



# OFFICE OF INSPECTOR GENERAL

## FLORIDA DEPARTMENT OF TRANSPORTATION

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Robert E. Clift  
Inspector General

September 11, 2013

Performance Measures FY 11/12  
Advisory Report No. 13P-3001

### EXECUTIVE SUMMARY

As part of our annual audit plan, the Office of Inspector General (OIG) conducted a Performance Measures Assessment pursuant to Section 20.055(2), Florida Statutes (F.S.). We assessed the validity and reliability of four performance measures reported in the 2013/2014 Florida Department of Transportation (department) Long Range Program Plan (LRPP) for the 2011/2012 Fiscal Year (FY). The four performance measures assessed were:

Responsible Office	Performance Measure Reviewed	Valid	Reliable
Office of Work Program and Budget	1. Number of lane miles let to contract for resurfacing (Turnpike not included)	Yes	Yes
	2. Number of lane miles let to contract for resurfacing (Turnpike only)	Yes	Yes
	3. Number of lane miles let to contract for highway capacity improvements (Turnpike not included)	Yes	Yes
	4. Number of lane miles let to contract for highway capacity improvements (Turnpike only)	Yes	Yes

We concluded the above performance measures and supporting data from the 2011/2012 FY were both valid and reliable. We commend the Office of Work Program and Budget (OWPB) for their efforts to ensure the measures are valid and reliable.

We did identify three opportunities for improvement to the process:

1. The OWPB desk procedures and LRPP include definitions of the terms Highway Capacity Improvements, Turnpike and Program Objectives and Accomplishments Report.
2. The OWPB desk procedures provide more detailed instructions for retrieving and calculating the performance measure data.
3. The OWPB desk procedures incorporate Mainframe screenshots of the data retrieval process.

We recommend the Office of Work Program and Budget continue their efforts to ensure valid and reliable data is provided for these performance measures.

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## **BACKGROUND AND INTRODUCTION**

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The Government Accountability and Performance Act of 1994 requires state agencies to implement performance-based program budgeting, which includes establishing legislatively-approved performance measures and standards. Additionally, Section 216.013, F.S., requires state agencies to develop a Long Range Program Plan that is policy-based, priority driven, accountable and developed through careful examination and justification of all agency programs. The statute requires the submission of the LRPP, including prior year performance data, no later than September 30 of each year.

Section 20.055(2)(b), F.S., requires the OIG to assess the validity and reliability of the performance measure information reported by the department and make recommendations for improvement. To comply with these requirements, we reviewed four legislatively-approved 2011/2012 FY performance measures reported in the department's 2013/2014 LRPP.

For this assessment, we used the following definitions from the 2013/2014 LRPP:

**Validity** - The appropriateness of the measuring instrument in relation to the purpose for which it is being used.

**Reliability** - The extent to which the measuring procedure yields the same results on repeated trials and data are complete and sufficiently error free for the intended use.

As part of our assessment, we reviewed each responsible office's performance measure procedures and the department's LRPP and identified the intended purpose for each measure under review. We also reviewed prior reports to determine when each measure was last assessed and the results of that assessment.

In the 2006 OIG Advisory Memorandum No. 06P-0011, the four performance measures were determined to be valid indicators. However, the performance measures were determined to be unreliable due to the improper inclusion of lane miles. The Office of Financial Development took corrective action to further improve the reliability of the reporting process, including the implementation of detective controls to ensure the elimination of any duplicate items.

## **RESULTS OF REVIEW**

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As shown in the table below, we determined:

- The four performance measures provided a valid measure of department performance; and
- The four performance measures provided reliable data that supported what was being measured.

<b>Responsible Office</b>	<b>Performance Measure Reviewed</b>	<b>Valid</b>	<b>Reliable</b>
Office of Work Program and Budget	1. Number of lane miles let to contract for resurfacing (Turnpike not included)	Yes	Yes
	2. Number of lane miles let to contract for resurfacing (Turnpike only)	Yes	Yes
	3. Number of lane miles let to contract for highway capacity improvements (Turnpike not included)	Yes	Yes
	4. Number of lane miles let to contract for highway capacity improvements (Turnpike only)	Yes	Yes

The four performance measures assessed and their corresponding data were developed using a reasonable, eight-step process, including the collection of field data by design consultants and the entry of data into several department systems: Roadway Characteristics Inventory (RCI) System, Financial Management (FM) System and Time Sharing Option (TSO)/Work Program Administration (WPA) System.

We identified effective control activities for the performance measures data, including several layers of management review of data, weekly updates of data by OWPB and restricted data access.

Our testing confirmed adequate controls and processes were in place to ensure the validity and reliability of the performance measures. Test confirmations included the alignment of performance measures with the department's Business Model and the accuracy and repeatability of the data calculations.

We recommend the Office of Work Program and Budget continue their efforts to ensure valid and reliable data is provided for these performance measures.

## **Opportunities for Improvement**

While we confirmed the validity and reliability of the four performance measures, we also identified three opportunities to improve the process:

1. **The OWPB desk procedures and LRPP include definitions of the terms Highway Capacity Improvements, Turnpike and Program Objectives and Accomplishments Report:** While the desk procedures and the LRPP included appropriate definitions, the terms Highway Capacity Improvements, Turnpike and Program Objectives and Accomplishments Report were not defined. The term Highway Capacity Improvements is a broad term left open to interpretation. The term Turnpike is misleading because some readers will equate the term with the geographic Turnpike only and will not consider other intrastate toll roads managed by the department's Turnpike Enterprise. The term Program Objectives and Accomplishments Report is referenced primarily by the Office of Work Program and Budget and may be unfamiliar to other users of the LRPP.
2. **The OWPB desk procedures provide more detailed instructions for retrieving and calculating the performance measure data:** While the OWPB desk procedures provide a reasonable basis for the accurate and reliable collection of performance measure data, the sequential steps in the desk procedures did not provide detailed instructions of the data retrieval process.
3. **The OWPB desk procedures incorporate Mainframe screenshots of the data retrieval process:** While the OWPB desk procedures provide a reasonable basis for the accurate and reliable collection of performance measure data, the sequential steps in the desk procedures did not incorporate established screenshots of the data retrieval process.

## **Appendix A – Purpose, Scope and Methodology**

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The **purpose** of this engagement was to meet the statutory requirement in Section 20.055, F.S., by assessing the reliability and validity of four performance measures and making recommendations for improvement.

The **scope** of the assessment included all information and documentation related to the following four performance measures reported in the department's 2013/2014 LRPP for the 2011/2012 FY:

1. Number of lane miles let to contract for resurfacing (Turnpike not included)
2. Number of lane miles let to contract for resurfacing (Turnpike only)
3. Number of lane miles let to contract for highway capacity improvements (Turnpike not included)
4. Number of lane miles let to contract for highway capacity improvements (Turnpike only)

While the LRPP submitted by the department included 34 performance measures, most have remained unchanged over the years. Therefore, in recent years we have selected performance measures for engagements based on frequency of review.

The **methodology** included:

- reviewing applicable statutes, rules and procedures;
- reviewing prior advisory reports and working papers;
- interviewing appropriate department management regarding performance measure processes; and
- reviewing data sources, data collection, measure definitions and methodologies.

## **APPENDIX B – Management Response**

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Dan Cashin, Program/Resource Allocation Manager, Office of Work Program and Budget, confirmed with the Director of Audit on September 3, 2013 that his office is in agreement with the results of report 13P-3001 Performance Measures FY 11/12.

## **DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE**

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### **Action Official Distribution:**

Lisa Saliba, Director, Office of Work Program and Budget (OWPB)  
Daniel Cashin, Program/Resource Allocation Manager, OWPB

### **Information Distribution:**

Ananth Prasad, P.E., Secretary  
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Richard Biter, Assistant Secretary for Intermodal Systems Development  
Robert Romig, State Transportation Development Administrator  
Jim Wood, Director, Office of Policy Planning (OPP)  
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### **Project Team:**

Engagement was conducted by Destin DuBose, Audit Team Leader  
Under the supervision of:  
Joseph W. Gilboy, Audit Manager; and  
Kristofer B. Sullivan, Director of Audit  
Approved by: Robert E. Clift, Inspector General

### **Statement of Accordance**

*The mission of the department is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.*

*The mission of the Office of Inspector General is to promote integrity, accountability and process improvement in the Department of Transportation by providing objective fact-based assessments to the DOT team.*

This work product was prepared pursuant to Section 20.055, Florida Statutes, in accordance with the applicable Principles and Standards for Offices of Inspectors General as published by the Association of Inspectors General and the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

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