditures for supporting documentation. We focused on transactions with high dollar amounts, those with unfamiliar vendor names, and those with no vendor name listed. We found one file that did not contain proper documentation to support the expenditure total.

During our testing we noted purchasing polices and procedures are not applied on a consistent basis across the four regions and various service centers. The differences and inconsistencies appear to be related to decentralization. Policies and procedures are not consistently enforced by headquarters.

The Agency frequently contracts with outside firms and consultants to perform capital projects, personal service contracts, and architectural projects that cannot be done in-house. State law sets minimal contracting guidelines and standards agencies must follow. A review of the Agency's contracting processes showed that formal policies and procedures are not adequately followed by project representatives to ensure that State law and other governing standards are satisfied.

We examined eight capital project contracts for nine attributes. The following table summarizes the results:

Attribute	No. of Applicable Files	No. of Files Not Compliant	Percent of Files Not Compliant
1) Per RCW39.04.020 (Public Works) and 39.80.050 (A&E) Was an Engineer Estimate or Professional Fee Assessment Form provided?	8	0	0
2) Was the bid properly advertised?	8	0	0
3) Were Agency policies and procedures followed to award bid?	8	2	25.0%
4) Was documentation maintained that indicated the award was given to the lowest, responsive, responsible bidder?	7	0	0%
5) Were funds verified prior to bid notification or advertisement?	8	4	50.0%
6) Were all timeframes met as specified in the general requirements of the contract?	4	0	0%
7) Were quality sign-offs completed on a consistent basis throughout the project?	8	1	12.5%
8) Was a contractor evaluation form completed at the end of the project? [1]	4	3	75.0%
9) Were change order funds verified prior to approval by the appropriate supervisor or authorization by the Finance &Contracts Section?	6	2	33.3%

[1] The Contractor Evaluation form was not required until the manual was updated in the Spring of 2008; we found that the form was being used in 2007, though not consistently.

Through interviews of Agency staff, we identified these issues relating to purchasing and contracting:

- A general lack of communication between Engineers/Architects and the park managers during the planning stages of capital works projects. We also noted a lack of oversight by project representatives on some projects. This has resulted in inefficiencies and additional costs. For example, Agency staff noted that a lack of communication between the contractor and the architect on a job to replace restrooms at Fort Casey State Park resulted in delivery of a product that did not meet specifications and that will require up to $50,000 to fix.
- The Agency does not have a policy on purchasing with purchase orders that designates which employees have the authority to make purchases and that imposes limits on that authority.

Cause

The Agency uses a decentralized purchasing structure. There is a centralized purchasing division that reviews purchases and sends documents to accounts payable for payment, but it is not responsible for purchasing items for the regions. Each region and service center has been delegated authority to purchase various goods and services under a certain dollar threshold using purchase cards. The four regions and the service centers act independently of one another when making purchases.

All regions are required to comply with the State Department of General Administration's *Purchasing Manual*, which outlines only the minimum requirements of the purchasing process. The Agency does not have formal, internal policies and procedures for purchase orders which designate which employees (positions) have authority to make purchases and limits spending authority to ensure that purchases are properly initiated, approved, received, and paid in a consistent manner.

Contracts are not procured in a standardized and consistent manner across the various regions and service centers. Project Representatives within each region have the responsibility of managing and overseeing contracting. These individuals are responsible for determining the responsibility of potential contractors for public works projects and the most highly qualified contractor for non-public works contracts. Project representatives are also responsible for ensuring quality reviews are conducted on a consistent basis. These individuals must communicate regularly with staff of the Finance and Contracts section within the Agency to ensure funding is adequate, plans and specifications are made available to all potential contractors, and change orders are properly approved.

A lack of detailed, formal policies and procedures specifying what documentation is required for administering contracts has caused inconsistencies within contract file documentation.

A lack of communication between Engineers/Architects and the park managers during the planning stages of capital works projects and sufficient oversight by project representatives has resulted in inefficiencies and additional costs. For example, Agency staff noted that a lack of communication between the contractor and the architect on a job to replace restrooms at Fort Casey State Park resulted in delivery of a product that did not meet specifications and that will require up to $50,000 to fix.

The Agency does not have a purchasing policy for purchase orders that designates which employees have the authority to make purchases and that imposes limits on that authority.

The lack of written policies and procedures specifying what documentation is required for administering contracts has caused inconsistencies within contract file documentation.

Criteria

See Appendix D

Effect

The Agency cannot ensure that all interested parties are given an equal opportunity to bid on projects or other goods and services. It also is at risk of not complying with State laws and regulations.

The Agency may not receive the best value when contracts are awarded and goods and services are purchased if procurement guidelines are not followed for competitive bidding.

Without prior approvals, payments may be made for goods and services that do not meet specifications and are not acceptable.

If the Agency does not retain the necessary documentation for expenditures made, it increases the risk that improper expenditures will not be detected.

The practice of allowing employees to make purchases using cards held in other employees' names, and the lack of a purchasing limit may place the Agency at risk for procurement card abuse or fraud. However, the Agency's internal reviews of park expenditures do provide some compensating control.

Lack of formal policies and procedures communicated to Project Representatives can lead to non-compliance with State law, internal procedures, and best practices.

Not completing documentation to demonstrate it consistently complies with all requirements increases the risk that the Agency may mistakenly advertise a project for which funding has not yet been secured.

Lack of communication can cause increased costs for Capital projects.

Recommendations

Recommendation 19

We recommend the Agency develop, document and use formal polices and procedures specific to the Agency to ensure that all four regions are obtaining proper approvals prior to payment. These policies and procedures should be developed using the *Purchasing Manual* provided by the General Administration and the SAAM and should include requirements for the consistent review of procurement logs.

Recommendation 20

We recommend that the Agency develop a policy for spending authority that designates employees and/or positions with authority to make purchases on behalf of the Agency. This policy should impose limits to that spending authority.

Recommendation 21

We recommend that the Agency centrally develop and document formal policies and procedures related to contracting, ensure they are provided to project representatives in the field, and require that they be followed. The policies and procedures should specifically address necessary documentation to be completed by project representatives and sent to the Department of Contracts to maintain within the contract file.

Commission Response

We have, and use, agency purchasing and contracting manuals and are taking steps to further tighten controls. We believe we provided sufficient evidence to justify most exceptions in the second table on contracts.

Auditor's Concluding Comments

The auditors reviewed and considered the information provided by the Agency regarding the exceptions noted in the table on contracts. The table reflects changes that were made when the Agency's additional information was sufficient to explain an exception. However, we found our original analysis was correct and that information provided was not sufficient to warrant revisions of the reported exceptions.

Issue No. 6-B. The Agency did not have any documentation to show that the locations chosen for Commission meetings were the most economical.

Condition

The Agency did not have any documentation to support its choice of locations for fiscal year 2007 Commission meetings and to show that the chosen locations were the most economical.

For fiscal year 2007, Commission meetings were not a separately budgeted item and the Agency did not consistently use the cost center code to distinguish the expenditures for Commission meetings from other expenditures. Therefore, the Agency could not provide us with complete meeting expenditure information for testing. However, we tested the meeting expenditure information that was available to determine if the expenditures appeared to be reasonable and if they followed applicable Agency and State guidelines. The testing identified one Commission meeting for which the lodging expenses for 24 staff and Board members exceeded the state travel limit by a total of $1080 without the prior approval of the Director or his delegate to exceed the maximum per diem rates.

Cause

The Agency did not appear to be aware that it needed to document the analysis justifying the selection of Commission meeting locations.

The Agency failed to file the supporting approval documentation with the employees' travel vouchers.

Criteria

See Appendix D

Effect

The Agency increases the risk that costs could be incurred without the appropriate pre-approvals when it does not maintain documentation of approvals as required by the SAAM and *Travel Manual.*

Because documentation was not available and Commission meeting expenditures were not consistently tracked using a separate cost center code, the Agency was unable to:

- Justify its location choices
- Demonstrate that all meeting expenses were reasonable and complied with guidelines
- Demonstrate that Commission meetings were conducted at the most economical costs.

Inconsistent usage of an assigned project code to capture/track costs makes it difficult for the Agency to analyze Commission meeting costs in order to determine cost trends or to identify if costs are exceeding expectations.

Recommendations

Recommendation 22

We recommend that the Agency

a. Maintain documentation of its analysis and justification for selecting Commission meeting locations.

b. File all appropriate supporting documentation with employees' travel vouchers, including approvals for any exceptions to the state's rules and regulations.

Commission Response

We have improved documentation for employees who coordinate Commission meetings, conferences, training sessions, and workshops. Many 2007 Commission meetings were held in public facilities, although not all were in State facilities. Regardless of location, the public was informed and invited to provide comments at the meetings. The audit commends our efforts to keep the public informed about Commission meetings.

Issue No. 6-C. The Agency did not have documentation to show compliance with State guidelines on the selection of facilities for training, meetings, conferences, and conventions, and the approval for attendance at external training programs.

Condition

The Agency was not able to provide us with documentation justifying why state-owned or other publicly owned, barrier-free facilities were not (or could not) be used for fiscal year 2007 Agency training events, meetings, conferences and conventions. SAAM guidelines for training (excluding law enforcement training), meetings (excluding Commission meetings), conferences, and conventions require that agencies should consider cost to the state, the suitability of barrier-free facilities, accessibility to attendees, and other relevant factors in their selection. First priority is to be given to using state-owned or other public owned barrier-free facilities in lieu of renting or leasing other facilities.

To attend external training, an Agency employee must complete a Training Request Form and forward it to his or her supervisor. It is the responsibility of the supervisor to review the request and approve or disapprove the training. We examined records for a sample of employees that attended training events during state fiscal year 2007 to determine if their attendance at the training was justified and approved. The Agency did not have the necessary approval forms available for 31 of the 67 (46 percent) individuals whose records we reviewed.

In fiscal year 2007 the Agency did not maintain documentation for conferences, conventions, and meetings, therefore, we were unable determine through testing whether the Agency had complied with SAAM.

Cause

The Visitor Protection/Law Enforcement division does not require barrier-free facilities because all of its staff must be "able bodied." In addition, because the number of acceptable locations to conduct its required firearms trainings is limited, the division does not always use State or publically-owned facilities. The Agency has extended authorization for meeting organizers to use non-state, public facilities, however, the Agency does not require organizers to provide justification for using non-state/publicly owned facilities nor confirmation those facilities are barrier-free.

The Agency does not consistently enforce its requirement that requires staff to submit an approved Training Request Form before paying for the staff to attend an external training.

The Agency also stated that some completed Training Request forms were not available because the previous Training Manager had destroyed training authorization records that were over a year old (calendar year), on a quarterly basis. Destruction of records violates of the State's document retention policy.

Criteria

See Appendix D

Effect

If justifications for not using State or publicly-owned, barrier-free facilities are not prepared, the Agency may not be holding meetings and training events for their employees in the most efficient way possible and training may be at higher cost than necessary. In addition, the use of training facilities that are not barrier-free may exclude disabled individuals.

If the Agency pays for external training for employees that do not have an approved Training Request Form, the Agency may be paying for unauthorized training.

Recommendations

Recommendation 23

We recommend that the Agency remind supervisors that before approving training locations, SAAM guidelines must be considered and documented justification must be provided if the guidelines cannot be met.

Recommendation 24

We recommend that the Agency:

a. Ensure that an approved Training Request Form be provided before paying for an individual to attend an external training event.

b. Maintain training registration/authorization records for 3 years, consistent with State document retention guidelines.

Recommendation 25

We recommend that the Agency:

a. Consider conducting as many of its internal meetings as reasonable by teleconference. This would save the costs of travel and improve productivity.

b. Investigate having employees use region office facilities for online training until the parks have IT connectivity. This also would save direct training costs, travel costs and should increase productivity. Once the parks have connectivity, employees should use online training whenever possible.

Potential Cost Savings and Benefits

We identified potential cost savings related to training. In our testing sample we noted that 144 of the 273 trainings included in the testing population (52 percent) were conducted externally at the Personnel in Olympia and that Agency employees are traveling to Olympia to attend this training. With a potential savings of $49 to $119 per person per training, the Agency would save a minimum of $7,056 to $17,136 by switching to online trainings. Savings would increase when staff completes multiple online courses in a year. These potential savings are predicated on investing in adequate connectivity to provide the ability of staff at the parks to access the online training.

We also identified potential cost savings related to attendance at manager meetings. We noted that as part of its normal operations, the Agency conducts manager meetings at the Agency headquarters and at the four regions. To attend the meetings, management travels to the locations of the meetings, and this often involves an overnight stay. The Agency has the ability to teleconference, but has not taken advantage of it for its meetings. By teleconferencing for meetings that do not require physical presence, the Agency could attain a cost savings. We estimated the per person cost for travel by car to or from the Northwest Region and an overnight stay to be approximately $286 per person and the cost of travel to or from the Eastern Region with a two night stay to be approximately $551. Therefore, by teleconferencing for 12 meetings, travel savings for five managers would range from approximately $17,180 to $33,082.

Commission Response

We arranged a video conference for our October 2008 meeting with executive staff and managers. We will continue to investigate the feasibility of expanding use of on-line training at the four region offices and at Fort Worden State Park (locations that have connectivity). We also will work to conduct internal meetings by video and teleconference, when feasible and appropriate.

We will review and revise the training policy and assure records are retained based on the formal record retention schedule. We will continue to require that all staff complete the appropriate request forms before attending training.

Issue No. 6-D. The Agency does not consistently document the reasons for overtime and overtime payments. Documents to support overtime frequently had errors and/or omissions.

Condition

We could not determine whether the Agency's use of overtime was prudent because the Agency does not document the reasons for overtime on non-holiday and non-training days. The Agency relies on the supervisor's signature on the timesheet as evidence that overtime hours shown were pre-approved.

We examined the Agency's fiscal year 2007 overtime payments totalling $681,618. The Mt. Spokane region and the Law Enforcement Academy paid the most overtime in fiscal year 2007; $57,842 was incurred by the Law Enforcement Academy and $43,147 by Mt. Spokane. We examined overtime payments to determine the accuracy of overtime payments and compliance with the requirement that the employee and the supervisor sign the timesheets.

The overall error rate for all overtime payments we examined was 31.7 percent (32 of 101 transactions had one or more errors).

We examined 89 Mt. Spokane overtime payments and supporting timesheets and found that 29 (32.6 percent) had one or more errors, including:

- Thirteen (14.6 percent) payment errors resulting in overpayments of $572.79 and underpayments of $1260.06.
- Eighteen (20.2 percent) timesheets not signed by the employee.
- One timesheet not signed by the supervisor.
- One employee who had not signed any of his timesheets during fiscal year 2007.

We also tested all 12 overtime payments made to the employee with the most overtime ($12,997) in fiscal year 2007, and found three (25 percent) payment errors which resulted in overpayments of $670.32.

Cause

The Agency does not have written policies and procedures that require the reason for overtime be documented.

Because HRMS, as installed, does not support work schedules that vary, the Payroll Section manually calculates overtime for park rangers. The manual calculation process contributes to overtime payment errors.

Criteria

See Appendix D

Effect

Based on our audit, both overtime overpayments and underpayments were made to employees. Also, if the reasons for overtime are not documented, it is not possible for the Agency to determine why overtime occurs or to make changes to promote its prudent and efficient use.

Recommendations

Recommendation 26

We recommend that the Agency develop written policy and internal procedures requiring documentation that explains the reason for overtime. Requiring written justification for approval of overtime promotes prudent and efficient use of overtime.

Recommendation 27

We recommend that the Agency review its policy regarding pre-approval of overtime to ensure that it has clear evidence the overtime was pre-approved, reasonable, and complies with the Collective Bargaining Agreement.

Recommendation 28

We recommend that the Agency develop policies and procedures that address supervisor responsibilities regarding monitoring of overtime hours and payments to identify potential abuse of overtime.

Commission Response

Inaccurate overtime payments identified in the audit have been corrected. We finished revising our timesheet instructions and will provide training to all staff. We also will strengthen policy and procedures for overtime to be consistent with guidelines from DOP.

Action Steps and Timeframe for Economy and Efficiency of Operations Issues

- Adopt the State Parks Development Contracts Manual policies and procedures and include the Purchasing Manual and State Administrative and Accounting Manual (SAAM) rules and regulations in a single agency-wide instrument. By September 2009.
- Review current spending authority delegation and incorporate into existing documentation. By December 2009.
- Adopt and implement a new Commission Meeting Location policy. **Completed.**
- Improve documentation for Commission meetings and provide training for staff. **Completed.**
- Communicate to all staff the importance of following the State Administration and Accounting Manual guidelines via the Deputy Director's monthly newsletter. **Completed.**
- Ensure staff receive prior approval for external training events. By November 2008.
- Maintain training registration/authorization records in accordance with the state record retention schedule. **Completed.**
- Conduct internal meetings by video and teleconference where appropriate. **Completed.** (We have already started and will continue.)
- Pursue on-line training in facilities with connectivity: four regional offices and Fort Worden State Park. By October 2009.
- Review and revise timesheet and instructions. By March 2009.
- Provide training on new timesheet instructions to staff. By March 2009.
- Develop procedures for overtime, consistent with DOP guidelines. By February 2009.

Financial Management Response

OFM agrees that State Parks should improve documentation and policies that promote the most efficient and economical use of State resources.

6-A: In the first table, we would like to note that 100 percent of the tested expenditures under $3,300, and a combined 94 percent of tested expenditures over $3,300, were compliant with OFM policies and procedures and best practices. Further, only one exception was noted (incomplete documentation) for transactions with high dollar amounts. In the second table, it appears that some of the exceptions were misunderstood. For example, several files did not contain a contractor evaluation form. While a best practice, completing an evaluation form was not required at the time those projects were completed.

Americans with Disabilities Act

In accordance with the Americans with Disabilities Act, this document will be made available in alternate formats. Please call (360) 902-0370 for more information.

Appendix A
Recommendations to Other Entities

Department of Information Services Recommendation

Recommendation 13
We recommend that Information Services provide assistance to the Agency to research and identify a possible connectivity solution.

Appendix B

Cross-reference of Initiative 900 Elements to Issues

Initiative 900 Elements	Issue
1. Identification of cost savings	4-A, 6-C
2. Identification of services that can be reduced or eliminated.	The Commission maximizes the assistance it receives from volunteers and partnerships with civic organizations. No services were identified that should be reduced or eliminate.
3. Identification of programs or services that can be transferred to the private sector.	2
4. Analysis of gaps or overlaps in programs or services and recommendations to correct them.	4-C, 4-A, 6-A, 6-C, 6-D
5. Feasibility of pooling the entity's information technology system.	4-A, 5
6. Analysis of the roles and functions of the Washington State Parks and Recreation Commission and recommendations to change or eliminate roles or functions.	1-A, 1-C, 2, 5
7. Recommendations for statutory or regulatory changes that may be necessary for the entity to properly carry out its functions.	2, 4-B
8. Analysis of the entity's performance data, performance measures and self-assessment systems.	2-A, 3-A
9. Identification of best practices.	1-A, 1-B, 2, 4-C, 3-A

Appendix C

Cross-reference of Objectives to Issues

Objective	Issue	Issue Description
Strategic Plan Objectives		
1(a) Does the Commission's Strategic Plan for 2007 through 2013 reflect a clear understanding of current customer, citizen, policy maker and stakeholder expectations?	1-A	The Commission's Strategic Plan lacks some key elements that can impact its achievement of its vision and goals.
1(b) Do performance targets reflect the right balance between vision and available resources	1-B	The Commission's Strategic Plan does not identify some critical resources and internal processes needed to meet the plan's goals.
1(c) Are individual work plans and employee expectations clearly linked to organizational goals? Do work plans specify who will do what by when?	1-C	The Agency does not consistently complete employee evaluations that identify job responsibilities and link expectations to Strategic Plan goals.
Governance		
Are there barriers within the Commission's system of governance that obstruct effective and efficient management of its operations? Consider the following: 1. Organizational Structure 2. Lines of reporting 3. Commission roles and responsibilities 4. Span of control and responsibility 5. Management information used to make key decision (nature and content): a) Regularly scheduled meetings b) Periodic reports from Internal risk management of operations 6. Internal risk management of operations	2	The Commission needs to make improvements in governance to ensure it meets its vision, goals and objectives.

Objective	Issue	Issue Description
Performance Information Audit Objectives		
3(a) Does Commission have management information, such as performance measures and public reports, that are complete, accurate and consistent to support performance, decision and policy-making?	3-A	The Commission does not have performance information that is relevant and sufficient, reliable and accurate, and measureable and obtainable.
3(b) Does Commission have reliable, valid and relevant budget proposals and related information to inform the Legislature?	3-B	The Agency's current process is a reasonable method for conceptualizing and writing its budget proposal. However, the performance information used in the budget proposal is not always reliable and accurate.
3(c) Is the Commission measuring the right performance areas?	3-A	The Commission does not have performance information that is relevant and sufficient, reliable and accurate, and measureable and obtainable.
3(d) Are the performance measures reported by the Commission relevant, reliable and valid?	3-A	The Commission does not have performance information that is relevant and sufficient, reliable and accurate, and measureable and obtainable.
3(e) Is the Commission achieving its stated targets?	3-A	The Commission does not have performance information that is relevant and sufficient, reliable and accurate, and measureable and obtainable.
3(f) What does analysis of the data suggest about future performance?	3-A	The Commission does not have performance information that is relevant and sufficient, reliable and accurate, and measureable and obtainable.

Objective	Issue	Issue Description
Information Technology		
5(a) What are the information systems the Commission currently has and are there gaps in the various systems that impair the collecting and reporting of complete management information?	4-A and 4-C	4-A. The Agency cannot effectively, efficiently and economically collect and report complete information due to shortcomings in its IT systems. 4-C. The Agency's information systems are vulnerable to unauthorized access, loss of data, and to producing inaccurate information.
5(b) Has the Commission been able to obtain the support and assistance from the State it needs to close the gaps in its information technology systems?	4-B	Numerous changes and a time-consuming process caused delays in obtaining approval and funding for two of the Agency's information technology projects.
HRMS		
6. What is the impact of the implementation of the enterprise Human Resource Management System (HRMS) on the Commission's operations?	5	The Agency has not realized the efficiency and economy in its Payroll and Human Resources processes that it expected to gain from HRMS.
Economy and Efficiency of Operations Objectives		
2(a) Is the Commission achieving its mission, goals and objectives effectively and efficiently?	6 (6-A - 6-D)	The Agency's decentralized approach to governance and lack of documentation can lead to practices and procedures that do not comply with State law, Agency policy, and that do not promote the most efficient and economical use of State resources.
2(b) Are resources obtained at reasonable costs while meeting timelines and quality considerations?	6-A	The Agency did not consistently follow State law and policy for purchases and contracts, which could mean less efficient, effective and economical activities.
2(c) Are employee travel costs: • Directly work related • Obtained at the most economical price • Both critical and necessary for State business?		The review of the Agency's travel costs found they were: • Directly work related • Obtained at the most economical price Both critical and necessary for State business.

Objective	Issue	Issue Description
Economy and Efficiency of Operations Objectives (continued)		
2(d) Are Commission meetings achieved at the most economical price, and is the frequency critical and necessary for State business?	6-B	The Agency did not have any documentation to show that the locations chosen for Commission meetings were the most economical.
2(e) Are meetings, conferences, conventions and training sessions scheduled to comply with the SAAM? • Has the Commission limited the number of persons attending a particular conference, convention, meeting or training sessions to the minimum necessary to benefit from the event? • Has the Commission used state-owned or other public-owned barrier-free facilities in lieu of renting or leasing other facilities?	6-C	The Agency did not have documentation to show compliance with guidelines on the selection of facilities for training, meetings, conferences, and conventions, and the approval for attendance at external training programs.
2(f) Is the Commission's use of overtime prudent?	6-D	The Agency does not consistently document the reasons for overtime and overtime payments. Documents to support overtime frequently had errors and/or omissions.

Appendix D

Criteria

Issue No. 1 The Commission's Strategic Plan lacks some key elements that can impact its achievement of its vision and goals.

Issue 1-A
RCW 43.17.380(2) Quality management, accountability, and performance system – Definitions states:
Quality management, accountability, and performance system" means a nationally recognized integrated, interdisciplinary system of measures, tools, and reports used to improve the performance of a work unit or organization.

RCW 43.17.385 Quality management, accountability, and performance system requires that:
Each agency shall, within available funds, ensure that its quality management, accountability, and performance system: ... (b)Engages stakeholders and customers in establishing service requirements and improving service delivery systems...

RCW 43.17.390 Quality management, accountability, and performance system requires that:
Starting no later than 2008, and at least once every three years thereafter, each agency shall apply to the Washington state quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system. The assessment shall evaluate the effectiveness of all elements of its management, accountability, and performance system, including: Leadership, strategic planning, customer focus, analysis and information, employee performance management, and process improvement. The purpose of the assessment is to recognize best practice and identify improvement opportunities."

Issue 1-B
Office of Financial Management Operating Budget Instructions, Part 1, provides that:
The agency strategic plan provides answers to key strategic and management questions….Where are we today? Where do we want to be? How do we close the gap? ….The agency strategic environments. The product of this assessment is an inventory of internal strengths and weaknesses, and external barriers and opportunities. From this analysis, the agency can identify the critical issues, risks, obstacles, and opportunities that must be addressed through strategies implemented during the period covered by the strategic plan.

In the assessment of internal capacity, the agency takes stock of its strengths and weaknesses as an organization, examining factors within the agency that can affect its ability to accomplish its mission, goals, and objectives...Example of items to consider in the internal assessment:

- *How does the agency's staffing and organizational capacity compare with its tasks? Does the agency face recruitment, retention or other workforce challenges?*

- *Does the agency see a need or opportunity for changes in technology or service delivery methods?*
- *What capital facility changes will be needed in this time frame and why? Does the agency have pressing facility maintenance and operations needs?*
- *What technology investments will be needed in this time frame and why?*
- *Are there trends in revenue sources, fund balance changes, or cost pressures that may affect the agency's financial sustainability?*
- *What trends in supplier, contractor and other support services may affect the agency's ability to deliver results?"*

Strategies are statements of the methods for achieving goals. While goals and objectives state what the organization wants to achieve, strategies state how goals will be achieved. Strategies guide the activities that the agency uses to achieve goals and objectives. …A strategic plan provides a means to communicate these important components with people inside and outside of the agency.

The agency strategic plan is created through a data-informed process that begins with an assessment of the internal and external

RCW, 43.88.090(2)(4) Development of budget — Detailed estimates — Mission statement, measurable goals, quality and productivity objectives — Integration of strategic plans and performance assessment procedures — Reviews by office of financial management — Governor-elect input. requires that:
(2) Each state agency shall define its mission and establish measurable goals for achieving desirable results for those who receive its services and the taxpayers who pay for those services. Each agency shall also develop clear strategies and timelines to achieve its goals. This section does not require an agency to develop a new mission or goals in place of identifiable missions or goals that meet the intent of this section. The mission and goals of each agency must conform to statutory direction and limitations."
(4) Each state agency shall adopt procedures for and perform continuous self-assessment of each activity, using the mission, goals, objectives, and measurements required under subsections (2) and (3) of this section. The assessment of the activity must also include an evaluation of major information technology systems or projects that may assist the agency in achieving or making progress toward the activity purpose and statewide priorities. The evaluation of proposed major information technology systems or projects shall be in accordance with the standards and policies established by the information services board. Agencies' progress toward the mission, goals, objectives, and measurements …

Issue 1-C
WAC 357-37-020 Performance Management, requires that:
The employee performance management process must: (1) Explaining the employee's responsibility for successfully performing assigned job duties and responsibilities..

WAC 357-37-030, Performance Management, requires that:
Employers must provide feedback and formally evaluate the performance of:...(2) a permanent employee on an annual basis.

RCW, 41.06.169 State Civil Service Law requires that:
After consultation with state agency heads, employee organizations, and other interested parties, the state personnel director shall develop standardized employee performance evaluation procedures and forms which shall be used by state agencies for the appraisal of employee job performance at least annually. These procedures shall include means whereby individual agencies may supplement the standardized evaluation process with special performance factors peculiar to specific organizational needs.

Human Resource Washington State Department of Personnel's Performance and Development Plan (PDP) instructions, state that:
…the supervisor identifies the linkage of employee's position to organizational mission. He/she may request input from or involvement of the employee.

Collective Bargaining Agreement between the State of Washington and the Washington Federation of State Employees, Article 5, *Performance Evaluation* requires that for employees covered under the agreement:
…the performance evaluation process will include performance goals and expectations that reflect the organization's objectives...Employee work performance will be evaluated during probationary and trial service periods and at least annually thereafter.

Best Practice: *Executive management, who are critical to the success of the strategic plan, must have clearly identified expectations and goals that are tied to the agency's strategic plan and goals*.

Issue No. 2 Improvements in the Commission's system of governance are needed to promote efficient and effective management of its operations.

Issue 2
RCW 79A.05 *Parks and Recreation Commission* states:
The State of Washington Legislature created "…a "state parks and recreation commission" consisting of seven citizens of the state. The members of the commission shall be appointed by the governor by and with the advice and consent of the senate and shall serve for a term of six years, expiring on December 31st of even-numbered years, and until their successors are appointed…". and established the Commission's powers and duties.

The *Organizational Restructuring Assessment* conducted by Moore and Associates, states that:
Organizational change *"must fully address people, processes, structure and culture, and create an alignment of each to achieve the organization's mission.* "

RCW, 43.17.390 Administrative Departments and agencies – General Provisions requires that:
Starting no later than 2008, and at least once every three years thereafter, each agency shall apply to the Washington state quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system. The purpose of the assessment is to recognize best practice and identify improvement opportunities.

RCW 43.88.090(3) Development of budget — Detailed estimates — Mission statement, measurable goals, quality and productivity objectives — Integration of strategic plans and performance assessment procedures — Reviews by office of financial management — Governor-elect input requires that:
For the purpose of assessing activity performance, each state agency shall establish quality and productivity objectives for each major activity in its budget. The objectives must be consistent with the missions and goals developed under this section. The objectives must be expressed to the extent practicable in outcome-based, objective, and measurable form unless an exception to adopt a different standard is granted by the office of financial management and approved by the legislative committee on performance review. Objectives must specifically address the statutory purpose or intent of the program or activity and focus on data that measure whether the agency is achieving or making progress toward the purpose of the activity and toward statewide priorities. The office of financial management shall provide necessary professional and technical assistance to assist state agencies in the development of strategic plans that include the mission of the agency and its programs, measurable goals, strategies, and performance measurement systems.

RCW, 43.88.160(4)(a), Fiscal Management – Powers and duties of officers and agencies requires that:
(4) In addition, the director of financial management, as agent of the governor, shall:
(a) Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by classes of agencies, depending on the level of resources at risk.

Each agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following the standards of internal auditing of the institute of internal auditors..."

RCW 43.41.290(2) Risk Management – Definitions
*As used in *RCW 43.19.19361 and 43.19.19362: (2) "Risk management" means the total effort and continuous step by step process of risk identification, measurement, minimization, assumption, transfer, and loss adjustment which is aimed at protecting assets and revenues against accidental loss.*

RCW 43.41.300 Risk management – Division Created – Powers and duties provides:
There is hereby created a risk management division within the office of financial management. The director shall implement the risk management policy in RCW 43.41.280 through the risk management division. The director shall appoint a risk manager to supervise the risk management division. The risk management division shall make recommendations when appropriate to state agencies on the application of prudent safety, security, loss prevention, and loss minimization methods so as to reduce or avoid risk or loss.

EXECUTIVE ORDER 01-05 STATE AGENCY RISK MANAGEMENT states**:**

WHEREAS*, the state of Washington, its employees and licensees provide critical and necessary daily services to tens of thousands of citizens of our state in many settings, and those services protect vulnerable people and the general public from harm;*

WHEREAS*, the people, state executives, the courts and the legislature recognize that law enforcement, child protective services, prison and correctional services, and long-term care for people with disabilities are just a few of the areas where the state is facing tremendous challenges in delivering services to an expanding population;*

WHEREAS*, in recent years, incidents of harm to innocent members of the public have received significant attention from state executives, the legislature, the courts, the public and the media, and some of those incidents have resulted in significant liability for the state;*

WHEREAS*, it is important that we do everything we can to reduce harm to vulnerable individuals and other citizens of our state, whether it is caused by criminals under state supervision, contractors, licensees, or any other factor related to a state service or program;*

WHEREAS*, judgments and claims against the state have reached unprecedented levels as the state is held liable for injuries and losses - some of which may have been avoidable - and all stemming from findings that the state, and often, others with whom the state is jointly and severally liable, were negligent;*

NOW THEREFORE, I*, Gary Locke, Governor of the state of Washington, hereby order and direct the following actions:*

1. Best Practices

All agencies shall:

a. Prioritize loss prevention through developing and meeting focused management goals and efforts in partnership with the state's risk management office.

b. Allocate resources, to the greatest extent feasible, to services for which the state is at greatest risk of liability, with the goal of preventing or mitigating loss while meeting service expectations and responsibilities. In doing so, agencies should: 1) among information systems, technologies, and funding requests, prioritize those that support high-risk services and serve to mitigate risk; and 2) within available resources, prioritize training for service delivery staff and supervisors relevant to reducing losses and significant claims.

c. Manage all aspects of employee performance, including holding people accountable for agreed-upon performance expectations.

d. Review agency policies and, as necessary, simplify and provide written guidance to program staff and service providers that is concise, relevant, easy to understand, and provides practical direction for quality services.

e. Identify and take steps to involve employees, community members served by the agency, and advocates in efforts to lessen the risk associated with services delivered by the agency.

Government Auditing Standards (January 2007 Revision)

Copied and pasted from Government Accountability Office (GAO) website
http://www.gao.gov/govaud/d07162g.pdf

Organizational Independence for Internal Audit Functions

3.16 *Certain federal, state, or local government entities employ auditors to work for management of the audited entities. These auditors may be subject to administrative direction from persons involved in the entity management process. Such audit organizations are internal audit functions and are encouraged to use the IIA International Standards for the Professional Practice of Internal Auditing in conjunction with GAGAS. Under 26Statutory authority to issue a subpoena to obtain the needed records is one way to meet the requirement for statutory access to records.* ***Chapter 3 General Standards Page 39 GAO-07-162G Government Auditing Standards*** *GAGAS, a government internal audit function can be presumed to be free from organizational impairments to independence if the head of the audit organization meets all of the following criteria:* ***a.*** *is accountable to the head or deputy head of the government entity or to those charged with governance,* ***b.*** *reports the audit results both to the head or deputy head of the government entity and to those charged with governance,* ***c.*** *is located organizationally outside the staff or line- management function of the unit under audit,* ***d.*** *has access to those charged with governance, and* ***e.*** *is sufficiently removed from political pressures to conduct audits and report findings, opinions, and conclusions objectively without fear of political reprisal.*

3.17 *The internal audit organization should report regularly to those charged with governance.*

Practice Advisory 1100: Independence and Objectivity
International Standards for the Professional Practice of Internal Auditing

1100 - Independence and ObjectivityRecommendation

The internal audit activity should be independent, and internal auditors should be objective in performing their work.

1110 - Organizational Independence

The chief audit executive should report to a level within the organization that allows the internal audit activity to fulfill its responsibilities.

1110.A1 - The internal audit activity should be free from interference in determining the scope of internal auditing, performing work, and communicating results.

Practice Advisory 1311-1: Internal Assessments
Interpretation of *Standard 1311* from the *International Standards for the Professional Practice of Internal Auditing*
***Related Standard* 1311 – Internal Assessments**
http://www.theiia.org/guidance/standards-and-guidance/professional-practices-framework/practice-advisories/practice-advisories-by-number/

Internal assessments should include:
Ongoing reviews of the performance of the internal audit activity; and
Periodic reviews performed through self-assessment or by other persons within the organization with knowledge of internal auditing practices and the Standards.

Nature of this Practice Advisory: *Internal auditors should consider these suggestions when performing internal assessments within the internal audit activity. This guidance is not intended to represent all procedures necessary for comprehensive internal assessments, but is simply a recommended set of internal assessment practices.*

Overview
1. The chief audit executive (CAE) is responsible for establishing an internal audit activity whose scope of work includes all the activities in the Standards. To ensure this occurs, Standard 1300 requires the CAE develop and maintain a Quality Assurance and Improvement Program (QA&IP). The QA&IP should include both ongoing and periodic internal assessments (the term is synonymous with the terms internal review and self-assessment used elsewhere in the Practice Advisories). These assessments should cover the entire spectrum of audit and consulting work performed by the internal audit activity and should not be limited to assessing its QA&IP— see Practice Advisory 1300-1.

Ongoing Internal Assessments
2. Ongoing internal assessments are usually incorporated into the routine policies and practices used to manage the internal audit activity and should be conducted by means of such processes and tools as:
Engagement supervision as described in Practice Advisory 2340-1, Engagement Supervision.
Checklists and other means to give assurance processes adopted by the internal audit activity (e.g., in an audit and procedures manual) are being followed.
Feedback from audit customers and other stakeholders.
Selective peer reviews of workpapers by staff not involved in the respective audits.
Project budgets, timekeeping systems, audit plan completion, and cost recoveries.
Analyses of other performance metrics (such as cycle time and recommendations accepted).

3. Conclusions should be developed as to the quality of ongoing performance and follow-up action should be taken to ensure appropriate improvements are implemented.

Governor Christine Gregoire Directive 2/7/2006 Washington Public Disclosure Act states:

I am writing about a subject that is very important to this administration and the people of Washington. Voters passed our Public Disclosure Act as an Initiative in 1972. The purpose of this memorandum is to emphasize my expectation that this administration will live up to the spirit of this very important law.

We all share the goal of increasing the credibility of state government. The Public Disclosure Act is a vital tool in helping us achieve that goal. The concept behind the Public Disclosure Act is simple. An informed public is essential to our form of government. The public must retain control of government and the only way it can do that is to be informed about what government is doing.

Here is how drafters of the Public Disclosure Act put it: "The people of this state do not yield their sovereignty to the agencies that serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may maintain control over the instruments that they have created."

Others point out that the more informed people are, the better they will be governed and that government performs best when it is open and accountable.

The Public Disclosure Act is one of the primary ways the public keeps informed about government. I therefore direct all agencies to renew their commitment to openness, to the underlying principles of the act, and to its effective implementation. Each agency must take a fresh look at its implementation of Chapter 42.17 RCW, reduce any backlog on disclosure requests, and foster an appreciation of the importance of public disclosure among its employees. It is the expectation of this administration that we will look for ways to comply with the letter and spirit of the Public Disclosure Act rather than look for ways to withhold disclosure.

Our goal should be to establish a public confidence that each individual has the ability to access the records needed to help him or her understand state government's decisions and how they are made. To do that, we must be committed to openness and practice it on a daily basis by enhancing public access and ensuring records are released in a timely, respectful way.

There is no question that release of some records can be time consuming, difficult, and sometimes even embarrassing. But we must always remember we are accountable to the people and that means we have to operate with an openness that allows them to have input on what we do, understand our decision making, and ultimately sit in judgment of our work. We must all work to build full public confidence that state government is open and accountable.

Motivating and Retaining Employees by Charles E. McCabe M.B.A., edited and updated by Ryan P. Allis ZeroMillion.com The Top Entrepreneurship Resource Online Summary

http://www.zeromillion.com/business/employee-motivate.html#15

Motivating and keeping employees requires effective management practices and strong leadership skills. A good operating system and adequate training are essential. Your people need the proper tools and support to do the job. A performance-based compensation plan should be designed very carefully to ensure that your employees are encouraged to help build the business and are rewarded for their contributions, and provide as many extra benefits as possible. A positive corporate culture and a pleasant work environment are more important than money to most good employees. Recognition and communication are among your key responsibilities as a manager. Screening new employment prospects to insure they fit in and buy into your culture will prevent future problems. Employment agreements are a must and should be reviewed by and explained to new hires. A valuable project is to identify the 2-3 greatest frustrations of your employees and your clients and devise ways to eliminate these irritations. Employees should be trusted, included and empowered to make decisions and act autonomously. They also need to be part of a harmonious team working for the mutual benefit of the clients, the company and themselves. And they would enjoy being at a fun place to work! Ultimately, your management and leadership skills and efforts will determine your success in providing an atmosphere where your employees will be motivated to be effective and will remain loyal to your company.

After you have invested considerable time and money recruiting and training your employees, you must now determine how to make sure those valuable employees are productive and get them to remain loyal to your firm. Retention of employees is essential to maintain client relationships and keep recruiting and training costs in line. Losing an experienced employee almost always results in significant costs to your firm.

State of Washington Workforce Planning Guide

Human resources provides tools for identifying needed competencies and for building the future workforce through strategic recruitment, training, development, and retention techniques. (p. 4)

The final step in the workforce analysis phase involves the development of strategies to address future gaps and surpluses. There is a wide range of strategies that agencies might use to attract and develop staff with needed competencies and to deal with excesses in competencies no longer needed in the organization. (p.11)

Basics in Internal Organizational Communications by Carter McNamara, MBA, PHD, Authenticity Consulting, LLC. Copyright 1997-2008
Adapted from Field Guide to Leadership and Supervision
Free Management Library
http://www.managementhelp.org/mrktng/org_cmm.htm

Key Principles to Effective Internal Organizational Communications
1. Unless management comprehends and fully supports the premise that organizations must have high degrees of communications (like people needing lots of water), the organization will remain stilted. Too often, management learns the need for communication by having to respond to the lack of it.
2. Effective internal communications start with effective skills in communications, including basic skills in listening, speaking, questioning and sharing feedback (see Communications Skills.)
These can developed with some concerted review and practice. Perhaps the most important outcome from these skills is conveying that you value hearing from others and their hearing from you.
3. Sound meeting management skills go a long way toward ensuring effective communications, too. (See Guidelines for Effective Meeting Management.)
4. A key ingredient to developing effective communications in any organization is each person taking responsibility to assert when they don't understand a communication or to suggest when and how someone could communicate more effectively.

Basic Structures/Policies to Support Effective Internal Communications
This communication can be looked at as communications downward and upward.

Downward Communications:
1. Ensure every employee receives a copy of the strategic plan, which includes the organization's mission, vision, values statement, strategic goals and strategies about how those goals will be reached.
2. Ensure every employee receives an employee handbook that contains all up-to-date personnel policies.
3. Develop a basic set of procedures for how routine tasks are conducted and include them in standard operating manual.
4. Ensure every employee has a copy of their job description and the organization chart.
5. Regularly hold management meetings (at least every two weeks), even if there's nothing pressing to report. If you hold meetings only when you believe there's something to report, then communications will occur only when you have something to say -- communications will be one way and the organization will suffer. Have meetings anyway, if only to establish and affirm the communication that things are of a status that there's not immediate problems.
6. Hold full staff meetings every month to report how the organization is doing, major accomplishments, concerns, announcements about staff, etc.
7. Leaders and managers should have face-to-face contact with employees at least once a week. Even if the organization is over 20 employees (large for a nonprofit), management should stroll by once in a while.
8. Regularly hold meetings to celebrate major accomplishments. This helps employees perceive what's important, gives them a sense of direction and fulfillment, and let's them know that leadership is on top of things.
9. Ensure all employees receive yearly performance reviews, including their goals for the year, updated job descriptions, accomplishments, needs for improvement, and plans to help the employee accomplish the improvements. If the nonprofit has sufficient resources (a realistic concern), develop a career plan with the employee, too.

Upward Communications:
1. Ensure all employees give regular status reports to their supervisors. Include a section for what they did last week, will do next week and any actions/issues to address.
2. Ensure all supervisors meet one-on-one at least once a month with their employees to discuss how its' going, hear any current concerns from the employee, etc. Even if the meeting is chit-chat, it cultivates an important relationship between supervisor and employee.
3. Use management and staff meetings to solicit feedback. Ask how it's going. Do a round table approach to hear from each person.
4. Act on feedback from others. Write it down. Get back to it -- if only to say you can't do anything about the reported problem or suggestion, etc.
5. Respect the "grapevine." It's probably one of the most prevalent and reliable forms of communications. Major "movements" in the organization usually first appear when employees feel it safe to venture their feelings or opinions to peers.

Supervisor and Employee Communications
Supervision is often considered to include designing the job, hiring someone to fill the job, training them, delegating to them, guiding them via performance reviews, helping them develop their career, noting performance issues, and firing them, if needed. Obviously small nonprofits may not be able to afford full attention to all of these activities.

However, there are several basic and regular activities which provide a solid foundation for effective supervision. These basics ensure that everyone is working together -- as important, that staff feel they are working together -- towards a common cause.

Ironically, these basics are usually the first activities that stop when an organization is in a crisis. Consequently, an organization development specialist, when "diagnosing" an organization, often first looks to see if these basics are underway. The following activities should be conducted by the new employer's supervisor.

1. ***Have all employees provide weekly written status reports to their supervisors.*** *Include what tasks were done last week, what tasks are planned next week, any pending issues and date the report. These reports may seem a tedious task, but they're precious in ensuring that employee and their supervisor have mutual understanding of what is going on, and the reports come in very handy for planning purposes. They also make otherwise harried staff and managers stand back and reflect on what they're doing.*

2. ***Hold monthly meetings with all staff together***
- Review the overall condition of the organization and review recent successes. Consider conducting "in service" training where employees take turns describing their roles to the rest of the staff. For clarity, focus and morale, be sure to use agendas and ensure follow-up minutes. Consider bringing in a client to tell their story of how the organization helped them. These meetings go a long way toward building a feeling of teamwork among staff. (See Guidelines for Meeting Management http://www.managementhelp.org/misc/mtgmgmnt.htm).

3. ***Hold weekly or biweekly meetings with all staff together if the organization is small (e.g., under 10 people); otherwise, with all managers together.***
Have these meetings even if there is not a specific problem to solve -- just make them shorter. (Holding meetings only when there are problems to solve cultivates a crisis-oriented environment where managers believe their only job is to solve problems.) Use

these meetings for each person to briefly give an overview of what they are doing that week. Facilitate the meetings to support exchange of ideas and questions. Again, for clarity, focus and morale, be sure to use agendas, take minutes and ensure follow-up minutes. Have each person bring their calendar to ensure scheduling of future meetings accommodates each person's calendar.

4. ***Have supervisors meet with their direct reports in one-on-one meetings every month -***
This ultimately produces more efficient time management and supervision. Review overall status of work activities, hear how it's going with both the supervisor and the employee, exchange feedback and questions about current programs and services, and discuss career planning, etc. Consider these meetings as interim meetings between the more formal, yearly performance review meetings.

Issue No. 3 The Commission does not have a performance management system that provides reliable performance information that management can use to develop policy and make decisions regarding its performance and its budget requests.

Issue 3-A
RCW 43.17.385 Quality management, accountability, and performance system requires that:

> *(1) Each state agency shall, within available funds, develop and implement a quality management, accountability, and performance system to improve the public services it provides.*
>
> *(2) Each agency shall ensure that managers and staff at all levels, including those who directly deliver services, are engaged in the system and shall provide managers and staff with the training necessary for successful implementation.*
>
> *(3) Each agency shall, within available funds, ensure that its quality management, accountability, and performance system:*
>
> *…(e) Uses the data to evaluate the effectiveness of programs to manage process performance, improve efficiency, and reduce costs;*
>
> *…(i) Allocates resources based on strategies to improve performance.*
>
> *…(b) Improvements in agency quality management systems, fiscal efficiency, process efficiency, asset management, personnel management, statutory and regulatory compliance, and management of technology systems."*

RCW, 43.17.390 Quality management, accountability, and performance system — Independent assessment requires that:
Starting no later than 2008, and at least once every three years thereafter, each agency shall apply to the Washington state quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system. The assessment shall evaluate the effectiveness of all elements of its management, accountability, and performance system, including: Leadership, strategic planning, customer focus, analysis and information, employee performance management, and process improvement. The purpose of the assessment is to recognize best practice and identify improvement opportunities.

Executive Order 05-02 Government Management, Accountability and Performance (GMAP) states:

WHEREAS, *the citizens of Washington hold their government accountable for results; and*

WHEREAS, *they want good value for their tax dollars; and*

WHEREAS, *they want their government to focus on the priorities that are important to the public, and in pursuing those priorities, they want their government to be effective and efficient; and*

WHEREAS, *government leaders must demonstrate successful performance in clear, measurable terms; and*

WHEREAS, *Washington State has made progress by aligning government spending to citizen priorities in the Priorities of Government process and using performance management to improve the quality and cost effectiveness of services in some agencies;*

NOW, THEREFORE, *I, Christine Gregoire, Governor of the state of Washington, hereby order and direct agencies to take the next steps to build public confidence in government by adopting a comprehensive government management, accountability and performance system (GMAP). GMAP will give the public a clear, concise view of how government programs are working and whether citizens are receiving value for their dollars. GMAP will give citizens a way to judge the effectiveness of government programs. GMAP will allow agency leaders to shine a spotlight on problems and make decisions with greater clarity and accuracy. At the same time, it will give agency managers new tools to solve problems and improve services.*

GMAP calls upon the Governor and other agency leaders to:

1. Take personal responsibility and hold the agency and its management accountable for results;

2. Use strategies that work, and make corrections when they don't;

3. Base decisions not on guesswork or preference but on accurate, up-to-date information;

4. Make decisions timely;

5. Follow up to make sure there's implementation after a decision has been made;

6. Take risks and learn from mistakes; and

7. Communicate clearly to citizens about results.

GMAP will require each agency to:

1. Develop clear, relevant and easy-to-understand measures that show whether or not programs are successful;

2. Demonstrate how programs contribute to the priorities that are important to citizens;

3. Gather, monitor, and analyze program data;

4. Evaluate the effectiveness of programs;

5. Hold regular problem-solving sessions within the agency to improve performance;

6. Allocate resources based on strategies that work; and

7. Regularly report to the Governor on their performance.

The Governor's Office of Management Accountability and Performance will lead the effort to implement GMAP and will prepare more detailed guidance on implementing the intent of this executive order. The Department of Personnel will work with the GMAP Office to develop and deliver training to support GMAP. The Department of Information Services will assist in developing the tools and technology needed by agencies to implement GMAP. Everyone from agency managers to front-line employees will work creatively and cooperatively within and across agencies to improve government service.

The Governor will issue regular reports to the public that reflect the principles of GMAP. Each report will include a realistic assessment of government performance, including both successes and failures. These reports will be clear and easy to read, and they will focus on what is most important to citizens.

This executive order supersedes the reporting requirements specified in Executive Order 97-03.

This executive order shall take effect immediately.

***IN WITNESS WHEREOF,** I have hereunto set*

my hand and caused the seal of the State of

Washington to be Affixed at Olympia this 21st

day of February A.D., Two thousand five.

CHRISTINE O. GREGOIRE

Governor of Washington

Citizen-Driven Government Performance Rutgers University
"Brief Guide for Performance Measurement in Local Government"
Updated February 2004
http://andromeda.rutgers.edu/~ncpp/cdgp/teaching/brief-manual.html

Different performance measures should not be seen as divergent and contradictory, but supplementing each other, As [sic] Marc Holzer argues, multiple measures of performance are a useful diagnostic tools. As a group, as pieces of a puzzle, multi-dimensional measures of specific services can help provide objective perspectives for defending or expanding a program, rather than allowing it to suffer from relatively arbitrary or habitual decisions.

RCW, 79A.75.030(1) Centennial 2013 plan – Develop proposal states that:
(1) The Washington state parks centennial advisory committee will develop a proposal to implement the centennial 2013 plan. The proposal must include:

(a) A complete description of the policy and fiscal components of the plan;

(b) The roles of the commission, the governor, the legislature, the public, and other entities in implementing the plan;

(c) Time frames for implementing the plan;

(d) Cost estimates for implementing the plan, including total estimated costs for each component of the plan, and estimates on a yearly or biennial basis for implementing the plan in phases.

RCW, 43.17.385(3) Quality management, accountability, and performance system requires that:
(3) Each agency shall, within available funds, ensure that its quality management, accountability, and performance system:
(a) Uses strategic business planning to establish goals, objectives, and activities consistent with the priorities of government, as provided in statute;
(b) Engages stakeholders and customers in establishing service requirements and improving service delivery systems;
(c) Includes clear, relevant, and easy-to-understand measures for each activity;
(d) Gathers, monitors, and analyzes activity data;
(e) Uses the data to evaluate the effectiveness of programs to manage process performance, improve efficiency, and reduce costs;
(f) Establishes performance goals and expectations for employees that reflect the organization's objectives; and provides for regular assessments of employee performance;
(g) Uses activity measures to report progress toward agency objectives to the agency director at least quarterly;
(h) Where performance is not meeting intended objectives, holds regular problem-solving sessions to develop and implement a plan for addressing gaps; and
(i) Allocates resources based on strategies to improve performance.

Executive Order 05-02, Government Management, Accountability and Performance (GMAP) *requires each agency to*:

(3) Gather, monitor, and analyze program data."

Guide to Performance Measure Management Report No. 06-329, Texas State Auditor's Office 2006 edition, states that:
…performance targets should be challenging but achievable. . .used as guideposts to assess whether programs are achieving desired results on schedule and at appropriate levels"

…the following techniques can be used when developing performance projections. . .a trend analysis or other statistical techniques can establish a baseline projection if past data exists. . .an internal assessment can help identify influences on the performance projection that lie outside the data contained in the baseline projection. . .national, state, or industry averages can provide additional data to use in projecting performance. . .benchmarking against best practices is another method to help agencies project performance. . .sampling or piloting performance may be an appropriate method for estimating performance or services."

In addition to accurate reporting of actual performance, agencies should also report explanations when actual performance of key measures varies 5 percent or more from targeted performance. These explanations should describe the circumstances that caused the agency's actual performance to deviate from its performance targets . . . explanations of variance should include information on how the agency intends to address the variance from targeted performance.

National Performance Review's Study, "Best Practices in Performance Measurement"
A conceptual framework is needed for the performance measurement and management system states that:
Every organization needs a clear and cohesive performance measurement framework that is understood by all levels of the organization and that supports objectives and the collection of results.

Issue 3-B
Office of Financial Management Operating Budget Instructions Part 2 provides guidance on:

- *Budget request basics – submittal components and format requirements.*
- *Producing decision package and Recommendations Summary documents.*
- *Items to include in carry-forward, maintenance, and performance levels.*
- *Allocation maintenance level subtotals and performance level decision packages to activities.*
- *Performance measure and activity description submittal requirements.*
- *Linking operating and capital budgets.*
- *Maintenance level, revenue and other coding requirements.*
- *Technology portfolios.*
- *Developing good cost estimates.*

Issue No. 4 Information technology issues prevents the agency from receiving full benefits of its systems.

Issue 4-A
RCW 43.105.310 Accuracy, integrity, and privacy of records and information requires that:
State agencies and local governments that collect and enter information concerning individuals into electronic records and information systems that will be widely accessible by the public under RCW 42.17.020 shall ensure the accuracy of this information to the extent possible. To the extent possible, information must be collected directly from, and with the consent of, the individual who is the subject of the data. Agencies shall establish procedures for correcting inaccurate information, including establishing mechanisms for individuals to review information about themselves and recommend changes in information they believe to be inaccurate. The inclusion of personal information in electronic public records that is widely available to the public should include information on the date when the database was created or most recently updated. If personally identifiable information is included in electronic public records that are made widely available to the public, agencies must follow retention and archival schedules in accordance with chapter 40.14 RCW, retaining personally identifiable information only as long as needed to carry out the purpose for which it was collected.

RCW 43.105.170 Information technology portfolios requires that:
Information technology portfolios shall reflect (1) links among an agency's objectives, business plan, and technology; (2) analysis of the effect of an agency's proposed new technology investments on its existing infrastructure and business functions; and (3) analysis of the effect of proposed information technology investments on the state's information technology infrastructure.

RCW 43.105.170(2) Information technology portfolios – Contents – Performance reports requires that:

(2) Agency portfolios shall include, but not be limited to, the following:

(a) A baseline assessment of the agency's information technology resources and capabilities that will serve as the benchmark for subsequent planning and performance measures;

(b) A statement of the agency's mission, goals, and objectives for information technology, including goals and objectives for achieving electronic access to agency records, information, and services;

(c) An explanation of how the agency's mission, goals, and objectives for information technology support and conform to the state strategic information technology plan developed under RCW 43.105.160;

(d) An implementation strategy to provide electronic access to public records and information. This implementation strategy must be assembled to include:

(i) Compliance with Title 40 RCW;

(ii) Adequate public notice and opportunity for comment;

(iii) Consideration of a variety of electronic technologies, including those that help transcend geographic locations, standard business hours, economic conditions of users, and disabilities;

(iv) Methods to educate both state employees and the public in the effective use of access technologies;

(e) Projects and resources required to meet the objectives of the portfolio; and

(f) Where feasible, estimated schedules and funding required to implement identified projects.

***Best Practice**: Every organization is faced with information technology management tasks such as finding out if an application is unavailable, monitoring the status of a database, or security patch distribution, as examples. Disparate systems in an agency create a constant challenge to find adequate management tools to efficiently and effectively maintain these systems. Managing a single application on a single system or managing a single application on multiple systems is one challenge. However, managing multiple applications on multiple platforms often results in managing in a fragmented ad hoc manner (an expensive, complex, and cumbersome undertaking). Additionally, disparate systems can often result in the same data being entered multiple times between systems which is an inefficient use of staff resources and can also lead to data integrity issues (inconsistent data between systems). It is therefore, a best practice to consolidate if possible systems on a single platform, and/or provide interfaces between the various systems.*

Issue 4-B

2007-09 Biennium Operating Budget Bill, Section 1621, provides that

…agencies are to leverage the use of available statewide investments in systems, data, and other common solutions including software, hardware, and other information technology infrastructure. In addition, agencies are to consider and evaluate the use of common data stores and data definitions that promote the sharing of information.

This section establishes the information technology (IT) funding pool. Funds for 70 information technology projects have been placed in the IT pool which is under the management of the Department of Information Services and the Office of Financial Management.

RCW 43.105.170(4) Information technology portfolios – Contents – Performance reports requires that:
(4) Each agency shall prepare and submit to the department a biennial performance report that evaluates progress toward the objectives articulated in its information technology portfolio. The superintendent of public instruction shall develop its portfolio in conjunction with educational service districts and statewide or regional providers of K-12 education information technology services. The report shall include:

(a) An evaluation of the agency's performance relating to information technology;
(b) An assessment of progress made toward implementing the agency information technology portfolio;
(c) Progress toward electronic access to public information and enabling citizens to have two-way interaction for obtaining information and services from agencies; and
(d) An inventory of agency information services, equipment, and proprietary software.
(5) The department, with the approval of the board, shall establish standards, elements, form, and format for plans and reports developed under this section.
(6) Agency activities to increase electronic access to public records and information, as required by this section, must be implemented within available resources and existing agency planning processes.
(7) The board may exempt any agency from any or all of the requirements of this section.

2007-2009 Biennium Budget Bill Section 1621(1) states that:
The department of information services shall review information technology proposals and work jointly with the office of financial management to determine the projects to be funded and the amounts and timing of release of funds.

Issue 4-C
RCW, 43.105.041 Powers and duties of board provides:
The State of Washington Legislature established the powers and duties of the Information Systems Board (ISB) including the authority to develop statewide or interagency information services and technical policies, standards, and procedures.

The ISB's policies and guidelines related to information systems security include the following:

- *The agency should ensure it is in compliance with Information Services Board standards for securing information technology assets.*
- *ISB Policy No. 400-P2 states that agencies shall maintain systems, networks, and applications in a manner to ensure:*
  - *Availability of IT assets*
  - *Access to IT assets is allowed only by authorized individuals*
  - *Integrity and privacy of IT assets is maintained*
  - *Misuse or loss of IT assets is prevented*
- *Each agency shall adhere to this policy and current security standards adopted by the Information Services Board.*
- *Information Technology Security Standards (Policy No: 401-S3) states that all agency IT security policies and procedures shall be documented, communicated, and updated on a regular basis. They shall be specific enough to reduce ambiguity but flexible enough to address all agency environments.*

- *Information Technology Security Guidelines (Policy No: 402-G2) includes guidelines for agency IT security program development, maintenance, and program components including:*
    - *Data security guidelines*
    - *Access security guidelines*
    - *Network security guidelines*
- *IT Disaster Recovery and Business Resumption Planning Policy (Policy No: 500-p1) states each agency shall:*
    - *Test disaster recovery/business resumption plans annually. The type and extent of testing adopted by an agency will depend on:*
        - *Criticality of agency business functions*
        - *Cost of executing the test plan*
        - *Complexity of information system and components*

RCW 43.41.300 Risk management – Division created – Powers and duties states:
There is hereby created a risk management division within the office of financial management. The director shall implement the risk management policy in RCW 43.41.280 through the risk management division. The director shall appoint a risk manager to supervise the risk management division. The risk management division shall make recommendations when appropriate to state agencies on the application of prudent safety, security, loss prevention, and loss minimization methods so as to reduce or avoid risk or loss.

Issue No. 5 The Commission does not receive some of the anticipated benefits from HRMS.

RCW 43.88.160(1) Fiscal management – Powers and duties of officers and agencies requires that:
(1) Governor; director of financial management. The governor, through the director of financial management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources, and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for central accounts in the office of financial management at the level of detail deemed necessary by the director to perform central financial management. The director of financial management shall adopt and periodically update an accounting procedures manual. Any agency maintaining its own accounting and reporting system shall comply with the updated accounting procedures manual and the rules of the director adopted under this chapter. An agency may receive a waiver from complying with this requirement if the waiver is approved by the director. Waivers expire at the end of the fiscal biennium for which they are granted. The director shall forward notice of waivers granted to the appropriate legislative fiscal committees. The director of financial management may require such financial, statistical, and other reports as the director deems necessary from all agencies covering any period.

Department of Personnel website describing the functions and benefits of HRMS.
Source: http://www.dop.wa.gov/Employees/InformationSystems

The Human Resource Management System (HRMS) is the central personnel and payroll application for Washington State government. It serves all state government agencies, and provides a common data pool that can provide insight into the state's human resource trends and strategies.

HRMS was implemented statewide in the spring and summer of 2006.

Washington's Human Resources Management System (HRMS) is the human resources component of a business software package designed by software giant SAP specifically for large enterprises. The application has been configured to meet Washington's business requirements.

HRMS is capable of providing a variety of personnel services. It currently:

- *Runs the state payroll,*
- *Collects and stores a variety of personnel data,*
- *Enables online recruitment services, and*
- *Provides grievance tracking.*

Release 2 will deliver a web-based recruitment package and a grievance tracking tool and will lay the foundation for future HR functionality by including limited Employee Self Service.

E-Recruiting – October 2006

- *A web-based tool for managing the end-to-end process of filling positions, from targeting potential candidates to applicant tracking and screening, through adding basic new employee information into the HRMS system*
- *Replaces current DOP tools (INET online application, ARMS referral system, online job postings)*
- *Decentralized and flexible so agencies can do recruitment in a way that meets their needs*
- *Can be used for all types of positions (e.g. WMS, Exempt, Classified, permanent and non-permanent)*
- *Agencies will be able to create a list of qualified candidates for certification that meets state rule and collective bargaining agreement requirements*
- *Provides a central library of qualifications/competencies at the occupation and position levels. The qualifications were built by the Department of Personnel and state agencies to best meet the unique needs of State of Washington employers.*
- *Primary branding for job postings will be at the state level, with defined spaces for agencies to include their logo, agency description, and web site link.*

- *Reports and queries will provide data to help employers with internal and external reporting (e.g. to measure the success of their recruiting efforts, track time to fill, do GMAP reporting and comply with federal reporting requirements)*
- *Includes standardized forms and correspondence templates for use in communicating with job seekers*
- *Provides the ability to do mass communicating with job seekers via e-mail*
- *Integrated with the HRMS payroll system; brings employee and position information into E-Recruiting and exports hire information back into HRMS*
- *Will be integrated with one job board at go live; additional job boards may be added later*
- *A flag within the system will exist to reasonably accommodate those job seekers needing alternative methods of contact due to disability*

Grievance Tracking – January 1, 2007

- *Custom tracking and reporting tool built for use by labor relations and management staff*
- *Tracks grievances as they progress through the process, up to, and including arbitration*
- *A DOP-approved list of custom reports for use by agencies for internal reporting and trend analysis and the Labor Relations Office for statewide reporting (selectable field values to change the nature of the queries)*
- *Provide specialized security to restrict access to grievance material*

Employee Self Service – Fall 2006

- *Maintain personal address information, including permanent and temporary address and phone numbers*
- *Enter and change emergency contact information*
- *View earnings information*
- *Update employee profiles by adding new qualifications*
- *Access jobs in E-Recruiting*

Letter from Eva Santos, Director Department of Personnel to Agency Directors, February 26, 2008.
http://www.dop.wa.gov/NR/rdonlyres/09F0E059-E47C-460F-8F06-6ED8E84C8EA7/0/HRMSUpgrade_Cabinetletter.pdf

The letter informs agency directors of planned upgraded and expectation that the upgrade will help the state do its "business more effectively and efficiently."

***Best practice**: Employees should be provided written instruction to accurately complete timesheets. When available, use of electronic timesheets and electronic submission is generally considered a good practice that improves the efficiency and accuracy of timesheets.*

Issue No. 6 The Agency's decentralized approach to governance and lack of documentation can lead to practices and procedures that do not comply with state law, Agency policy, and that do not promote the most efficient and economical use of state resources.

Issue 6-A

SAAM Chapter 85.32.10, states that:

It is the responsibility of the agency head, or authorized designee, to certify that all expenditures/ expenses and disbursements are proper and correct. Agencies are responsible for processing payments to authorized vendors, contractors, and others providing goods and services to the agency. Agencies are to establish and implement procedures following generally accepted accounting principles. At a minimum, agencies are also to establish and implement the following:

1. *Controls to ensure that all expenditures/expenses and disbursements are for lawful and proper purposes and recorded in a timely manner*
2. *Procedures to ensure prompt and accurate payment of authorized obligations and*
3. *Procedures to control cash disbursements*

SAAM 85.32.30a requires that:

At a minimum, payment processing documentation should include evidence of authorization for purchase, receipt of goods or services, and approval for payment.

Agencies are to establish procedures to ensure timely, accurate, and cost effective payment of obligations to vendors.

RCW, 43.19.1911 Competitive bids – Notice of modification or cancellation- Cancellation requirements – Lowest responsible bidder – Preferential purchase – Life cycle costing requires that:

(1)Preservation of the integrity of the competitive bid system dictates that after competitive bids have been opened, award must be made to that responsible bidder who submitted the lowest responsive bid pursuant to subsections (7) and (9) of this section, unless there is a compelling reason to reject all bids and cancel the solicitation.

RCW 39.04.350(1) Bidder responsibility criteria – Supplemental criteria states:

Before award of a public works contract, a bidder must meet the following responsibility criteria to be considered a responsible bidder and qualified to be awarded a public works project. The bidder must:

(a) At the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW;

(b) Have a current state unified business identifier number;

(c) If applicable, have industrial insurance coverage for the bidder's employees working in Washington as required in Title 51 RCW; an employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

(d) Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3)."

Instructions to Bidders verbiage included in all public works contracts specifies additional responsibility criteria as follows:

(a) The ability, capacity, and skill of the Bidder to perform the work;
(b) The character, integrity, reputation, judgment, experience, and efficiency of the Bidder;
(c) Whether the Bidder can perform the work within the time specified;

(d)The quality of performance of previous work;
(e) The previous and existing compliance by the Bidder with laws and requirements relating to the work and contract;
(f) Such other information as may have bearing on the decision to award the contract

RCW 39.80.010 Contracts for architectural and engineering services provides that:
"…governmental agencies publicly announce requirements for architectural and engineering services, and negotiate contracts for architectural and engineering services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices."

RCW, 39.04.020 Plans and specification – Estimates – Publication- Emergencies (relates to public works) requires that:
Whenever the state or any municipality shall determine that any public work is necessary to be done, it shall cause plans, specifications, or both thereof and an estimate of the cost of such work to be made and filed in the office of the director, supervisor, commissioner, trustee, board, or agency having by law the authority to require such work to be done.

If the state or such municipality shall determine that it is necessary or advisable that such work shall be executed by any means or method other than by contract or by a small works roster process, and it shall appear by such estimate that the probable cost of executing such work will exceed the sum of twenty-five thousand dollars, then the state or such municipality shall at least fifteen days before beginning work cause such estimate, together with a description of the work, to be published at least once in a legal newspaper of general circulation published in or as near as possible to that part of the county in which such work is to be done."

RCW 39.80.050 Procurement of architectural and engineering services – Contract negotiations requires:
1) The agency shall negotiate a contract with the most qualified firm for architectural and engineering services at a price which the agency determines is fair and reasonable to the agency In making its determination, the agency shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature thereof." 39.80.030 states, "Each agency shall publish in advance that agency's requirement for professional services.

Federal Acquisition Regulation (FAR) Vol.1 Subpart 46.401 states:
"*Government contract quality assurance shall be performed at such times (including any stage of manufacture or performance of services) and places (including subcontractors' plants) as may be necessary to determine that the supplies or services conform to contract requirements. Quality assurance surveillance plans should be prepared in conjunction with the preparation of the statement of work. The plans should specify – (a) All work requiring surveillance; and (b) The method of surveillance."*

"Government inspection shall be performed by or under the direction or supervision of Government personnel. Government inspection shall be documented on an inspection or receiving report form or commercial shipping document/packing list, under agency procedures."

- *The lowest available advertised lodging rate at the lodging facility exceeds 150% of the applicable maximum per diem amount for the location. Documentation supporting the lodging rates is to be attached to the travel voucher or its file location referenced. The form of documentation is defined by each agency."*

Issue 6-B
SAAM 10.10.55 and 10.10.55(a) states that:
Scheduling meetings, conferences, conventions, and training sessions

10.10.55.a When meetings or conferences are necessary, agencies must give first preference to locations at state or other public (e.g., local government) facilities.

SAAM10.10.55.b states that:
Limit the number of persons from an agency attending a particular conference, convention, meeting, or training session to the minimum necessary to benefit from the event.

SAAM 10.10.55(b) states:
Limit the number of persons from an agency attending a particular conference, convention, meeting, or training session to the minimum necessary to benefit from the event.

The location and facilities for all conferences, conventions, training sessions or meetings held or sponsored by the state are to be barrier-free and in compliance with the American's With Disabilities Act (SAAM 50.50). Agencies should consider cost to the state, the suitability of barrier-free facilities, accessibility to attendees, and other relevant factors in their selection. First priority is to be given to using state-owned or other public owned barrier-free facilities in lieu of renting or leasing other facilities.

Where a convention, conference, training session, or meeting held or sponsored by the state is conducted at a rented/leased barrier-free non-state facility, the person responsible for the choice of location and facilities is to submit justification in advance in writing to the agency head or authorized designee for approval. The justification is to include: The purpose and objective of the meeting;

The name of the organizations or persons expected to attend and an estimate of the attendance;

An estimate of the anticipated cost to the state to include travel costs of travelers; and

An explanation why state-owned or other public owned barrier-free facilities cannot be used.

SAAM10.70 This subsection addresses reimbursement for those persons appointed to serve on any state board, commission, or committee in a rule-making capacity. This encompasses individuals serving on:

10.70.30 Meal and lodging reimbursement for members serving in a rule-making capacity. *This subsection addresses reimbursement for those persons appointed to serve on any state board, commission, or committee in a rule-making capacity. This encompasses individuals serving on:*

Class Two, Three, Four, or Five board, commission, or committee established in RCW 43.03.230, 43.03.240, 43.03.250, or 43.03.265 respectively.

Others – Any part-time board, commission, council, or committee not covered by RCW 43.03.230, 43.03.240, 43.03.250, or 43.03.265, but established by either the executive, legislative, or judicial branch to participate in state government. These members have rule-making authority, perform quasi-judicial functions, have responsibility for the administration or policy direction of a state agency or program, or perform regulatory or licensing functions with respect to a specific profession, occupation, business, or industry.

Except as otherwise provided by law, members who are entitled to reimbursement are to be reimbursed for meals and lodging as follows:

10.70.30.a A Class Two, Three, Four, and Five Boards

Individuals serving on either a Class Two, Three, Four, or Five board, commission, council, or committee are to be reimbursed allowable meal and lodging expenses on the same basis, and under the same regulations, as regular state officials and employees, unless specifically provided otherwise in statute. These individuals should claim reimbursement on a Travel Expense Voucher (form A20-A).

10.70.30.b Others

Individuals serving on any part-time board, commission, council, committee, or other group of similar nature not covered by RCW's 43.03.230, 43.03.240, 43.03.250 or 43.03.265, are to be reimbursed under one of the following two options: business.

Option 1

For travel in non-high cost areas of the Continental USA, reimburse members for meal and lodging expenses at the daily, non-high cost per diem rate displayed in Subsection 10.90.20 (PDF file) for each day or portion thereof spent to conduct board, commission, council, or committee

For travel in high cost areas of the Continental USA or in all areas outside the Continental USA, reimburse members for meal and lodging expenses at the daily maximum allowable per diem rate for the location for each day or portion thereof spent to conduct official business. Per diem rates for these locations are contained in Subsection 10.90.10.

Under this option, members attending meetings and performing other official business are considered to be in travel status and the three hour rule (Subsection 10.40.50) and official station rule (Subsection 10.30.40) do not apply. An internal travel policy is required for

Option 2

Under this option, members are reimbursed allowable meal and lodging expenses on the same basis, and under the same regulations, as regular state officials and employees, unless otherwise provided in statute.

Claims for reimbursement should be submitted on a Travel Expense Voucher (form A20-A).

Use of this option for reimbursement requires prior written approval from the agency head or authorized designee.

Issue 6-C
SAAM 10.10.55 and 10.10.55(a) states that:
Scheduling meetings, conferences, conventions, and training sessions…
when meetings or conferences are necessary, agencies must give first preference to locations at state or other public (e.g., local government) facilities.

SAAM 10.10.55(b) states:
Limit the number of persons from an agency attending a particular conference, convention, meeting, or training session to the minimum necessary to benefit from the event.

The location and facilities for all conferences, conventions, training sessions or meetings held or sponsored by the state are to be barrier-free and in compliance with the American's With Disabilities Act (SAAM 50.50). Agencies should consider cost to the state, the suitability of barrier-free facilities, accessibility to attendees, and other relevant factors in their selection. First priority is to be given to using state-owned or other public owned barrier-free facilities in lieu of renting or leasing other facilities.

Where a convention, conference, training session, or meeting held or sponsored by the state is conducted at a rented/leased barrier-free non-state facility, the person responsible for the choice of location and facilities is to submit justification in advance in writing to the agency head or authorized designee for approval. The justification is to include: The purpose and objective of the meeting;

> *The name of the organizations or persons expected to attend and an estimate of the attendance;*
>
> *An estimate of the anticipated cost to the state to include travel costs of travelers; and*
>
> *An explanation why state-owned or other public owned barrier-free facilities cannot be used.*

Washington State Parks Administrative Policy 70-12 5.1 Procedure for Responding to Monthly ED & TP Course Schedules states:

5.1.1 *Employee completes a Training Request Form (P&R P-70) and forwards to supervisor.*

5.1.2 *Supervisor reviews request and approves or disapproves the training.*

5.1.2.1 *If not approved, the supervisor returns request to employee with reason for disapproval. Employee may request a review by their Assistant Director or Deputy Director.*

5.1.2.2 *If approved, the supervisor forwards the request to Employee Services through their chain of command.*

5.1.3 *The Personnel Officer reviews request and approves or disapproves the training.*

5.1.3.1 *If not approved, request form is returned to employee with reason for disapproval. Employee may request a review by the Chief, Employee Services.*

5.1.3.2 *If approved, the Personnel Officer will register the employee in the course.*

Issue 6-D

The Collective Bargaining Agreement, Article 7, section 7.2, ***Overtime-Eligibility and Compensation***, requires that:

Employees are eligible for overtime compensation under the circumstances that employees have prior approval and work more than required working hours in a workweek or a twenty-eight (28) day period depending on the employee's position.

The **Collective Bargaining Agreement, Article 7, section 7.4,** ***General Provisions***, requires that:

"The Employer will determine whether work will be performed on regular work time or overtime, the number, the skills and abilities of the employees required to perform the work, and the duration of the work. The Employer will first attempt to meet its overtime requirements on a voluntary basis with qualified employees who are currently working. In the event there are not enough employees volunteering to work, the supervisor may require employees to work overtime. When involuntary overtime is required, it will be assigned to employees on duty in inverse order of seniority, provided the employee has the skills and abilities required of the position. The inverse order will be re-established when the list has been exhausted, i.e. the employee with the greatest seniority has worked his or her required overtime." It also says" If an employee was not offered overtime for which he or she was qualified, the employee will be offered the next available overtime opportunity for which he or she is qualified. Under no circumstances will an employee be compensated for overtime that was not worked. There will be no pyramiding of overtime."

"Best Practices Monitoring Staff Attendance And Overtime Work", **Corruption Prevention Department**

http://www.icac.org.hk/filemanager/en/content_1031/15.pdf

To ensure effective control of overtime work, the following measures are recommended:

- *Supervisors should document detailed requirements and justifications for overtime work and the number of hours that will be required.*
- *Prior approval for overtime work should be obtained from the designated managerial staff;*
- *Operational requirements of overtime work should be monitored and reviewed regularly.*

Best Practice: *Employees have an expectation that they will be paid correctly for the time that they work. The agency has a responsibility to use public funds prudently and avoid overpayments and possible unexpected liabilities from underpayments.* . http://www.icac.org.hk/filemanager/en/content_1031/15.pdf

Best Practice: *The lack of a documented policy and consistent practices may cause confusion among employees. Furthermore, if the reasons for overtime are not documented, it is not possible for the agency to determine why overtime occurs or make changes to promote the prudent/efficient use of overtime by employees.*

Appendix E
Best Practices

***SELECTION* OF BEST PRACTICES IDENTIFIED DURING AUDIT FIELDWORK:**

OBJECTIVES 1A and 2A:

National Partnership for Reinventing Government "Balancing Measures: Best Practice in Performance Management" (August 1999)
http://govinfo.library.unt.edu/npr/library/papers/bkgrd/balmeasure.html

- If your performance management efforts are not connected to your business plan (which defines day-to-day operations in a government agency) and to the budget (which is where the money is), then you will be doomed to failure because your performance measurement approach will have no real meaning to the people running, or affected by, the program. Planning documents must connect to business plans, and data systems and the budget process must be integrated with all these other factors. By doing so, you can create a strategic management framework which serves to focus the entire organization on the same mission and goals.
- Establish a Results-Oriented Set of Measures That Balance Business, Customer, and Employee
- *Define what measures mean the most* to customer, stakeholder, and employee by (1) having them work together, (2) creating an easily recognized body of measures, and (3) clearly identifying measures to address their concerns.
- *Commit to initial change* by (1) using expertise wherever you find it; (2) involving everyone in the process; (3) making the system non-punitive; (4) bringing in the unions; and (5) providing clear, concise guidance as to the establishment, monitoring, and reporting of measures.
- *Maintain flexibility* by (1) recognizing that performance management is a living process, (2) limiting the number of performance measures, and (3) maintaining a balance between financial and nonfinancial measures.

- Establish Accountability at All Levels of the Organization
  - *Lead by example.*
  - Cascade accountability: share it with the employee by (1) creating a performance-based organization, (2) encouraging sponsorship of measures at all levels, and (3) involving the unions at all levels of performance management.
  - *Keep the employee informed* via intranet and/or Internet; don't rule out alternative forms of communication.
  - *Keep the customer informed* via both the Internet and traditional paper reports.
  - *Make accountability work*: reward employees for success. Supplement or replace monetary rewards with nonmonetary means, reallocate discretionary funds, and base rewards in a team approach.

- Collect, Use, and Analyze Data
    - Collect feedback data, which can be obtained from customers by providing easy access to your organization; remember too that "survey" is not a four-letter word.
    - Collect performance data by (1) investing both the time and the money to make it right, (2) making sure that your performance data mean something to those that use them, (3) recognizing that everything is not on-line or in one place, and (4) centralizing the data collection function at the highest possible level.
    - Analyze data: (1) combine feedback and performance data for a more complete picture, (2) conduct root-cause analyses, and (3) make sure everyone sees the results of analyses.
- There is no generic set of balanced measures that can be applied as best practice to all functions of the public sector. Certain conditions, however, need to exist within an organization for a balanced approach to performance management to be successful:
    - strong leadership that supports the adoption of balanced measures as a feature of organizational management and accountability;
    - the capability to communicate effectively throughout the organization and the organization's ability to communicate to decision makers; and
    - the knowledge that customers, employees, and stakeholders are fully informed and that they understand and support the initiatives of the organization.
- Virginia's performance budgeting process fully integrates strategic planning and performance measurement with agency and program budgeting—and represents a major evolution in the state's decade of efforts in this arena. By integrating these three elements into a single process, Virginia has been able to link agency mission, program priorities, anticipated results, strategies for achieving results, and budgeting. The state's performance budgeting process begins with a comprehensive strategic assessment in which each state agency analyzes its state and federal mandates; customers and customer service; agency mission and activities; organizational strengths, weaknesses, threats, and opportunities; and the critical issues it faces. Based on these analyses, each agency then develops strategies, goals, and objectives that constitute its strategic plan.

National Partnership for Reinventing Government "Balancing Measures: Best Practice in Performance Management: City of Coral Springs" (August 1999)
http://govinfo.library.unt.edu/npr/library/papers/bkgrd/balmeasure.html
http://govinfo.library.unt.edu/npr/library/papers/bkgrd/coral.htm

- As Coral Springs applied and was being reviewed for the Sterling Award, Florida's equivalent to Baldrige Award, they realized that their performance measurement was too heavily weighted towards customer "perceptions" and not enough on results. While Coral Springs continues to track feedback from citizens through a community wide survey, as well as transactional surveys of service satisfaction, they have worked over the past three years to develop a balanced set of "key intended outcomes" (or KIOs) for each of their strategic priorities. They are now reporting annually a total of 29 KIOs, as well as several important measures of success for each department.

  The strategic priorities are reviewed by the City Commission every two years, in formal Strategic Planning Workshops. In the last improvement cycle, staff expanded the input into the strategic planning process in order to best prepare the City Commission before it is asked to determine its highest priorities. Input is now collected from management as well as line employees, volunteers on advisory boards and commissions, as well as financial and demographic data and projections, customer surveys on desires and perceptions, customer input through neighborhood town meetings and, or course, performance results….The strategic priorities and KIOs drive the development of the Business Plan, and of departmental budgets. Each employee develops personal objectives that tie back to the KIOs, thus connecting them to the strategic priorities. Employee reviews include feedback from customers and supervisors. Supervisors' reviews include surveys of their employees.

National Partnership for Reinventing Government "Balancing Measures: Best Practice in Performance Management: City of Austin" (August 1999)
http://govinfo.library.unt.edu/npr/library/papers/bkgrd/balmeasure.html
http://govinfo.library.unt.edu/npr/library/papers/bkgrd/austin.htm

- They have created "alignment worksheets" which will be used for each executive level employee. These worksheets will link the employee's compensation with not only program results, but also with progress made toward the City's strategic goals and vision. In the next several years, these alignment worksheets will be available for each and every employee, allowing all employees to see how their job contributes to all levels in the organization. The new Business Planning process also allows employees to help determine new performance measures to be used.

The Urban Institute "Making Results-Based State Government Work" (April 2001), Blaine Liner, Harry P. Hatry, Elisa Vinson, Ryan Allen, Pat Dusenbury, Scott Bryan, and Ron Snell
http://www.urban.org/UploadedPDF/results-based-stategovt.pdf

- State agencies should develop annual action plans that identify the steps needed to implement the strategic plan. The action plan should identify who needs to do what over the next one or two years to achieve the outcomes sought and the resources (personnel and funds) needed.

- The legislature and the governor should encourage their agencies to use the strategic process as an opportunity to rethink their service delivery approaches and to innovate – including considering options that involve major legislative program and/or policy modifications.

- Strategic plans and the budgeting process should be linked. The outcome values and costs and costs included in an agency's budget submission should be linked to and be compatible with the values for those years in the strategic plans. The next year in the strategic plan then becomes the starting point for the next budget. Agencies should be asked to explain any deviation between the values included in their budget requests and those in their strategic plan. Capital expenditure requests from agencies should also be justified in terms of meeting the out-year goals in the agency's strategic plan. The outcome indicators included in an agency's strategic plan should be included in the agency's outcome measurement process so that progress towards the strategic outcomes can be regularly tracked.

- As part of their strategic planning process, agencies should seek input from the relevant parts of the state legislature – and from their major interested organizations – whether or not state legislation requires it.

Harvard Business School "Mapping Your Board's Effectiveness" (August 2004), Robert S. Kaplan
http://hbswk.hbs.edu/item/4341.html

- Extending the Balanced Scorecard and strategy map framework to board members will enable them to perform more effectively and efficiently.

- With only limited time available to review the information before the meetings and to perform their monitoring and governance functions, board members must receive the information that is most relevant to their governance responsibilities and that will enable them to more effectively participate in board meeting discussions. They should receive strategic, forward-looking information, rather than information that just summarizes the past, such as quarterly and annual financial statements.

- Take the experience of First Commonwealth Financial, which operates in central and southwestern Pennsylvania. The map it developed for its new strategy called for the company to become more client-focused by offering its customers a tailored mix of financial solutions. While it was cascading the scorecard down to its operating units, the company also started to train its board in the Balanced Scorecard so that the strategy map and associated Balanced Scorecard of measures, targets, and initiatives could serve as the primary document for board reporting and deliberations. This enabled the board to approve the new strategy and remain continually engaged in the discussion of issues and actions required to support it. Next, First Commonwealth helped the board develop its own scorecard (First Commonwealth Financials board strategy map). A board scorecard articulates clear objectives for the company's shareholders and stakeholders; identifies the critical processes the board and its committees must perform to meet these external objectives; and highlights the board's composition and skills, the information packages, and the meeting dynamics that enable the board to perform its critical processes effectively and efficiently. The board scorecard allows a company and its board to monitor themselves against predetermined objectives and targeted measures. Among the questions asked to measure board effectiveness: Are the meetings engaging and interactive? Rather than being passive and merely reactive, are board members actively getting involved in the discussions, challenging managers when necessary, and raising questions? Do board members have access to strategic information?

National Park Service, U.S. Department of the Interior "Valley Forge National Historical Parks" (October 1, 2005 – September 30, 2008)
http://www.nps.gov/vafo/parkmgmt/upload/Valley%20Forge%20National%20Historical%20Park%20Strategic%20Plan%202005-2008.pdf

- Strategic Plan of no less than five years duration, reviewed and revised every three years, and containing:
    - Mission statement based in law, executive order, etc.;
    - Long-term goals, which are objective, quantified, and measurable, to accomplish mission;
    - How goals will be accomplished, is the plan data and narrative showing "...operational processes, skills and technology, and the human, capital, information and other resources required to meet those goals..."
    - Relationship of annual goals to long term goals, a description of how long term goals are carried out in annual goal increments;
    - Key external factors which could positively or negatively affect goal accomplishment;
    - GPRA also requires consultation with affected and interested parties in the development of the Strategic Plan, and it requires that the plan be developed by federal employees (versus contractors, etc.)."

- Annual Performance Plan tiered off the Strategic Plan each year, showing how long term goals will be accomplished in annual increments, and containing:
    - Annual goals to incrementally achieve long-term goals in Strategic Plan;
    - Annual work plan explaining how annual goals will be accomplished - "briefly describe the operational processes, skills and technology, and the human, capital, information and other resources required to meet the performance goals...." and
    - Basis for measuring results - "...provide a basis for comparing actual program results with the established performance goals...."
- Annual Performance Report reviewing each year's successes and failures and identifying areas where activities or goals need to be revised in the future, addressing:
    - What annual goals were met or exceeded;
    - What annual goals were not met;
    - Why annual goals were not met; and
    - What remedial action will be taken for goals not met

City of Coral Springs, Florida "City of Coral Spring 2007 Baldrige Application" (May 24, 2007)
http://www.coralsprings.org/baldrige/BaldrigeApplication07.pdf

- For each priority, a set of Directional Statements are developed, which define broad objectives that help focus activities on desired outcomes. Then two to 10 Key Intended Outcomes (KIOs) are set for each priority to determine if a priority has been successfully addressed. KIOs are measurable outcomes at the strategic level. City Staff then respond to the Strategic Plan (longer-term planning) with a Business Plan (short-term planning) for implementing the policy direction through specific programs and initiatives, an exercise that has been in continuous use since 1994. With the strategic priorities and indicators set, the operations of the City are reviewed and redirected to bring the strategic vision to life. Specific actions, programs, capital purchases, staffing requirements and funding levels are developed in response to the needs identified in the Strategic Plan. Through this process, policy formation and deployment cascades throughout the organization:
    - Strategic Priority—The Commission identifies the vital issues;
    - Directional Statement—The Commission sets broad goals;
    - Key Intended Outcomes—The Commission identifies desired results;
    - Initiatives—Staff allocates activities, resources, personnel, financial investment, and time planned for the year to achieve each Key Intended Outcome; and
    - Performance Measures—Staff sets specific and measurable data points indicating the effectiveness of processes designed to support the Key Intended Outcomes.

The Business Plan document is a direct outgrowth of the strategic priorities, capturing the City's vision in a quantifiable form, improving decision-making and resource allocation.

A benefit of using a Business Plan is the direct link between strategic priorities and costs and activities. This model is used to monitor performance through variance analysis of goal to actual; linking budget line items to measurable activities; and identifying value-added and non-value-added activities.

National Performance Review "Serving the American Public: Best Practices in Performance Measurement" (June 1997)
http://govinfo.library.unt.edu/npr/library/papers/benchmrk/nprbook.pdf

"Performance measurement systems succeed when the organization's strategic and business performance measures are related to - that is, are in alignment with – overall organizational goals. Top leaders convey the organization's vision, mission, and strategic direction to employees and external customers clearly, concisely, and repeatedly. Moreover, organization objectives are shared with employees in several different formats, both visual and verbal. For example, one partner published and distributed a booklet to share each employee what matters at the corporate level, what affects the division level, and how everything aligns within the operation."

OBJECTIVE 4

United States Government Accountability Office
Organizational Transformation: Implementing Chief Operating Officer/Chief Management Officer Positions in Federal Agencies

- Elevate attention on management issues and transformational change: Top leadership attention is essential to overcome organizations' natural resistance to change, marshal the resources needed to implement change, and build and maintain the organization-wide commitment to new ways of doing business

- Integrate various key management and transformation efforts: There needs to be a single point within agencies with the perspective and responsibility – as well as authority – to ensure the successful implementation of functional management and, if appropriate, transformational change efforts.

- Promote individual accountability and performance through specific job qualifications and effective performance management. To further clarify expectations and reinforce accountability, a clearly defined performance agreement with measurable organizational and individual goals would be warranted as well. Such agreements should contain clear expectations as well as appropriate incentives and rewards for outstanding performance and consequences for those who do not perform.

Appendix G

Harvard Business School "Mapping Your Board's Effectiveness" (August 2004), Robert S. Kaplan
http://hbswk.hbs.edu/item/4341.html

- Extending the Balanced Scorecard and strategy map framework to board members will enable them to perform more effectively and efficiently.
- With only limited time available to review the information before the meetings and to perform their monitoring and governance functions, board members must receive the information that is most relevant to their governance responsibilities and that will enable them to more effectively participate in board meeting discussions. They should receive strategic, forward-looking information, rather than information that just summarizes the past, such as quarterly and annual financial statements.
- Take the experience of First Commonwealth Financial, which operates in central and southwestern Pennsylvania. The map it developed for its new strategy called for the company to become more client-focused by offering its customers a tailored mix of financial solutions. While it was cascading the scorecard down to its operating units, the company also started to train its board in the Balanced Scorecard so that the strategy map and associated Balanced Scorecard of measures, targets, and initiatives could serve as the primary document for board reporting and deliberations. This enabled the board to approve the new strategy and remain continually engaged in the discussion of issues and actions required to support it. Next, First Commonwealth helped the board develop its own scorecard (First Commonwealth Financials board strategy map). A board scorecard articulates clear objectives for the company's shareholders and stakeholders; identifies the critical processes the board and its committees must perform to meet these external objectives; and highlights the board's composition and skills, the information packages, and the meeting dynamics that enable the board to perform its critical processes effectively and efficiently. The board scorecard allows a company and its board to monitor themselves against predetermined objectives and targeted measures. Among the questions asked to measure board effectiveness: Are the meetings engaging and interactive? Rather than being passive and merely reactive, are board members actively getting involved in the discussions, challenging managers when necessary, and raising questions? Do board members have access to strategic information?

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MITSloan Management Review "How Should Board Directors Evaluate Themselves?" (Fall 2005), Laurence J. Stybel and Maryanne Peabody

http://www.boardoptions.com/mitboardselfevaluation.pdf

- The authors studied eight boards that have engaged in self-evaluations to investigate the different self-evaluation practices being used. The authors found the companies used various methods for collecting data and preserving confidentiality of the resulting information. They identified four distinct approaches to self-evaluation: informal, legalistic, trusting, and systematic.
- The authors state that self-evaluation practice should be "designed and structures so the board can investigate the following: How are we as a board contributing to the overall effectiveness of the organization?"
- The board self-evaluation is a governance tool that has both advantages and disadvantages.
- To attain the ultimate goal, which is continuous improvement, the board self-evaluation should be an ongoing systematic process. The organization will be the ultimate beneficiary of a well-designed and implemented board self-evaluation.

King Commission report on Corporate Governance (Appendix IV) "Board Self-Evaluation" Reproduced and adapted from the Report of the NACD Blue Ribbon Commission on Director Professionalism (2001 Edition)
http://governance.tpk.govt.nz

- It is axiomatic that to assess the board's performance in carrying out its responsibilities, the board must have a firm understanding of its responsibilities. Therefore, the assessment process begins with a review of the board's areas of responsibilities. In addition to the board considering its own view of its governance role, it might also be useful to consider the management's expectations of the board. In this regard, the chief executive officer could be invited to present the board with a statement of his or her own expectations of the board, for directors to consider as they define their responsibilities.

  Once the board has reviewed, articulated, and prioritized its tasks and thereby identified the information it requires from management, it can then benchmark its own success against its expectations and identify substantive areas for improvement.

  Rank answers from:
  1 = Needs significant improvement; 2 = Needs improvement;
  3 = Consistently good; 4 = Outstanding, one of the best in this area.

  The following areas are identified for rating:
  1. Board Role and Agenda Setting (Monitoring Performance and Strategic Planning)
  2. Size, Composition and Independence of Board
  3. Director Orientation and Development
  4. Board Leadership, Teamwork and Management Relations
  5. Board and Committee Meetings
  6. Director and Board Evaluation, Compensation and Ownership

Whatcom Council of Nonprofits "Best Practices for Nonprofits" (March, 2002)
http://www.wcnwebsite.org/practices/index.htm

- This section on best practices is derived from a highly-successful training program called MATRIX that was conducted in 1999 and 2000 for 15 youth-serving agencies in Whatcom County. Funding was provided by the Stuart Foundation and administered through Whatcom Community Foundation.

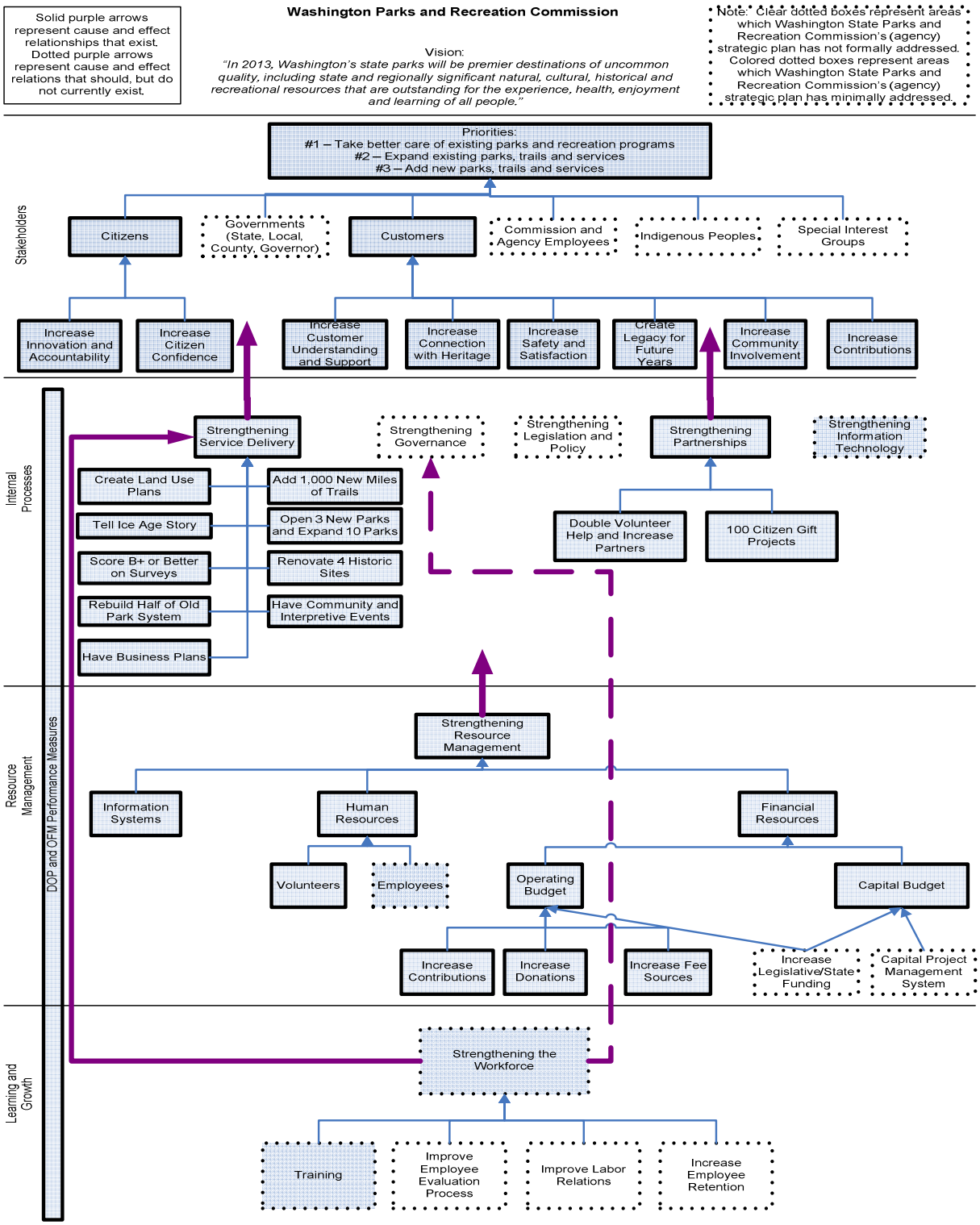
In an effort to extend the reach and effectiveness of the MATRIX program, the Whatcom Council of Nonprofits has adopted the MATRIX best practices as the foundation of our technical assistance program planning. The first seven best practices were developed and are copyrighted by Community Impact Consulting as part of the Matrix project, implemented now in over 10 sites, and permission has been given for local nonprofit use only. Any replication or use for profit is prohibited. WCN encourages Whatcom County nonprofits to use this document as a tool in strategic planning and evaluation of their organizations.

These best practices identify nine areas in which an organization's competence is critical for success. Below, each competence is linked to suggestions for getting your organization to the "best practice" level. There is inevitably overlap between some of these competency areas as no single area is unique or isolated from others. In order to achieve competence in one area, other competencies are often required as well.

- The article lists nine areas of governance:
    - Board of Directors/Governance
    - Human Resources Management
    - Financial Management
    - Strategic Planning
    - Collaborative /Partnerships
    - Outcomes and Quality Improvement
    - IT Management
    - Fundraising
    - Marketing

Each area is defined, best practices are listed and suggestions for achieving best practices are given.

Appendix F
Strategy Map



Appendix G
Governance Best Practices Matrix

System Component	Activities that Promote Effective and Efficient Governance	Indicators
Commission (Board)	The roles of the Board and the Executive Director are defined and respected, with the Executive Director delegated as the manager of the organization's operations and the Board focused on policy and planning.	1. Board and Executive Director (Director) annually review mission and purpose. 2. Board sets and monitors policies and emerging issues. 3. Board with Director regularly review reports on programs and services to ensure they are tied to specific outcome.
	The Executive Director is recruited, selected, and employed by the Board of Directors. The Board provides clearly written expectations and qualifications for the position.	1. Board has a written job description with knowledge, skills, and abilities identified.
	Board members receive regular training and information about their responsibilities.	1. Board members receive orientation regarding the mission, responsibilities, by-laws, policies, programs, and legal requirements. 2. Board members receive continuing training opportunities and education.
	Board has process to ensure that the Agency complies with laws and regulations.	1. Board has legal expertise available. 2. The Board has an operations manual. 3. The Board has adopted by-laws.
	Board policy and process ensures that the Agency has sound risk management practices.	1. Director provides Board with information regarding Agency's risk management practices.
	Board exercises effective fiscal oversight.	1. Board has members with financial skills to evaluate reports. 2. Director provides accurate, clear and timely financial reports. 3. Board reviews reports.

System Component	Activities that Promote Effective and Efficient Governance	Indicators
	Board effectively represents the Commission to state and local government and to communities at large.	1. Director ensures that there are mechanisms for involving the members in outreach and participating in activities relevant to the Commission.
	Board ensures that the public is informed about mission, activities, Board membership, and financial data.	1. Meetings dates and locations are provided timely to the public. 2. Board has a process for handling urgent matters between meetings. 3. Director and staff communicate the information in writing and on Commission's Web site.
	Board holds the Director accountable for performance	1. Board sets annual goals for Director and annually reviews and evaluates performance of the Director.
	Board has a succession plan for replacing the Director.	1. Board has written process that identifies steps for succession and hiring a new Director.
	Board maintains a good relationship with the Agency's management and staff.	1. Board and staff communicate about Agency and program issues.
	Board has a strategy for ensuring its mission is achieved.	1. Board has clearly articulated its strategy and each member understands how the Board will achieve its mission.
	Board evaluates its performance annually.	1. Board has a tool to formally assess its own performance.
	The Agency has an internal auditor that reports to the Board.	1. The internal auditor prepares an annual risk assessment and work plan that is approved by the Board. 2. The auditor provides reports of findings to the Board.

System Component	Activities That Promote Effective and Efficient Governance	Indicators
Human Resource Management	The agency treats employees and volunteers fairly and equitably.	1. Agency has written personnel policies/handbook that is current and is in compliance with laws and Union Agreement. 2. A copy is provided to Board members, Director and all staff. Staff acknowledge in writing that they have read and have access to the policies/handbook. 3. Agency has a performance evaluation process that links to the Commission's outcomes and supports the employee's development. 4. Supervisors conduct performance reviews in a way that ensures employee understanding, gains acceptance, and promotes a desire to improve and develop.
	The Agency's recruiting and hiring process brings to the Agency people who have needed skills and are compatible with the Commission's environment.	1. Job descriptions are current, accurate and clearly written; tied to program outcomes. 2. The recruitment process attracts applicants with the type and level of experience needed to perform the work. 3. The Agency follows non-discriminatory and diversity hiring practices.
	Agency makes the most effective, efficient and productive use of human resources through appropriate organizational structure and job assignments.	1. Director and management staff conduct analysis of staffing and assignments to ensure assignments are appropriate to the Agency and program priorities, and assignments are appropriate for the employee's level of expertise, availability, and work style.
	Employees understand and promote the Commission's mission and contribute to its outcomes.	1. Director and Board communicate the Agency's mission in a way to motivate employees and which links work objectives and the mission.
	Employees and volunteers receive the information, training and feedback that they need for optimal performance.	1. Employees and volunteers receive an orientation to the agency's mission, outcomes and strategic plan. 2. The Agency has a clearly defined purpose of the role of volunteers within the Agency. 3. Employees and volunteers training needs are identified, as well as ways to best provide the training. 4. Supervisors understand the supervisory role and have the necessary skills and tools to manage other employees. 5. Employees and volunteers receive appropriate, individualized coaching from supervisors regarding their job duties.

System Component	Activities That Promote Effective and Efficient Governance	Indicators
	The Agency has a conflict resolution policy and system to resolve conflicts among employees, management, the Board, and the Union.	1. The Director and Board have developed and analyzed and revised procedures for handling grievances and conflicts. 2. Supervisors receive the necessary training to recognize developing conflicts and the type of appropriate intervention. 3. Employees and Board members use communication skills to solve conflicts. 4. Supervisors apply steps of conflict resolution policy when necessary.
	The Agency has an effective communication system.	1. The Director and management have analyzed and incorporated improvements in the current communication system for conveying to employees and volunteers information about changes in policies, procedures, requirements and job duties. 2. The Agency has a process for reviewing and responding to ideas, suggestions, comments and perceptions of employees, volunteers and the public.
	The Agency has policies & procedures for monitoring and managing employee satisfaction and turn-over, including tracking and assessing causes.	1. The Agency tracks its turnover and measures it against other agencies. 2. Exit interviews are conducted and assess trends in reasons for leaving. 3. There is a high level of employee satisfaction as measured by an annual employee survey.

System Component	Activities That Promote Effective and Efficient Governance	Indicators
Financial Management (Resource Management)	The Agency follows accounting practices which conform to accepted standards.	1. The Agency has a written fiscal policy and procedures manual and follows it. 2. Agency has qualified, competent fiscal managers.
	The Agency develops an annual comprehensive budget.	1. The budget includes operations and capital costs for all programs and services. 2. The budget is developed with input from program management.
	The Agency tracks revenue and expenditures to ensure compliance with laws, rules and regulations.	1. The Agency has systems in place to prepare timely, accurate financial statements that comply with laws, rules and regulations. 2. Agency monitors unit costs of programs and services through documentation of staff time, direct expenses, and process of allocation of management time.
	The Agency plans for and expends financial resources in an economical way.	1. The Agency periodically forecasts year-end revenue and expenses to assist in making sound management decisions during the year.
	Annual budget is tied to outcomes, is in alignment with available resources, includes staff input, and supports operations and evaluation.	1. Director and responsible financial management staff understand the State budgeting process. 2. Responsible financial management staff incorporate effective management techniques into day-to-day operations, analyzing determinants of costs and allocations, getting staff input into the budgeting process, and tying outcomes to specific budget categories. 3. Financial management systems include tracking key operation costs, reviewing and revising the chart of accounts, and effectively managing payroll. 4. The Director and responsible financial management staff monitor internal reporting information, including structuring appropriate financial reports. 5. Staff have a clear understanding of the linkages between the budget and their program areas. 6. Agency uses a method for budget planning and monitoring at the program level.
	The Agency prepares financial statements on a budget versus actual and/or comparative basis.	1. The agency prepares a budget decision package according to Financial Managment instructions.

System Component	Activities That Promote Effective and Efficient Governance	Indicators
	Agency has an adequate system of internal controls.	1. System of internal controls is reviewed annually. 2. Agency has written policies and procedures which govern all financial activities. 3. Internal financial processes are monitored to prevent errors and/or misuse of funds. 4. The Director and responsible financial staff understand and establish appropriate checks and balances into the daily financial management systems. 5. The use of restricted funds are monitored to avoid co-mingling of funds, and appropriate financial records are maintained documenting the use of restricted funds and monitoring at the program level.
	All managers are provided periodic reports on planned and actual expenditures to-date for each significant category of costs in their area of responsibility.	1. Budget to actual reports are made available to appropriate staff in a timely manner. 2. Director, financial management staff, and program managers understand the value of making monthly or quarterly adjustments to budget and overall financial plan.
	Agency adheres to approved budget.	1. Financial management staff prepare financial variance information for review by the Director and Board. 2. Program managers are provided financial information and guidance to make management decisions and use financial information to make decisions at the program level. 3. Executive management uses financial reports to make critical management decisions pertaining to the agency's efficiency, adequacy of financial resources, need to implement budget revisions, and financial trends.

System Component	Activities That Promote Effective and Efficient Governance	Indicators
Strategic Planning	Strategic plan is guided by Commission's mission.	1. Board and Director review mission statement on annual basis.
	Strategic plan is based on sound planning principles.	1. Director and Board identify and develop the basic steps and process involved in designing an effective strategic plan, including: reviewing and articulating the mission; assessing the agency and its environment; developing strategies, goals and objectives; and designing operation, program, financial, and communication plans.
	Planning includes information regarding customer and community needs and agency capacity.	1. Strategy planning team analyzes opportunities and strengths in terms of agency's capacity. 2. Planning team assesses and prioritizes opportunities in terms of community needs.
	Plan takes into account agency strengths, weaknesses, opportunities, and challenges.	1. Strategic planning leadership team works to conduct an analysis of strengths, weaknesses, opportunities, and challenges that involve internal and external stakeholders and cost-benefit analysis of tangible and intangible costs and benefits. 2. The Plan is developed to include strengths, weaknesses, opportunities and challenges on a continuous basis and incorporates those observations into the strategic plan.
	All stakeholders are included in the planning process.	1. Planning team identifies all stakeholder groups. 2. Information is solicited from stakeholders to identify their expectations and needs.
	Agency activities are tied to the strategic plan.	1. Results of analysis and assessment processes are used to develop action plans for each strategic area. 2. Objectives are developed for each action plan. 3. Implementation schedule is developed based on objectives.
	Strategic plan includes improvements for services.	1. Based on evaluation of work that has already been done, performance data, and best practices, strategies for improvements are developed in the plan.
	Plan includes expected shorter-term and longer-term outcomes.	1. Expected outcomes are linked to the activities or strategies that the agency will use to achieve these outcomes.
	Plan is updated annually.	1. Plan is reviewed on an annual basis. 2. Plan is continually monitored and adjustments are made as necessary.

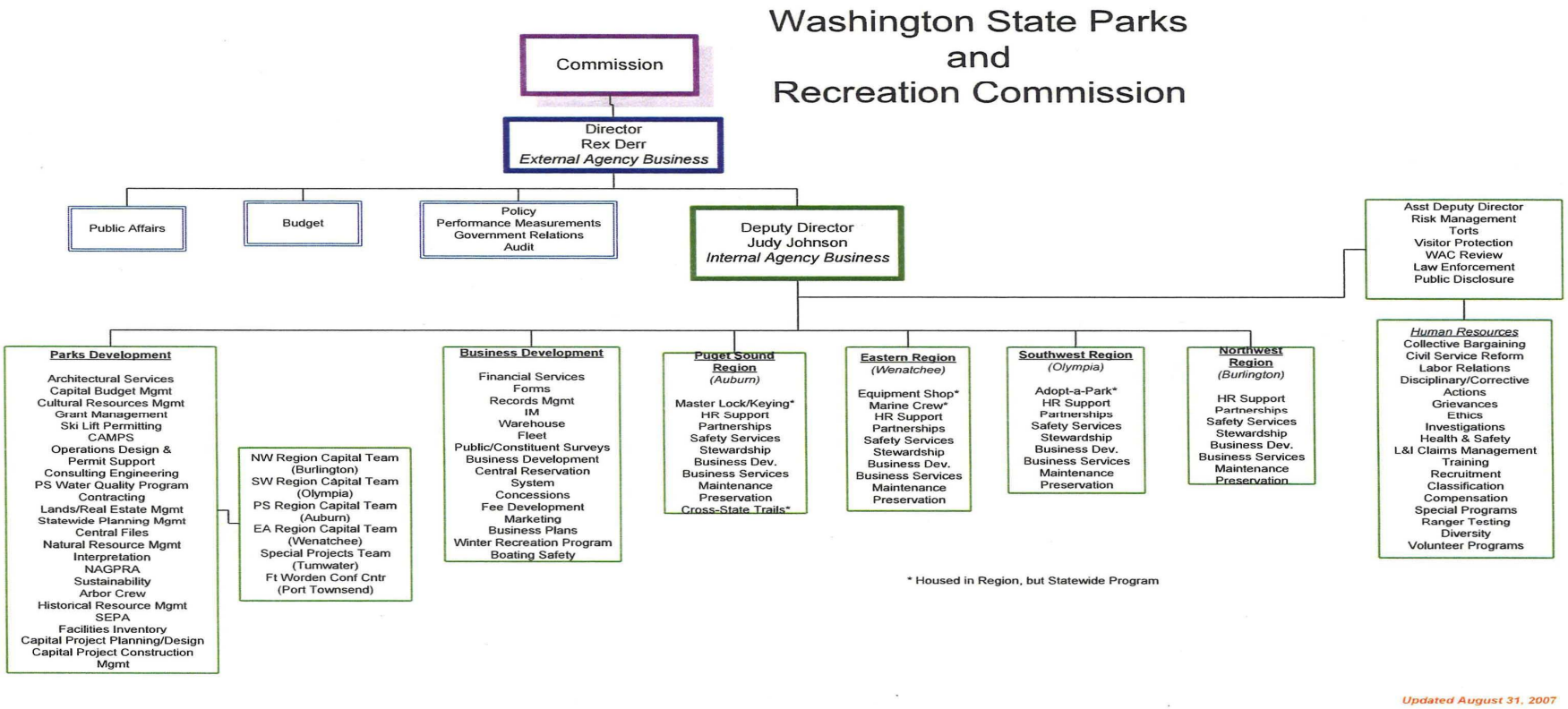
System Component	Activities That Promote Effective and Efficient Governance	Indicators
Outcomes and Quality Improvement	Agency outcomes are linked to stakeholders' expectations, needs and interests.	1. Based on information gathered when developing the strategic plan, the Director and management staff develop quantifiable outcomes.
	Agency's most important outcomes and related activities are defined, including who delivers what, to whom, and by when.	1. Director and Board identify key outcomes to be measured and convey the importance of the outcomes and relevance of activities to outcomes. 2. Director and executive management communicate clear expectations to staff regarding the outcomes for which they will be held accountable.
	The agency has an ongoing system of process evaluation for measuring whether activities are implemented as planned.	1. There is a system for staff to record activities and collect data both quantitative and qualitative. 2. Regular and frequent reports on agency activities, appropriate to audience and purpose, are distributed within the organization and public.
	There is an ongoing outcome evaluation system in place that is implemented on a regular, timely, and accurate basis.	1. Outcomes have clear and convincing measures for which all staff participate in collecting the needed measures information. 2. Management has implemented and maintains a simple system for measuring outcomes and has instructed staff in its use.
	Evaluation data for outcomes and measures are readily retrievable.	1. Agency has computer hardware and software to make accurate data collection possible. 2. Staff are trained to regularly analyze data or to out-source this analysis if staff do not have the necessary skills or time.
	Evaluation data is effectively communicated to Board, staff and stakeholders.	1. Director and management implement a system to regularly report evaluation data and findings in clear, understandable and relevant evaluation reports. 2. Outcome data and information are presented using relevant comparison data. 3. The Agency obtains feedback from stakeholders through a process of reviewing the outcome findings.
	There is a system in place for monitoring the quality of agency services.	1. The Agency regularly reviews performance progress of services to identify needs for improvement and to recognize success. 2. Director and management staff understand and apply quality improvement principles.

System Component	Activities That Promote Effective and Efficient Governance	Indicators
	Employees are involved in identifying and analyzing and solving problems directly related to their work.	1. There is a system for employees to identify needs for improvement in work processes. 2. Management staff uses problem-solving techniques 3. Management staff document decisions made and tasks assigned concisely and accurately.
Information Technology	There is a general understanding of the role and utility of technology in service delivery, information sharing, professional communication, and data management.	1. Director, executive management, and all staff using technology should understand the basic hardware and software available to them in their work. 2. All staff have at minimum a basic understanding of when to use IT. 3. Board and agency employees support the use of IT. 4. Board and all employees understand the security issues that surround storing confidential information. 5. The Director and management staff develop a set of IT guidelines that cover issues related to ethics and security.
	IT serves the mission and supports the functions of the agency.	1. IT planning is included in all other types of planning throughout the agency. 2. Executive management reviews agency's financial, strategic and program plans and identifies current and additional potential ways in which IT can be used to implement these plans. 3. An IT plan is established that outlines what the organization does and how technology supports those functions.
	The Agency uses efficient and cost-effective methods of integrating technology into agency operations.	1. The Agency identifies and considers all potential costs of technology, including consultants, staffing, development and training, hardware and software, documentation and maintenance. 2. Current technology is inventoried and assessed for its usefulness. 3. Indirect costs are considered when making IT decisions, including: staff time, learning curve, space needs, staff's skills, flexibility.
	Technology solves real problems and adds value to the agency.	1. Management staff identifies ways that IT can integrate functions and minimize costs. 2. Management staff evaluates links among tasks that lend themselves to being computerized.

System Component	Activities That Promote Effective and Efficient Governance	Indicators
	Alternatives to developing in-house IT solutions are considered.	1. Management staff research possible outsourcing for those functions that involve expensive, custom-designed, or complicated information technology. 2. Management staff research possible collaborations with similar agencies that are looking for technology solutions to common problems.

Note: This matrix was developed by the auditors and is based on research of governance best practices and the auditor's experience and knowledge of the Commission's mission and organization. See Appendix E for resources.

Appendix H
Organization Chart



Appendix I
Information Technology Systems Inventory

System Name	Information Collected and Reported	Date of System Creation	Date of Last Update	System Interfaces
Human Resource Management System	Processes payroll and personnel transactions	State Application	State Application	*No Parks Interface*
Human Resource Management System	Processes payroll and personnel transactions	State Application	State Application	*No Parks Interface*
Capital Asset Management System	Tracks the agency's inventory assets	State Application	State Application	*No Parks Interface*
Fixed Assets System	Keep track of acquisition and disposal of small and attractive assets ($<5000)	10/1/1998	11/19/2007	CAMS for import only
Agency Financial Reporting System	Allows vendors to be paid for goods/services provided. Provides monthly accounting status reports, and alerts when the agency begins to accrue non-payment penalties on outstanding balances.	State Application	State Application	*No Parks Interface*
Allotment Preparation System	Allows agency to allot appropriated funds by program/funding source.	State Application	State Application	*No Parks Interface*
Budget Development System	A web based application that allows entry of Budget Requests (aka Decision Packages) for review/approval by OFM.	State Application	State Application	Is gotten to through BASS, a web based program under which numerous OFM programs are housed.
Salary Projection System	Assists agencies in estimating salary and benefit needs for future periods.	State Application	State Application	Is gotten to through BASS, a web based program under which numerous OFM programs are housed.
System Network Automated Purchasing	This system is utilized to make purchases from Central Stores.	State Application	State Application	*No Parks Interface*

System Name	Information Collected and Reported	Date of System Creation	Date of Last Update	System Interfaces
Timesheet Input Process	Is primarily used to determine which employee's timesheets were entered into HRMS and which were not.	3/29/2006	8/22/2007	*No Interface*
Park Attendance Reporting and Accounting System	This system collects information on day-use and overnight attendance in state parks. This data is utilized in several revenue forecasting processes.	1/1/2004	1/1/2007	The regions enter attendance information into databases on their servers. IT at headquarters dumps the data from each region's database into a master database, and creates a hardcopy report which is archived.
Commercial Use Permit System	Stores background information on all commercial use permits. Such permits allow an organization to conduct business in our parks. Typical information stored: date purchased parks where activities will occur, type of activities to occur, group size, contact info, etc…	11/18/1998	8/23/2007	*No Interface*
Disability Pass Program	Application allows managing and monitoring of the Disability Pass program.	1/19/1999	8/22/2007	*No Interface*
Boat Moorage Permit Program	Application allows managing and monitoring of the Boat Moorage Permit program.	11/18/1998	8/23/2007	*No Interface*
Off-Season Pass Program	Application allows managing and monitoring of the Off-Season Pass program.	11/20/1998	8/23/2007	*No Interface*
Senior/Limited Income Pass Program	Application allows managing and monitoring of the Senior/Limited Income Pass program.	6/22/1999	8/22/2007	*No Interface*
Natural Investment Permit Program	Application allows managing and monitoring of the Natural Investment Permit program.	1/13/2003	8/22/2007	*No Interface*

System Name	Information Collected and Reported	Date of System Creation	Date of Last Update	System Interfaces
Veteran's Pass Program	Application allows managing and monitoring of the Veterans Pass program.	4/21/2000	8/22/2007	*No Interface*
NSF Check Tracking System	This system monitors agency activity when dealing with NSF checks. The system generates various pieces of correspondence at different times in the payment recovery process.	3/17/2000	8/24/2007	*No Interface*
Tickler Tracking System	Tracks all correspondence routed through the Director's office. Some of the information collected is received date, target respond date, who assigned to, etc.	6/21/1999	8/21/2007	*No Interface*
Volunteer Tracking System	The system maintains work history on all volunteers. It stores information on what type of work was performed, when, where, and how many hours.	11/29/2000	1/9/2008	*No Interface*
E-Commerce Permit Applications	On-line hosted agency permit purchasing system. Hosted at D.I.S. on their e-commerce server.	8/10/2000	8/22/2007	*No Interface*
Accessible Outdoor Recreation	Web-enabled system used by various groups to input information in the web pages associated with accessible recreation opportunities in Washington State.	1/1/2001	8/7/2006	Accessible via Fortress 2 to staff of various government agencies using application specific logon and password supplied by WSP&RC.
WSP&RC Intranet	Intranet produced using Microsoft ASP.NET 2.0 software.	2/3/2004	ongoing	Accessible via Fortress 2 to park staff using their network logon credentials.
WSP&RC Internet	Parks Internet including updatable interface for user input.	7/1/1995	ongoing/ daily	*No Interface*

System Name	Information Collected and Reported	Date of System Creation	Date of Last Update	System Interfaces
Building Condition Assessment System	Stores detailed information on all buildings and culverts within parks.	8/10/2000	8/23/2007	*No Interface*
Fort Worden Reservation/Registration System	This system is used to make reservation for overnight camping at the conference center. The system is also used to register the visitor when they arrive. The system handles walk-in overnight campers and all attendance and accounting reporting activities.	7/1/1998	2/1/2007	*No Interface*
CAMIS Reservation/ Registration System	It is a turnkey system managed entirely by CAMIS. The system is used to make reservations for overnight camping in state parks. It is also used to register visitors when they arrive. It handles walk-in overnight campers and all attendance and accounting reporting.	10/1/2001	ongoing	*No Interface*
Equipment and Product Shop System	The system maintains records on work orders, parts inventory, and performs invoice processing for the equipment/product shop in Issaquah. The system also generates operation management reports.	Vendor Application	Vendor Application	*No Interface*

System Name	Information Collected and Reported	Date of System Creation	Date of Last Update	System Interfaces
Boater Education Database System	Processes applications for Boater Education Cards.	5/11/2006	8/22/2007	Data input is primarily through text-based transmission files created by multiple vendors. These are auto-downloaded from their FTP sites. Transmission files are archived. The system generates a print batch file, which is auto-uploaded to a print vendors FTP site. Print Batch files are archived.
Pump Out Information System	Stores information about BSDF sites and Marinas, all of which information can be obtained from http://www.parks.wa.gov/boating.asp. Additionally, the stored BSDF information provides content for the annually produced Boating Handbook.	8/27/2003	1/22/2008	*No Interface*
Law Enforcement Tracking System	This system tracks citations, incidents, and uses of force.	7/30/1999	8/20/2007	*No Interface*
Past Perfect Interpretive Artifacts Inventory	The purpose of this system is to maintain a statewide inventory of all interpretive center artifacts. For each item, information is stored on age, value, condition, donor, etc.	Vendor Application	Vendor Application	*No Interface*
Customer Comment Card System	The database holds customer comments submitted to us on comment cards. The front end creates numerous reports, most notably, GPA reports and written comment reports.	1/6/2003	1/7/2004	*No Interface*

System Name	Information Collected and Reported	Date of System Creation	Date of Last Update	System Interfaces
Park Internet Input System	The database provides content for WSPRC's park website: http://www.parks.wa.gov/parks/	11/23/1998	8/21/2007	*No Interface*
Events Database	Stores information regarding upcoming events within our parks. The information is made available to the public at http://www.parks.wa.gov/events/	5/10/2006	1/16/2008	*No Interface*
Environmental Learning Center System	Tracks groups that rent ELC's and vacation homes. For each group, tracks the facility that is rented. In addition, tracks a group's priority date.	11/23/1998	8/21/2007	*No Interface*
WCC Project Tracking System	Keeps track of WCC Projects and the individuals taking part in the WCC Program.	Vendor Application	Vendor Application	*No Interface*
Sno-Park Permits System	The database stores info that is published to the web, such as sno-park information, trail grooming reports, and the names and addresses of sno-park permit vendors. In addition, the database stores the sales history of sno-park permit vendors.	10/19/2000	11/13/2007	*No Interface*
Land Inventory System	Maintains information on all parcels of land under the management of the agency.	4/10/2000	8/21/2007	*No Interface*
Lands Contract Management Receivables System	Tracks leases that involve land owned by WSPRC. The system tracks payments due and received. It creates invoices. It tracks lease renewal dates.	12/15/1999	9/28/2007	*No Interface*

System Name	Information Collected and Reported	Date of System Creation	Date of Last Update	System Interfaces
Boating Site Enhancement	Update the Boating website to include more life saving information, access to boating facilities, maps, pump-out information, and boating education information.	1/7/2003	1/22/2008	*No Interface*

Appendix J
HRMS Impact

The following table represents the understanding and experience of Human Resource and Payroll staffs as communicated to the auditors.

	Issues	HRMS	PayOne	Cause		
				System	Procedures	Training
HR	Inaccurate pay action dates in the system.	Some employees' COLA (Cost of Living Adjustment) action dates don't show in HRMS.	N/A	X		X
	Manual tracking of employee's end of probation date.	HR staff manually track new employees' end of probation date by setting up reminders using Outlook and update HRMS.	N/A	X	X	X
	Manual re-keying next increment date for PID (Periodic Increment Date).	The system updates the next increase field blank on PID. Therefore, the employee won't receive the next increment adjustment on the next PID unless HR staff manually track and re-key the next increment date into the system.	N/A	X		
	Manual updating basic pay for certain employees that don't fit with HRMS pay type.	HRMS doesn't have the pay type that receives 2.5% increments every 6 months (Apprentice-C&M Specialist). HR staff also uses their Outlook for manual tracking and updating the employees' basic pay every 6 months. This issue affects about 7 positions at Parks.	Same issue.	X		
	Employee benefits.	PayOne is still used for enrollment of employee benefits. The information is batched to HRMS from PayOne for enrollments, but payroll staff manually overwrite HRMS after PayOne entries for termination.	Only PayOne was used.	X		
	HR uses two additional databases.	One is used for tracking employees' HR related date because of the agency's lack of trust with HRMS. The other (PDP) is used for tracking employees' training and Commission-related anniversary dates.	Same issue.	X	X	

	Issues	HRMS	PayOne	Cause		
				System	Procedures	Training
Payroll	Short system window for payroll process.	Short system window for payroll process.	NA	X		
	Daily working hours must be entered for payroll.	Submitting physical timesheets are critical and greater time is needed for payroll processing. This can cause the need for external help and overtime.	Only summary hours needed. PIP system was used for reporting the summary hours.	X		X
	Manual calculation for overtime hours during payroll cycle.	Payroll staff track past timesheets to calculate correct overtime during payroll cycle. This can create the need for help from other financial services staff and result in overtime charges during payroll cycle.	Same problems. Overtime was processed when the original slips were received and there were 3 payroll cycles per pay period, total 6.		X	X
	Inaccurate pay calculation if any HR related changes made during mid pay period.	Payroll Supervisor manually calculates the correct pay using pay simulation (schedule substitution report) and makes adjustments into HRMS.	N/A	X	X	X
	Manual annual leave tracking.	Payroll staff has to manually reduce the annual leave to 240.0 hours.	N/A	X		X
	Sick and annual leave accruals for part-time employees.	HRMS does not properly calculate sick or annual leave accruals for part-time employees. The payroll staff must verify the accruals in the system and manually make the corrections to any sick and annual leave for errors.	PayOne did not calculate sick and annual leave accruals. Manual calculation. at the end of the month but no retro entries needed.	X		X
	Holiday pay for part-time employees.	HRMS does not calculate holiday pay for part-time employees. The payroll staff pro-rates holiday pay for part-time employees at the end of the month. In addition, when there are holidays at the beginning of the pay period and at the end of the pay period, the holiday pay calculation causes retro entry to the beginning pay period.	Same problems. Manual calculation at the end of month but no retro entries needed.			X

	Issues	HRMS	PayOne	Cause		
				System	Procedures	Training
	Manual accruals for salaried full-time employees.	HRMS accrues employees' sick and annual leave monthly; however, employees can use sick or annual leave which was earned from the previous pay period. In this case, payroll staff needs to manually restore the correct leave accruals.	N/A	X	X	
	No reconciliation between HRMS and AFRS.	There are payroll related journal entry adjustments made into AFRS, but not into HRMS. However, there is no reconciliation made between HRMS and AFRS at the agency level.	Same issues.			X