

STATE OF NORTH CAROLINA

PERFORMANCE AUDIT

DEPARTMENT OF PUBLIC INSTRUCTION

KEY AGENCY INDICATORS

JUNE 2011

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA

STATE AUDITOR

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June 14, 2011

The Honorable Beverly Perdue, Governor
Members of the North Carolina General Assembly
The Honorable Dr. June St. Clair Atkinson, State Superintendent, Department of Public
Instruction

Ladies and Gentlemen:

We are pleased to submit this performance audit "*Department of Public Instruction – Key Agency Indicators.*" The audit objectives were to determine if the Department of Public Instruction (Department) has (1) established key agency indicators that have a clear relationship to agency goals, (2) reported accurate and supported performance information to the Office of State Budget and Management (OSBM), and (3) established controls that provide reasonable assurance that its performance data is reported accurately, completely, and consistently. Dr. June St. Clair Atkinson reviewed a draft copy of this report. Her written comments are included in the appendix.

The Office of the State Auditor initiated this audit to ensure that the Governor, Legislature, OSBM, and the citizens of North Carolina have accurate and meaningful information to evaluate state agency performance and make budgeting decisions.

We wish to express our appreciation to the staff of the Department of Public Instruction for the courtesy, cooperation, and assistance provided us during the audit.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth A. Wood".

Beth A. Wood, CPA
State Auditor

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SUMMARY

PURPOSE

This audit evaluated the Department of Public Instruction's (Department) key agency indicators¹ for state fiscal years 2007 through 2010 to ensure that accurate and meaningful information is available to evaluate the Department's performance and make budgeting decisions. This audit makes recommendations so the Governor, Legislature, Office of State Budget and Management, and Department management can take appropriate corrective action.

RESULTS

The Department's key agency indicators are meaningful measures of its performance. Specifically, the key agency indicators are clearly linked to the Department's goals and provide a method for decision-makers such as the Governor, Legislature, Office of State Budget and Management, and Department management to measure the Department's progress toward achieving its goals. Also, the Department has developed a written strategic plan to clearly demonstrate how the Department's key indicators measure progress toward goal-achievement. As a result, decision-makers have information necessary for determining whether the Department is achieving the goals for which state appropriations were allocated to it.

Key agency indicators for state fiscal years 2008-09 and 2009-10 were accurately reported and supported by backup documentation. The Department did not report the key agency indicators directly to the Office of State Budget and Management (OSBM) because OSBM did not require state agencies to update key agency indicators for fiscal years 2008-10. However, the Department publicly reported the key agency indicators in its annual report and on its website each year so that the Governor, Legislators, and taxpayers can evaluate the effectiveness and efficiency of the Department's operations.

The Department has established policies and procedures necessary to ensure that key agency indicator data is accurate, complete, and consistent. Specifically, the Department has policies and procedures in place to ensure that source data for the key indicators is collected in a consistent manner, errors are not introduced when performance data is processed, and key agency indicators are reviewed for accuracy and consistency before they are reported. Such procedures prevent the reporting of incomplete, inaccurate, and invalid performance data. However, the Department does not have sufficient policies and procedures in place to ensure that access to performance data is restricted to authorized individuals.

¹ Key agency indicators are performance measures that identify and measure the key results necessary for an agency to achieve its goals. The Office of State Budget and Management states that key agency indicators should "provide stakeholders, both internal and external to the agency, a clear message of what is important and how the agency is progressing toward achievement in the identified areas."

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RECOMMENDATIONS

The Department should develop written procedures for authorizing and terminating user access rights to performance information systems. The Department should develop written procedures for password management to prevent unauthorized access to performance information systems. The Department should assign a specific user ID and password to each individual user so that accountability can be established for all performance information system activities.

OSBM should enforce its requirement that agencies update key agency indicators annually.

AGENCY'S RESPONSE

The Agency's response is included in the appendix.

INTRODUCTION

BACKGROUND

On January 12, 2009, the Governor issued Executive Order No. 3, “On-Site and State-Stat Performance Management and Accountability,” to improve program and management performance at state agencies and to maximize efficiency and effectiveness when spending taxpayer dollars. Executive Order No. 3 requires each Cabinet-level department² to develop a strategic plan that clearly and concisely states the (1) mission of the department, (2) goals of the department, (3) strategies for achieving department goals, and (4) measures that demonstrate how well the goals are being achieved.

The Office of State Budget and Management (OSBM) also requires all state agencies to perform strategic planning and identify the agency’s mission, goals, and performance measures as part of the State’s budget process. OSBM requires this information from state agencies to ensure that the State’s budget process encourages efficient and effective government and emphasizes performance and accountability. OSBM also wants to ensure that the State’s budget process provides “decision makers with detailed information in order to assess the effectiveness of state programs and to inform the public about state government work and subsequent results.”³

In compliance with the State’s 2008 budget process, the Department of Public Instruction (Department) submitted its mission, goals, and performance measures to OSBM.

The Department’s mission is that every public school student will graduate from high school, globally competitive for work and postsecondary education and prepared for life in the 21st Century.⁴

The Department also established goals or steps to achieve its mission. The Department’s goals are:

- North Carolina public schools will produce globally competitive students.
- North Carolina public schools will be led by 21st Century professionals.
- North Carolina public school students will be healthy and responsible.
- Leadership will guide innovation in North Carolina public schools.
- North Carolina public schools will be governed and supported by 21st Century systems.

² Executive Order No. 3 encouraged and invited the Board of Governors of the University of North Carolina System, the State Board of Community Colleges, State Board of Education, the Administrative Office of the Courts, and each of the heads of the Council of State agencies to participate in the Executive Order.

³ OSBM’s “Results-Based Budgeting, Preparing for the 2009-11 Biennium,” pg. 1.

⁴ A Department representative defined “Twenty-First Century” as learning, teaching, and working in environments that require higher-order thinking, innovation, and creativity and that capitalize on the use of various digital technologies that provide instant access to multiple resources and an interactive delivery method. “Twenty-First Century” also encompasses the importance of a global- and cultural-awareness context and the need for adaptability in rapidly changing environments while working to maximize intellectual capacity that will grow our economy.

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To demonstrate progress in achieving its goals, the Department developed the following three “key agency indicators:”⁵

1. Percentage of schools meeting the ABCs Expected Growth Standard or High Growth Standard;
2. Percentage of students graduating from high school within four years of entering the 9th grade; and
3. Percentage of Adequate Yearly Progress targets met statewide.

The Department has established several subgoals that tie the key agency indicators directly to departmental goals. A detail listing of these subgoals can be found in the Appendix.

To achieve its goals and serve the citizens of North Carolina, the Department received about \$7.4 billion in state appropriations for fiscal year 2010.

OBJECTIVES, SCOPE, AND METHODOLOGY

The audit objectives were to determine if the Department of Public Instruction (Department) has (1) established key agency indicators that have a clear relationship to agency goals, (2) reported accurate and supported performance information to the Office of State Budget and Management (OSBM), and (3) established controls that provide reasonable assurance that its performance data is reported accurately, completely, and consistently.

The Office of the State Auditor initiated this audit to ensure that the Governor, Legislature, OSBM, and the citizens of North Carolina have accurate and meaningful information to evaluate state agency performance and make budgeting decisions.

The audit scope included key agency indicators reported for state fiscal years 2007 through 2010. We conducted the fieldwork from October 2010 to November 2010.

To determine if the Department established key agency indicators that have a clear relationship to agency goals and accurately reflect the performance being measured, we compared agency indicators to the strategic plan and to the definition of “outcome-based” measures.⁶ We also interviewed agency management, OSBM personnel, General Assembly Fiscal Research Division personnel, and legislative oversight committee members.

To determine if the Department reported accurate, supported performance information to the OSBM, we reviewed key agency indicator calculations and supporting documentation.

To determine if the Department established controls that provide reasonable assurance that its performance data is reported accurately, completely, and consistently, we compared agency performance data collection, processing, and reporting practices to identified data quality assurance best practices.

⁵ OSBM budget instructions describe key agency indicators as follows: “Developed in conjunction with an agency’s mission statement and linked directly to goals, key indicators provide a big picture gauge of an agency, the work it values, and the progress it will make over the course of the next few years.”

⁶ The National State Auditors Association states, “Outcome measures show results of the services provided. Outcome measures assess program impact and effectiveness and show whether expected results are achieved.”

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Because of the test nature and other inherent limitations of an audit, together with limitations of any system of internal and management controls, this audit would not necessarily disclose all performance weaknesses or lack of compliance.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

We conducted this audit under the authority vested in the State Auditor of North Carolina by *North Carolina General Statute 147.64*.

FINDINGS AND RECOMMENDATIONS

1. CLEAR RELATIONSHIPS EXIST BETWEEN KEY INDICATORS AND AGENCY GOALS

The Department of Public Instruction's (Department) key agency indicators are meaningful measures of the Department's performance. Specifically, the key agency indicators are clearly linked to the Department's goals and provide a method for the Governor, Legislators, and management to measure the Department's progress in achieving its goals. The existence of a clear relationship between the key indicators and agency goals is explained in part by the Department's development of a strategic plan.

Key Agency Indicators Are Linked To Goals and Measure Goal Achievement

Performance measures can help direct and motivate employee behavior toward the achievement of agency goals if the measures are clearly linked to the agency's goals. Additionally, outcome measures (measures that show the results of the services provided) can be used to "assess program impact and effectiveness and show whether expected results are achieved."⁷

The Department's three key agency indicators are clearly linked to its stated goals and are outcome measures that measure the Department's success in achieving its stated goals.

The first key agency indicator, "Percentage of schools meeting the ABCs Expected Growth Standard or High Growth Standard," measures the academic growth of student performance over a period of time. Components of this measure include:

- The changes in student End of Grade or End of Course test scores;
- The number of student graduates enrolled in College Prep or College Tech Prep courses; and
- The change in school dropout rates.

These components directly tie to the goals that North Carolina public schools will produce globally competitive students and North Carolina public schools will be governed and supported by a 21st Century system.

The second key agency indicator, "Percentage of students graduating from high school within four years of entering the 9th grade," measures the degree to which students successfully complete all required courses of a defined curriculum and graduate from high school within four years of entering ninth grade. This measure also directly ties to the goal that North Carolina public schools will produce globally competitive students. The direct tie is found in the subgoal that every student will excel in a rigorous and relevant core curriculum that reflects what students need to know and demonstrate in a 21st Century environment, including a master of languages, an appreciation of the arts, and competencies in the use of technology.

The third key agency indicator, "Percentage of Adequate Yearly Progress targets met statewide," measures the degree that certain groups of students are performing at or

⁷ NSAA. Best Practices in Performance Measurement. 2004

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above their grade level. This measure directly ties to the goals that North Carolina public schools will produce globally competitive students and be governed and supported by a 21st Century system. The direct ties are found in the subgoals:

- Every student excels in a rigorous and relevant core curriculum that reflects what students need to know and demonstrate in a 21st Century environment, including a master of languages, and appreciation of the arts, and competencies in the use of technology;
- Every student's achievement is measured with an assessment system that informs instruction and evaluates knowledge, skills, and dispositions needed in the 21st Century; and
- Procedures are in place to support and sanction schools that are not meeting state standards for student achievement.

Linking performance measures to agency goals and using outcome-based key indicators are best practices.

The Government Accountability Office (GAO) recommends that agencies link performance measures to agency goals. The GAO states:⁸

"Performance goals and measures should align with an agency's goals and mission. A cascading or hierarchal linkage moving from top management down to the operational level is important in setting goals agency wide, and the linkage from the operational level to the agency level provides managers and staff throughout an agency with a road map that (1) shows how their day-to-day activities contribute to attaining agency wide goals and mission and (2) helps define strategies for achieving strategic and annual performance goals."

The GAO notes that linking performance measures to goals can create behaviors and incentives that support organizational goals.

Additionally, the Office of State Budget and Management (OSBM) requires state agencies to provide outcome-based key indicators. OSBM budget instructions state:

"Key indicators should be outcome-based and inclusive of various programs, activities, and funds in order to provide stakeholders, both internal and external to the agency, a clear message of what is important and how the agency is progressing toward achievement in the identified areas."

Outcome-based performance measures help decision-makers determine whether the agency is achieving its goals and whether the agency is effectively achieving the desired social, civic, economic, or environmental impact.

⁸Government Accountability Office. Report no. [GAO-03-0143](#). November 2002

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Key Agency Indicators Are Used For Decision Making

Performance measures can provide useful information for decision-makers. The National State Auditors Association states, "A good process for developing performance measures would include assessing each performance measure by asking 'Is the measure useful to others [i.e. decision-makers]?' " ⁹

The Department's key agency indicators are used for decision making. Department management uses the key agency indicators to make operational and strategic decisions. Management noted that the key agency indicator "percentage of Adequate Yearly Progress targets met statewide" is used in determining school designations that help identify low performing schools that may be eligible for discretionary funding. Personnel from the General Assembly Fiscal Research Division stated that the key agency indicator "percentage of students graduating from high school within four years of entering the 9th grade" is used when considering how to direct certain programs to low graduation rate districts and schools. Additionally, the Co-Chairs of the Education Subcommittee on Pre-School, Elementary and Secondary Education House Standing committee and the Education/Higher Education Senate Standing Committee described instances where the Department's key agency indicators were used to make decisions, such as setting policy and prioritizing for K-12 programming.

Performance measures should be useful for decision-making. The Government Finance Officers Association (GFOA) states, "Performance measures should be monitored and used in managerial decision-making processes."¹⁰ Furthermore, OSBM budget instructions require agencies to develop a set of key agency indicators that "impact and link to budget decisions."

If the performance measures are not useful for decision-making, the Department may waste time and effort collecting the data and calculating the measures. Additionally, the Governor, Legislators, and management may not have the information they need to evaluate the Department's performance and make resource allocation decisions.

Written Strategic Plan Has Been Developed

The Department has developed a written strategic plan to ensure that key agency indicators are clearly linked to goals, measure goal-achievement, and are useful for decision making. In part, strategic planning includes preparing a mission statement, agreeing on a small number of broad goals, developing strategies to achieve the goals, creating an action plan, developing measurable objectives, and incorporating performance measures to "provide an important link between the goals, strategies, actions, and objectives stated in the strategic plan." ¹¹

⁹ NSAA. Best Practices in Performance Measurement. 2004

¹⁰ GFOA. Performance Management: Using Performance Measurement for Decision Making. 2002 and 2007

¹¹ GFOA. Recommended Budget Practice on the Establishment of Strategic Plans. 2005

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Strategic planning is a best practice recommended by the GFOA and the Governor of North Carolina. The GFOA recommends that “all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals.”¹² Furthermore, the Governor’s Executive Order No. 3 states:

“Each department shall develop a strategic planning process and continually update a strategic plan in compliance with guidance from the Office of State Budget and Management (OSBM) and the Governor’s Policy Office. Departments shall submit their plans annually to OSBM and the Governor’s Office. The plans shall include clear, concise, and focused statements of at least the following:

- (a) The mission of the department.
- (b) The goals of the department.
- (c) The strategies for achieving department goals.
- (d) Measures that demonstrate how well the goals are being achieved.
- (e) A description of the department strategic planning process.”

Performing strategic planning and developing a written strategic plan helps to ensure state agencies effectively and efficiently fulfill its mission, achieve its goals, and serve the citizens of North Carolina.

2. ACCURATE AND SUPPORTED INFORMATION REPORTED ON KEY AGENCY INDICATORS

The Department of Public Instruction (Department) reported the updated key agency indicators described above in the Department’s public annual report and website. All three of the performance measures were accurately reported and were sufficiently supported by backup documentation.

The Department did not report updated measures to the Office of State Budget and Management (OSBM) for state fiscal years 2008-09 and 2009-10. It should be noted that OSBM did not require state agencies to update key agency indicators for fiscal years 2008-2010.

Key agency indicators provide important information to the Governor, Legislators, and management so that they can understand the agency’s goals and evaluate agency performance. The state budgeting instructions define the purpose of key indicators:

“Developed in conjunction with an agency’s mission statement and linked directly to goals, key indicators provide a big picture gauge of an agency, the work it values, and the progress it will make over the course of the next few years.”

¹² GFOA. Recommended Budget Practice on the Establishment of Strategic Plans. 2005

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Reporting on key agency indicators provides information available for making budgeting and resource allocation decisions. Reporting on key agency indicators also provides operational transparency and the public's ability to evaluate the efficiency and effectiveness of state operations.

Recommendation: OSBM should enforce its requirement that agencies update key agency indicators annually.

3. CONTROLS ARE GENERALLY ADEQUATE, BUT DATA ACCESS CONTROLS NEED IMPROVEMENT

The Department of Public Instruction (Department) has established policies and procedures necessary to ensure that key agency indicator data is accurate, complete, and consistent. Specifically, the Department has policies and procedures in place to ensure that (1) source data for the key indicators is collected in a consistent manner, (2) errors are not introduced when performance data is processed, and (3) key agency indicators are reviewed for accuracy and consistency before they are reported. However, the Department does not have sufficient policies and procedures in place to ensure that access to performance data is restricted to authorized individuals.

Performance Data Collection

The Department has policies and procedures in place to ensure that the source data for the key agency indicators is collected in a consistent manner. Specifically, the Department has:

- Written procedures and methodology for collecting performance data;
- Review procedures to ensure adherence to data collection procedures; and
- Documented staff training in proper data collection procedures.

The Government Accountability Office recommends that government agencies clearly document internal controls,¹³ review and validate the propriety and integrity of performance measures and indicators, and ensure employees are properly trained to perform assigned tasks.

Furthermore, state budget instructions imply that an agency should have policies and procedures in place to ensure consistent performance data collection. The state budget instructions require, "An agency's measures should be consistent over time so that the data presented are easy to compare from year to year."

If source data is not collected in a consistent manner from period to period, the results may not be comparable and may not be legitimate.

¹³ Government Auditing Standards state, "Internal control, sometimes referred to as management control, in the broadest sense includes the plan, policies, methods, and procedures adopted by management to meet its missions, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It includes the systems for measuring, reporting, and monitoring performance."

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Performance Data Processing

The Department has policies and procedures in place to ensure that errors are not introduced in the performance measurement process when data is entered, transcribed, or transferred during the reporting process. Specifically, the Department has:

- Written procedures and methodology for entering performance data;
- Written procedures for checking data for obvious inaccuracies, checking data consistency, and checking data against source documents; and
- Documented staff training in proper data entry procedures.

The Government Accountability Office recommends that government agencies clearly document policies and procedures and ensure employees are properly trained to perform assigned tasks.

Furthermore, state budget instructions require, “Data for performance indicators should be accurate, on file, and auditable.”¹⁴

Without written procedures and trained staff, reported performance measurement information may be incomplete, inaccurate, and invalid.

Performance Data Reporting

The Department has policies and procedures in place to ensure that performance data is reported accurately. Specifically, the Department:

- Requires responsible officials to certify that proper procedures were followed in collecting and calculating key agency indicators; and
- Requires responsible officials to certify that data accuracy has been checked before being reported.

State budget instructions require data for performance indicators to be accurate.¹⁵

Requiring responsible officials to certify that proper procedures were followed and that data accuracy was checked will help ensure that performance measurement information is complete, accurate, and valid.

Performance Data Access

The Department does not have sufficient policies and procedures in place to ensure that access to performance data is restricted to authorized individuals. Specifically, the Department does not have:

- Written procedures for the authorization and revocation of user access rights to the performance measurement system;

¹⁴ OSBM’s “Results-Based Budgeting, Preparing for the 2009-11 Biennium,” pg. 26.

¹⁵ OSBM’s “Results-Based Budgeting, Preparing for the 2009-11 Biennium,” pg. 26.

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- Written procedures for password management such as password secrecy and force change of passwords every 90 days; and
- Unique user accounts assigned to individuals, but allow some groups to share a single User ID and password.

North Carolina Statewide Information Technology Standards (ITS) require all state agencies to establish procedures for access rights and password management in order to prevent unauthorized access to agency networks and data. Additionally, ITS requires a unique user ID and password be assigned to each user so that individual accountability can be established for all system activities.

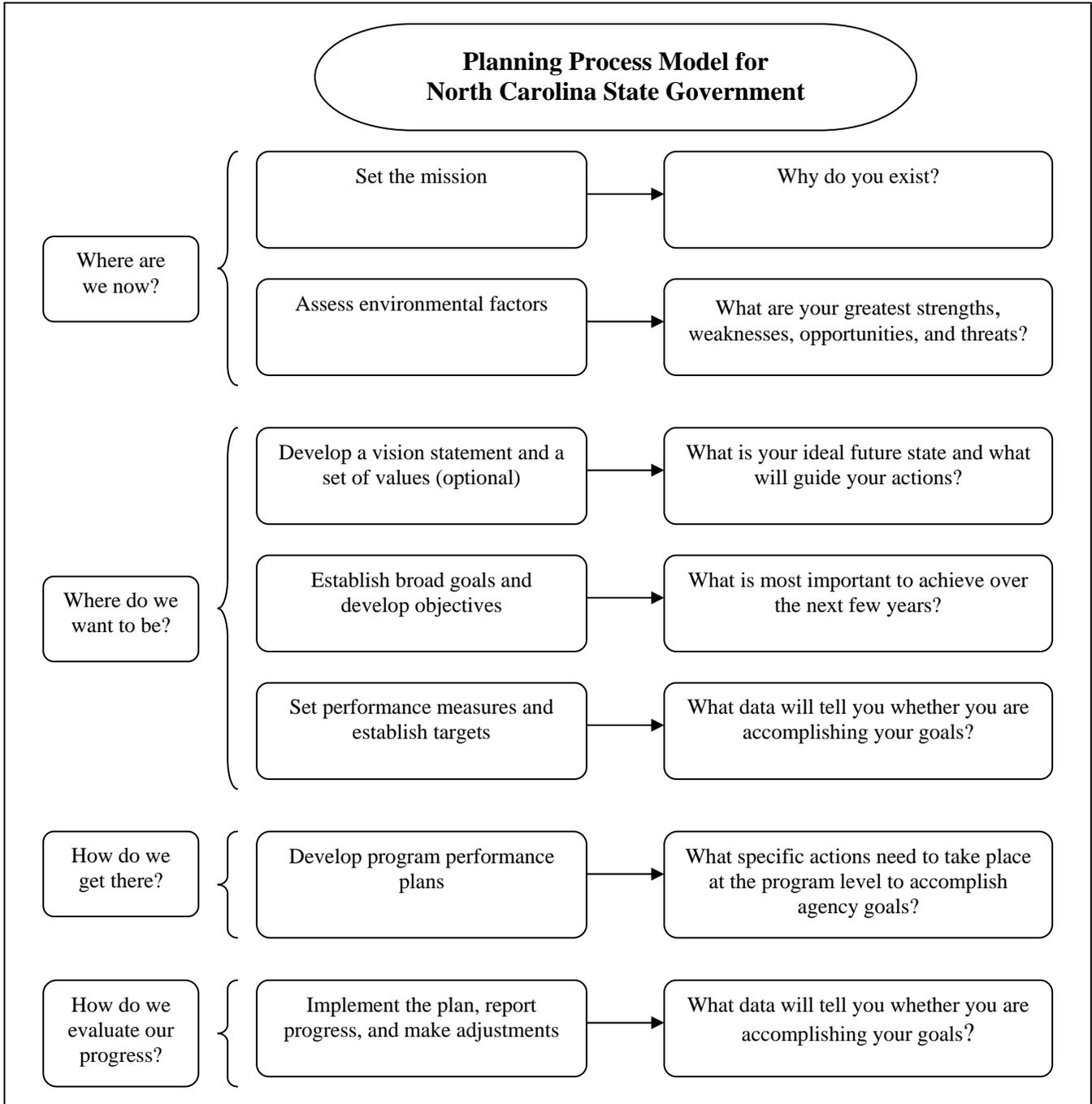
Recommendation: The Department should develop written procedures for authorizing and terminating user access rights to performance information systems. The Department should develop written procedures for password management to prevent unauthorized access to performance information systems. The Department should assign a specific User ID and password to each individual user so that accountability can be established for all performance information system activities.

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APPENDIX

PLANNING PROCESS MODEL

The diagram below details the recommended planning process for North Carolina state government.



Source: OSBM's "Planning Guidelines for North Carolina State Government – March 2010", pg. 5.

DEPARTMENT OF PUBLIC INSTRUCTION GOALS AND SUBGOALS

Goal 1: North Carolina public schools will produce globally competitive students.

- Every student excels in rigorous and relevant core curriculum that reflects what students need to know and demonstrate a global 21st Century environment, including a mastery of languages, an appreciation of the arts, and competencies in the use of technology.
- Every student's achievement is measured with an assessment system that informs instruction and evaluates knowledge, skills, performance, and dispositions needed in the 21st Century.
- Every student will be enrolled in a course of study designed to prepare them to stay ahead of international competition.
- Every student uses technology to access and demonstrate new knowledge and skills that will be needed as a life-long learner to be competitive in a constantly changing international environment.
- Every student has the opportunity to graduate from high school with an Associates Degree or college transfer credit.

Goal 2: North Carolina public schools will be led by 21st Century professionals.

- Every teacher will have the skills to deliver 21st Century content in a 21st Century context with 21st Century tools and technology that guarantees student learning.
- Every teacher and administrator will use a 21st Century assessment system to inform instruction and measure 21st Century knowledge, skills, performance, and dispositions.
- Every education professional will receive preparation in the interconnectedness of the world with knowledge and skills, including language study.
- Every education professional will have 21st Century preparation and access to ongoing high quality professional development aligned with State Board of Education priorities.
- Every educational professional uses data to inform decision.

Goal 3: North Carolina public school students will be healthy and responsible

- Every learning environment will be inviting, respectful, supportive, inclusive, and flexible for student success.
- Every school provides an environment in which each child has positive, nurturing relationships with caring adults.
- Every school promotes a healthy, active lifestyle where students are encouraged to make responsible choices.
- Every school focuses on developing strong student character, personal responsibility, and community/world involvement.
- Every school reflects a culture of learning that empowers and prepares students to be life-long learners.

Goal 4: Leadership will guide innovation in North Carolina public schools.

- School professionals will collaborate with national and international partners to discover innovative transformational strategies that will facilitate change, remove barriers for 21st Century learning, and understand global connections.
- School leaders will create a culture that embraces change and promotes dynamic continuous improvement.
- Educational professionals will make decisions in collaboration with parents, students, businesses, education institutions, and faith-based and other community and civic organizations to impact student success.
- The public school professionals will collaborate with community colleges and public and private universities and colleges to provide enhanced educational opportunities for students

Goal 5: North Carolina public schools will be governed and supported by 21st Century systems.

- Processes are in place for financial planning and budgeting that focuses on resource attainment and alignment with priorities to maximize student achievement.
- Twenty-first century technology and learning tools are available and are supported by school facilities that have the capacity for 21st Century learning.
- Information and fiscal accountability systems are capable of collecting relevant data and reporting strategic and operational results.
- Procedures are in place to support and sanction schools that are not meeting state standards for student achievement.



PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | June St. Clair Atkinson, Ed.D., *State Superintendent*

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March 18, 2011

The Honorable Beth A. Wood, CPA
State Auditor
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Dear Ms. Wood:

We are please to submit our written responses to your findings in connection with the performance audit of the Department of Public Instruction's (DPI) key agency indicators for state fiscal years 2007 through 2010. The DPI responses are as follows:

1. **Recommendation:** *OSBM should enforce its requirement that agencies update key agency indicators annually.*

We agree with the recommendation. DPI routinely posts the information on the DPI website and will submit it to OSBM by their requested date.

2. **Recommendation:** *The Department should develop written procedures for authorizing and terminating user access rights to performance information systems. The Department should develop written procedures for password management to prevent unauthorized access to performance information systems. The Department should assign a specific User ID and password to each individual user so that accountability can be established for all performance information system activities.*

We agree with the recommendation and already are in the process of updating the policies and procedures that pertain to the user access rights to the performance information systems identified in the report. The programming modifications to the system should be completed by May 15, 2011, at the latest.

Please contact Dr. Lou Fabrizio (919. 807.3770; Lfabrizio@dpi.state.nc.us) or me if you have any questions about our responses. As always, we appreciate the effort and professionalism of your staff in conducting the audit. My staff and I are thankful for the recommendations for continuous improvements of our systems and operations.

Sincerely,

Handwritten signature of June St. Clair Atkinson in cursive.

Dr. June St. Clair Atkinson
State Superintendent

C: Rebecca Garland, Chief Academic Officer
Angela Quick, Deputy Chief Academic Officer
Lou Fabrizio, Director of Accountability Policy & Communications
Dare O'Connor, Director, Internal Auditing

OFFICE OF THE STATE SUPERINTENDENT

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